

WHEELOCK

PROPERTIES

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

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011

TABLE OF CONTENTS

ITEM NO.	DESCRIPTION	PAGE NO.
1(a)(i)	CONSOLIDATED INCOME STATEMENT	2
1(a)(ii)	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
1(a)(iii)	NOTES TO THE CONSOLIDATED INCOME STATEMENT	4
1(b)(i)	STATEMENTS OF FINANCIAL POSITION	5
1(b)(ii)	BORROWING	7
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	8
1(d)(i)	CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	10
1(d)(ii)	SHARE CAPITAL	13
1(e)	SHARE PURCHASE	13
2	REVIEW OF RESULTS BY AUDITORS	13
3	AUDITORS' REPORT	13
4	BASIS OF PREPARATION	13
5	EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS	13
6	EARNINGS PER SHARE	14
7	NET ASSET VALUE PER SHARE	14
8	REVIEW OF PERFORMANCE	14
9	FORECAST STATEMENT	17
10	CURRENT YEAR'S PROSPECTS	17
11	DIVIDEND	18
12	SEGMENTAL INFORMATION	18
13	COMMENTS ON SEGMENT RESULTS	20
14	CONFIRMATION BY THE BOARD	20

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

1(a)(i) CONSOLIDATED INCOME STATEMENT

	Quarter ended			Period ended		
	30 Jun 2011	30 Jun 2010	Change	30 Jun 2011	30 Jun 2010	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	67,635	177,287	(61.8)	170,422	283,887	(40.0)
Cost of sales	(22,806)	(75,711)	(69.9)	(58,337)	(119,740)	(51.3)
Gross profit	44,829	101,576	(55.9)	112,085	164,147	(31.7)
Other income	736	353	108.5	1,271	701	81.3
Selling and marketing expenses	(97)	(130)	(25.4)	(365)	(160)	128.1
Administrative and corporate expenses	(2,322)	(1,872)	24.0	(4,914)	(4,069)	20.8
Other operating expenses	(299)	(181)	65.2	(1,174)	(369)	218.2
Profit from operations	42,847	99,746	(57.0)	106,903	160,250	(33.3)
Finance costs	0	(12)	(100.0)	0	(16)	(100.0)
Profit before taxation	42,847	99,734	(57.0)	106,903	160,234	(33.3)
Income tax expense	(5,840)	(16,215)	(64.0)	(17,552)	(26,335)	(33.4)
Profit for the period	37,007	83,519	(55.7)	89,351	133,899	(33.3)

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

	Quarter ended			Period ended		
	30 Jun 2011	30 Jun 2010	Change	30 Jun 2011	30 Jun 2010	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	37,007	83,519	(55.7)	89,351	133,899	(33.3)
Other comprehensive income:						
Available-for-sale financial assets - net change in fair value	(12,261)	3,225	(480.2)	(60,830)	20,968	(390.1)
Exchange differences arising on consolidation of foreign subsidiaries and available-for-sale financial assets	(3,525)	(12)	NM	(4,543)	(12)	NM
Other comprehensive income for the period, net of income tax*	(15,786)	3,213	(591.3)	(65,373)	20,956	(412.0)
Total comprehensive income for the period	21,221	86,732	(75.5)	23,978	154,855	(84.5)

* There was no tax effect on the components included in other comprehensive income.

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 2011	30 Jun 2010	Change	30 Jun 2011	30 Jun 2010	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	(330)	(251)	31.5	(774)	(596)	29.9
Exchange gain (net)	(400)	(19)	NM	(482)	(17)	NM
Gain on disposal of property, plant and equipment	0	(48)	(100.0)	0	(48)	(100.0)
Others	(6)	(35)	(82.9)	(15)	(40)	(62.5)
Other income	(736)	(353)	108.5	(1,271)	(701)	81.3
Changes in fair value on investment property	240	98	144.9	861	187	360.4
Fixtures, plