

WHEELOCK

PROPERTIES

Co. Reg. No. 197201797H
(Incorporated in the Republic of Singapore)

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2009

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WHEELOCK PROPERTIES (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)

1(a)(i) CONSOLIDATED INCOME STATEMENT

	Quarter ended			Period ended		
	30 Jun 2009	30 Jun 2008	Change	30 Jun 2009	30 Jun 2008	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	78,393	87,861	(10.8)	163,471	152,659	7.1
Cost of Sales	(41,674)	(54,447)	(23.5)	(89,262)	(98,008)	(8.9)
Gross Profit	36,719	33,414	9.9	74,209	54,651	35.8
Other Income						
- Changes in Fair Value on Investment Property	0	89,646	(100.0)	0	89,546	(100.0)
- Others	504	489	3.1	1,162	3,496	(66.8)
	504	90,135	(99.4)	1,162	93,042	(98.8)
Selling and Marketing Expenses	(53)	(105)	(49.5)	(118)	(141)	(16.3)
Administrative and Corporate Expenses	(1,259)	(1,168)	7.8	(3,730)	(3,448)	8.2
Other Operating Expenses						
- Impairment Loss on Investments	0	(85,371)	(100.0)	(23,274)	(85,371)	(72.7)
- Others	(1,061)	(39)	NM	(1,504)	(512)	NM
	(1,061)	(85,410)	(98.8)	(24,778)	(85,883)	(71.1)
Profit From Operations	34,850	36,866	(5.5)	46,745	58,221	(19.7)
Finance Costs	(176)	(475)	(62.9)	(519)	(1,088)	(52.3)
Profit Before Taxation	34,674	36,391	(4.7)	46,226	57,133	(19.1)
Income Tax Expense	(5,809)	(21,128)	(72.5)	(7,527)	(25,012)	(69.9)
Profit For The Period	28,865	15,263	89.1	38,699	32,121	20.5

1(a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended			Period ended		
	30 Jun 2009	30 Jun 2008	Change	30 Jun 2009	30 Jun 2008	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit For The Period	28,865	15,263	89.1	38,699	32,121	20.5
Other Comprehensive Income:						
Available-for-sale Financial Assets						
- Net Changes in Fair Value	117,789	(9,539)	NM	117,789	(199,228)	NM
- Net Changes in Fair Value Transferred to the Income Statement	0	85,371	(100.0)	0	85,371	(100.0)
Exchange Differences Arising on Consolidation of Foreign Subsidiaries	1	0	NA	2	0	NA
Income Tax Relating to Components of Other Comprehensive Income	0	545	(100.0)	0	24,709	(100.0)
Other Comprehensive Income For The Period, Net of Tax	117,790	76,377	54.2	117,791	(89,148)	232.1
Total Comprehensive Income For The Period	146,655	91,640	60.0	156,490	(57,027)	374.4

Tax effects relating to each component of other comprehensive income:

	Quarter ended			Period ended		
	30 Jun 2009	30 Jun 2008	Change	30 Jun 2009	30 Jun 2008	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Exchange Differences Arising on Consolidation of Foreign Subsidiaries						
Before Tax	1	0	NA	2	0	NA
Tax Expense	0	0	NA	0	0	NA
Net of Tax	1	0	NA	2	0	NA
Available-for-sale Financial Assets						
Before Tax	117,789	75,832	55.3	117,789	(113,857)	203.5
Tax Benefit	0	545	(100.0)	0	24,709	(100.0)
Net of Tax	117,789	76,377	54.2	117,789	(89,148)	232.1

1(a)(iii) NOTES TO THE CONSOLIDATED INCOME STATEMENT

The following items have been charged or (credited) in arriving at profit for the period:

	Quarter ended			Period ended		
	30 Jun 2009	30 Jun 2008	Change	30 Jun 2009	30 Jun 2008	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	(441)	(550)	(19.8)	(949)	(1,279)	(25.8)
Exchange gain (net)	(1)	(4)	(75.0)	0	0	NA
Loss/(Gain) on disposal of property, plant and equipment	0	72	(100.0)	0	(2,124)	(100.0)
Others	(62)	(7)	785.7	(213)	(93)	129.0
Other income - others	(504)	(489)	3.1	(1,162)	(3,496)	(66.8)
Changes in fair value on investment property	949	0	NA	1,340	0	NA
Dividend income from investments	(1,009)	(6,132)	(83.5)	(1,009)	(6,132)	(83.5)
Depreciation of property, plant and equipment	58	51	13.7	117	101	15.8
Exchange loss (net)	0	0	NA	0	435	(100.0)
Interest expense	169	470	(64.0)	502	1,078	(53.4)
Under/(Over) provision of tax in prior years	8	68	(88.2)	(4,318)	72	NM

NA : Not Applicable
 NM : Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Property, Plant and Equipment	1,116	125,551	1,002	125,439
Investment Properties	918,241	790,000	128,241	0
Amounts Due From Subsidiaries	0	0	461,544	573,810
Interests in Subsidiaries	0	0	232,822	227,830
Interests in an Associate	7	7	0	0
Investments	236,877	142,363	0	0
Other Non-Current Assets	524	524	524	524
	1,156,765	1,058,445	824,133	927,603
Current Assets				
Development Properties	660,736	693,041	168,058	235,196
Trade and Accrued Receivables	37,335	148,405	10,021	13
Amounts Due From Subsidiaries	0	0	193,684	695
Amounts Due From Related Corporations	27	49	27	44
Other Receivables	2,150	1,547	530	278
Cash and Cash Equivalents	774,964	756,677	601,522	572,044
	1,475,212	1,599,719	973,842	808,270
Total Assets	2,631,977	2,658,164	1,797,975	1,735,873
Equity Attributable to Equity Holders of the Company				
Share Capital	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	1,082,398	997,702	301,472	376,934
Total Equity	2,138,299	2,053,603	1,357,373	1,432,835
Non-Current Liabilities				
Interest-bearing Liabilities	297,432	297,138	194,852	193,390
Deferred Tax Liabilities	91,309	78,270	9,968	529
	388,741	375,408	204,820	193,919
Current Liabilities				
Trade Payables	56,593	54,661	7,949	6,848
Other Payables	20,762	22,955	3,390	6,865
Amounts Due to Subsidiaries	0	0	224,443	95,406
Interest-bearing Liabilities	0	95,000	0	0
Current Tax Payable	27,582	56,537	0	0
	104,937	229,153	235,782	109,119
Total Liabilities	493,678	604,561	440,602	303,038
Total Equity and Liabilities	2,631,977	2,658,164	1,797,975	1,735,873

REVIEW OF FINANCIAL POSITION

Group

Decrease in property, plant and equipment of \$124 million was mainly due to the reclassification of property under development to investment properties as the Group has adopted Amendments to Financial Reporting Standard 40 – Investment Property which became effective on 1 January 2009.

Increase in investment properties of \$128 million was mainly due to the reclassification of property under development to investment properties as explained above.

Increase in investments of \$95 million was mainly due to the increase in market value of the Group's investments in Hotel Properties Limited ("HPL") and SC Global Developments Ltd ("SC Global"). Impairment loss of \$23 million was charged to the income statement in the 1st quarter ended 31 March 2009 and subsequent increase in market value of \$118 million was credited to the fair value reserve in the 2nd quarter ended 30 June 2009.

Decrease in development properties of \$32 million was mainly due to progress billings from the development properties projects, Scotts Square and Ardmore II. This was partially offset by profit recognition on the development properties projects and construction costs incurred.

Decrease in trade and accrued receivables of \$111 million was mainly due to higher progress billings and accrued receivables as at the end of the last financial year which were subsequently received in the current financial period.

Increase in reserves of \$85 million was mainly due to the increase in market value of the Group's investments in HPL and SC Global and profits recognised in the current period, partially offset by the payment of dividends.

Decrease in interest-bearing liabilities of \$95 million was mainly due to the repayment of a bank loan upon maturity.

Increase in deferred tax liabilities of \$13 million was mainly due to increased profits recognised from Ardmore II and Scotts Square and recognition of group relief whereby the transferor companies recognised deferred tax liabilities. This was partially offset by adjustment to deferred tax liabilities due to the reduction in corporate income tax rate from 18% to 17% effective from year of assessment 2010.

Decrease in current tax payable of \$29 million was mainly due to payment of income tax for year of assessment 2009 and recognition of group relief whereby the transferee companies reduced their current tax payable.

Company

Decrease in property, plant and equipment of \$124 million was due to the reclassification of property under development to investment property as the Group has adopted Amendments to Financial Reporting Standard 40 – Investment Property which became effective on 1 January 2009.

Increase in investment property of \$128 million was due to the reclassification of property under development to investment property as explained above.

Increase in amounts due from subsidiaries of \$81 million was mainly due to an inter-company loan to a subsidiary to repay its bank loan.

Decrease in development property of \$67 million was mainly due to progress billings from the development property project, Scotts Square. This was partially offset by profit recognition on the development property project and construction costs incurred.

Increase in cash of \$29 million was mainly due to sales proceeds received from Scotts Square project and net transfer of funds from subsidiaries, partially offset by the payment of dividends and construction cost.

Decrease in reserves of \$75 million was mainly due to the payment of dividends.

Increase in deferred tax liabilities of \$9 million was mainly due to recognition of group relief whereby the transferor company recognised deferred tax liabilities. Increased profits recognised from Scotts Square also attributed to the increase in deferred tax liabilities. This was partially offset by adjustment to deferred tax liabilities due to reduction in corporate income tax rate from 18% to 17% effective from year of assessment 2010.

Increase in amounts due to subsidiaries of \$129 million was mainly due to transfer of surplus funds from subsidiaries.

1(b)(ii) BORROWINGS

	Group	
	30 Jun 2009	31 Dec 2008
	\$'000	\$'000
Repayable within one year: Interest-bearing Liabilities (unsecured)	0	95,000
	0	95,000
Repayable after one year but within five years: Interest-bearing Liabilities (secured)	297,432	297,138
	297,432	297,138

The secured interest-bearing liabilities are generally secured by mortgages over the Group's development properties and investment property in Singapore, legal assignment of all rights, titles, interests and benefits under contracts in respect of the properties and corporate guarantees issued by the Company.

The secured interest-bearing liabilities are secured on the following assets:

	Group	
	30 Jun 2009	31 Dec 2008
	\$'000	\$'000
Development properties	380,775	446,104
Investment property	128,241	0
Property, plant and equipment (Property under development)	0	124,323
	509,016	570,427

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	Quarter ended		Period ended	
	30 Jun 2009	30 Jun 2008	30 Jun 2009	30 Jun 2008
	\$'000	\$'000	\$'000	\$'000
Operating Activities				
Profit for the period	28,865	15,263	38,699	32,121
Adjustments for:				
Income tax expense	5,809	21,128	7,527	25,012
Depreciation of property, plant and equipment	58	51	117	101
Exchange loss	1	0	2	0
Loss/(Gain) on disposal of property, plant and equipment	1	72	1	(2,124)
Interest expense	169	470	502	1,078
Interest income	(441)	(550)	(949)	(1,279)
Changes in fair value on investment property	949	(89,646)	1,340	(89,546)
Impairment loss on investments	0	85,371	23,274	85,371
Dividend income from investments	(1,009)	(6,132)	(1,009)	(6,132)
Operating profit before working capital changes	34,402	26,027	69,504	44,602
Changes in working capital:				
Development properties	3,621	265,655	33,392	280,575
Trade and accrued receivables	42,334	(93,821)	111,070	(56,000)
Amounts due from related corporations	10	(11)	23	5
Other receivables	(26)	(748)	(294)	(1,074)
Trade payables	1,435	14,738	1,933	5,739
Other payables	(3,971)	(3,778)	(2,163)	(4,456)
Cash generated from operations	77,805	208,062	213,465	269,391
Interest received	546	1,101	1,303	2,735
Income taxes paid	(23,011)	(781)	(23,442)	(1,051)
Dividends paid	(71,794)	(71,794)	(71,794)	(71,794)
Cash flows from operating activities	(16,454)	136,588	119,532	199,281

	Quarter ended		Period ended	
	30 Jun 2009	30 Jun 2008	30 Jun 2009	30 Jun 2008
	\$'000	\$'000	\$'000	\$'000
Investing Activities				
Proceeds from sale of property, plant and equipment (Note 1)	0	(72)	0	19,494
Purchase of property, plant and equipment	(1)	(5,006)	(51)	(8,023)
Expenditure on investment properties	(3,038)	(355)	(4,965)	(455)
Acquisition of investments	0	0	0	(10,762)
Dividends received	1,009	6,132	1,009	6,132
Cash flows from investing activities	(2,030)	699	(4,007)	6,386
Financing Activities				
Repayment of bank loans	(95,000)	(33,000)	(95,000)	(41,000)
Drawdown of bank loans	1,341	1,366	1,341	2,666
Finance costs	(848)	(1,753)	(3,579)	(4,273)
Cash flows from financing activities	(94,507)	(33,387)	(97,238)	(42,607)
Net (Decrease)/Increase in Cash and Cash Equivalents	(112,991)	103,900	18,287	163,060
Cash and Cash Equivalents At Beginning of Period	873,187	613,083	741,909	553,923
Cash and Cash Equivalents At End of Period (Note 2)	760,196	716,983	760,196	716,983

Note 1: This amount was related to an under provision of professional fees relating to the disposal of 34 Grosvenor Square. Proceeds from sale of property, plant and equipment are net of transactions costs.

	Quarter ended		Period ended	
	30 Jun 2009	30 Jun 2008	30 Jun 2009	30 Jun 2008
	\$'000	\$'000	\$'000	\$'000
Note 2				
Cash and Cash Equivalents in the Statement of Cash Flows	760,196	716,983	760,196	716,983
Add: Deposits pledged	14,768	3,801	14,768	3,801
Cash and Cash Equivalents in the Statements of Financial Position	774,964	720,784	774,964	720,784

1(d)(i) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Exchange Fluctuation Reserve	Fair Value Reserve	Accumulated Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 April 2009	1,055,901	(3)	0	1,007,540	2,063,438
Changes in equity for the period ended 30 June 2009:					
Total comprehensive income for the period	0	1	117,789	28,865	146,655
Dividends paid	0	0	0	(71,794)	(71,794)
At 30 June 2009	1,055,901	(2)	117,789	964,611	2,138,299

	Share Capital	Exchange Fluctuation Reserve	Fair Value Reserve	Accumulated Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 April 2008	1,055,901	0	(7,895)	985,409	2,033,415
Changes in equity for the period ended 30 June 2008:					
Total comprehensive income for the period	0	0	76,377	15,263	91,640
Dividends paid	0	0	0	(71,794)	(71,794)
At 30 June 2008	1,055,901	0	68,482	928,878	2,053,261

	Share Capital	Accumulated Profits	Total
	\$'000	\$'000	\$'000
Company			
At 1 April 2009	1,055,901	363,756	1,419,657
Changes in equity for the period ended 30 June 2009:			
Total comprehensive income for the period	0	9,510	9,510
Dividends paid	0	(71,794)	(71,794)
At 30 June 2009	1,055,901	301,472	1,357,373

	Share Capital	Accumulated Profits	Total
	\$'000	\$'000	\$'000
Company			
At 1 April 2008	1,055,901	150,674	1,206,575
Changes in equity for the period ended 30 June 2008:			
Total comprehensive income for the period	0	(81,365)	(81,365)
Dividends paid	0	(71,794)	(71,794)
At 30 June 2008	1,055,901	(2,485)	1,053,416

1(d)(ii) SHARE CAPITAL

Since the last financial year ended 31 December 2008, there has been no change in the issued and paid-up share capital of the Company (1,196,559,876 shares).

As at 30 June 2009, there were no unissued shares of the Company or its subsidiaries under option (30 June 2008: nil).

1(e) SHARE PURCHASE

The Company has not made any purchase of its shares during the period ended 30 June 2009.

2. REVIEW OF RESULTS BY AUDITORS

The figures have not been audited by the auditors but have been reviewed in accordance with Singapore Standard On Review Engagements (“SSRE”) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The financial information as set out in Sections 1, 4, 5, 6, 7, 11 and 12 of this announcement have been extracted from the consolidated condensed interim financial information that has been reviewed in accordance with SSRE 2410.

3. AUDITORS’ REPORT

Refer to auditor’s report attached.

4. BASIS OF PREPARATION

Except as disclosed in Section 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements ended 30 June 2009, as compared with the Group’s audited financial statements as at 31 December 2008.

5. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS

In the current period, the Group adopted the new/revised Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 1 (Revised 2008)	Presentation of Financial Statements
Amendments to FRS107	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
FRS 108	Operating Segments
Improvement to FRS 40	Investment Property

The adoption of the above FRS did not result in any substantial change to the Group’s accounting policies nor any significant impact on the financial statements.

6. EARNINGS PER SHARE

	Quarter ended		Period ended	
	30 Jun 2009	30 Jun 2008	30 Jun 2009	30 Jun 2008
Basic earnings per share	2.41 cents	1.27 cents	3.23 cents	2.68 cents
Diluted earnings per share	2.41 cents	1.27 cents	3.23 cents	2.68 cents

Basic and diluted earnings per share are calculated based on the Group’s profit attributable to shareholders and on the weighted average number of shares of the Company in issue for the 2nd quarter and period ended 30 June 2009 of 1,196,559,876 (2008: 1,196,559,876).

7. NET ASSET VALUE PER SHARE

Group		Company	
30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
\$	\$	\$	\$
1.79	1.72	1.13	1.20

8. REVIEW OF PERFORMANCE

Revenue and Profit

Group revenue and profit after tax for the 2nd quarter ended 30 June 2009 was \$78 million and \$29 million respectively, a decrease of 11% and an increase of 89% respectively when compared to the same period last year.

Group revenue and profit after tax for the 6-month ended 30 June 2009 was \$163 million and \$39 million respectively, an increase of 7% and an increase of 21% respectively when compared to the same period last year.

Revenue for the 2nd quarter ended 30 June 2009 decreased as no further revenue was recognised from The Cosmopolitan and The Sea View in the current period as these projects were completed in the 2nd and 3rd quarter of 2008 respectively. The increase in revenue for the 6-month ended 30 June 2009 was mainly due to higher revenue recognised from Ardmore II based on the progress of construction works and revenue recognised from Scotts Square, which commenced in the 3rd quarter of 2008.

Gross profit margin for the 2nd quarter and 6-month ended 30 June 2009 was 47% and 45% respectively, compared to 38% and 36% respectively for the same period last year. The increase was mainly due to the higher profit margin for Scotts Square, which commenced profit recognition in the 3rd quarter of 2008.

The higher other income in the 2nd quarter and 6-month ended 30 June 2008 was mainly due to fair value gain on the Group's investment property, Wheelock Place.

The decrease in other operating expenses for the 2nd quarter and 6-month ended 30 June 2009 was mainly due to no impairment loss and lower impairment loss respectively on the Group's equity investments.

The decrease in finance costs was due to reduction in loan principals and lower interest rates in 2009.

The decrease in income tax expense was mainly due to lower taxable profits and over provision for deferred tax in prior years as a result of the reduction in corporate income tax rate from 18% to 17% effective from year of assessment 2010.

If the effects of the impairment loss on investments of nil (2008: \$85 million) and \$23 million (2008: \$85 million) for the 2nd quarter and 6-month ended 30 June 2009 respectively and fair value gain (net of tax) of \$73 million for the 2nd quarter and 6-month ended 30 June 2008 were excluded, the Group's profit after tax for the 2nd quarter and 6-month ended 30 June 2009 would have been \$29 million and \$62 million respectively, an increase of 8% and 42% when compared to the same period last year.

Nature of business and profit recognition

Profits on pre-sale of development properties are recognised using the percentage of completion method. The percentage of completion is measured by reference to the percentage of construction costs incurred at the reporting date to the estimated total construction costs. Revenue and profits are only recognised in respect of finalised sales agreements and to the extent that such revenue and profits relate to the progress of the construction work.

This basis of revenue and profit recognition together with the nature of our business lead to volatility of earnings between comparable periods.

Assets

The Group's total assets as at 30 June 2009 were \$2.6 billion compared to \$2.7 billion as at 31 December 2008. Return on assets for the 6-month ended 30 June 2009 was 1.5% (6-month ended 30 June 2008: 1.2%).

Shareholders' Equity

The Shareholders' equity as at 30 June 2009 and 31 December 2008 was \$2.1 billion. Return on shareholders' equity for the 6-month ended 30 June 2009 was 1.8% (6-month ended 30 June 2008: 1.6%).

Borrowings

The Group's borrowings as at 30 June 2009 were \$297 million compared to \$392 million as at 31 December 2008. The lower borrowings were mainly due to repayment of an unsecured loan in the current financial period. The debt-equity ratio as at 30 June 2009 was 13.9%, down from 19.1% as at 31 December 2008.

Net Cash Flow

Net cash flow from operating activities for the 6-month ended 30 June 2009 was \$120 million, mainly attributed to sales proceeds received from the development properties projects. For investing activities, the Group incurred \$4 million on construction of Scotts Square retail. For financing activities, net loan repayment was \$94 million.

Commitments

The Group's outstanding commitments relating to the construction of the development properties and additions to investment properties are as follows:

	Group	
	30 Jun 2009	31 Dec 2008
	\$'000	\$'000
Commitments contracted but not provided for	192,154	230,832

The Group leases out its investment property, Wheelock Place, during the financial period. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	30 Jun 2009	31 Dec 2008
	\$'000	\$'000
Within 1 year	39,294	37,740
After 1 year, but within 5 years	59,303	66,694
	98,597	104,434

The lease typically runs for an initial period from 2 to 4 years. The non-cancellable operating lease receivables have not taken into account the potential new and renewal of leases and revision of rental rates after the expiry of these leases.

Property Review

Development Properties

Residential prices continue its downward trend and declined by 5.9% as per the URA flash estimates in 2nd quarter 2009, compared to 14.1% in the previous quarter. However, market sentiment has improved recently with record 4,714 new units sold in 2nd quarter. This surpasses the total of 4,264 units sold for the whole year 2008.

Ardmore II

Ardmore II is 100% sold and construction work is progressing well. For Tower 1, construction works has progressed to the ceiling works stage for the mid floors. For Tower 2, brickwall works have been completed up to 36th floor. Next stage would be the ceiling works. Collection of progress payments is underway.

Scotts Square

Scotts Square is 70.4% (238 units) sold as at 2nd quarter 2009. This represents 77.2% of the net saleable area at an average price of \$3,994 psf. The lowest and highest price achieved was \$3,620 psf and \$4,611 psf respectively.

Foundation works for the Scotts Wing and the Orchard Wing have been completed and collection of progress payments is underway.

Profit recognition on the units sold has commenced in accordance with the Group's accounting policy. The project is scheduled for completion in 2011.

Orchard View

Orchard View will be a luxury 36-storey development located in the serene enclave of Angullia Park, and within walking distance to Orchard MRT. It comprises 30 units of four-bedroom apartments with private lift lobbies. Each unit occupies a floor of the development. The project is targeted to be completed by first half of 2010. Construction has progressed up to 30th floor for the ceiling works.

Ardmore 3

Ardmore 3 will be our next luxury project along Ardmore Park. We are currently reviewing the building plans and piling works for the development is scheduled to commence in 2010.

Investment Property

Office and Retail Market

Amid the on-going financial crisis, there has been limited new lease commitments in the office market in 2nd quarter 2009. Most leasing activities have been focused on lease renewals due to tenants' resistance to relocate and invest in capital outlay for a new office set up.

The projected new office supply over the next 4 years is a substantial figure at 8.6 million sq ft or 2.15 million sq ft per year. Coupled with weak office demand, office rentals are expected to consolidate for the rest of the year.

Singapore retail sales suffered their biggest drop since 1999. Retail sales fell 11.7% in April 2009 compared to the same month a year ago. Visitor arrivals to Singapore in April 2009 continued to decline with a drop of 6.1% compared to April 2008. Visitor arrivals have been further hit by the global outbreak of the H1N1 virus.

Consumer sentiments will remain subdued. Retailers are thus likely to stay cautious as long as the economy remains in the doldrums. The muted demand in the leasing market coupled with competition for tenants from the new malls along Orchard Road will put further downward pressure on rents.

Wheelock Place

The occupancy rate of Wheelock Place is 99.7%. The average rental, for both office and retail space, as at 30 June 2009 was \$12.01 psf per month. This increase of 7.1% is significantly higher than the previous quarter figure due to higher committed renewal and new leases which was negotiated earlier under more positive sentiment.

For the office reversions in 2009, 88.6% have confirmed their renewals in Wheelock Place.

For the retail reversions in 2009, 95% have confirmed their renewal for a further term.

9. FORECAST STATEMENT

No forecast or prospect statement had been previously made to shareholders.

10. CURRENT YEAR'S PROSPECTS

In the current financial year, the Group will continue to recognise profits from its development properties projects, Ardmore II and Scotts Square, based on the progress of construction works.

Progress billings for Ardmore II and Scotts Square are on-going.

The Cosmopolitan, which was completed last year, has received Subsidiary Strata Certificates of Title. The balance 7% of the sales proceeds will be collected in the 2nd half of the year.

Wheelock Place is expected to generate good recurring income due to higher committed renewal and new leases.

With a strong cash position in our balance sheet, we are in good stead to confidently pursue all good investments and development opportunities.

11. DIVIDEND

The Directors do not recommend any interim dividend for the 2nd quarter ended 30 June 2009 (30 June 2008: nil).

ADDITIONAL INFORMATION

12. REVENUE AND PROFIT ANALYSIS BY OPERATING SEGMENTS

The Group comprises the following main operating segments:

Property development: The development, construction and sale of development properties.

Property investment: The holding and management of investment properties.

	GROUP			
	Revenue		Profit from Operations	
	Quarter ended		Quarter ended	
	30 Jun 2009	30 Jun 2008	30 Jun 2009	30 Jun 2008
	\$'000	\$'000	\$'000	\$'000
Property Development	66,127	72,373	26,026	20,071
Property Investment	11,257	9,356	8,514	96,583
Other Operations	1,009	6,132	310	(79,788)
Total	78,393	87,861	34,850	36,866

	GROUP			
	Revenue		Profit from Operations	
	Period ended		Period ended	
	30 Jun 2009	30 Jun 2008	30 Jun 2009	30 Jun 2008
	\$'000	\$'000	\$'000	\$'000
Property Development	140,569	128,460	54,469	34,791
Property Investment	21,893	18,067	16,948	102,961
Other Operations	1,009	6,132	(24,672)	(79,531)
Total	163,471	152,659	46,745	58,221

13. COMMENTS ON SEGMENT RESULTS

Revenue for property development for the 2nd quarter ended 30 June 2009 decreased as no further revenue was recognised from The Cosmopolitan and The Sea View in the current period as these projects were completed in the 2nd and 3rd quarter of 2008 respectively. The increase in revenue for the 6-month ended 30 June 2009 was mainly due to higher revenue recognised from Ardmore II based on the progress of construction works and revenue recognised from Scotts Square, which commenced in the 3rd quarter of 2008.

The increase in revenue for property investment was mainly due to improved rental rates and higher occupancy. The decrease in profit was mainly due to the absence of fair value gain in the current period.

The decrease in revenue for other operations was mainly due to lower dividend income from Hotel Properties Limited ("HPL") and absence of dividend income from SC Global Developments Ltd ("SC Global") in the period under review. The loss incurred for other operations was mainly due to impairment loss on the investments in SC Global and HPL charged to the income statement in the 1st quarter of 2009. Loss incurred in 2008 related mainly to impairment loss on the investment in SC Global.

14. CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors of the Company confirms that to the best of its knowledge, nothing has come to the attention of the Board which may render the financial statements for the second quarter and half year ended 30 June 2009 to be false or misleading in any material respects.

By Order Of the Board

Tan Ling Ling
Company Secretary
12 August 2009



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The Board of Directors
Wheelock Properties (Singapore) Limited
501 Orchard Road #11-01
Wheelock Place
Singapore 238880

12 August 2009

Dear Sirs

Wheelock Properties (Singapore) Limited and its subsidiaries
Review of Interim Financial Information for the three months and six months ended
30 June 2009

Introduction

We have reviewed the accompanying condensed financial information of Wheelock Properties (Singapore) Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2009, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows statement of the Group and the statement of changes in equity of the Company for the three-month and six-month period then ended and certain explanatory notes as set out on pages FS1 to FS17 (the "Interim Financial Information"). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.

Restriction on use

Our report is provided on the basis that it is solely for the private information of the directors and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors, the Company or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore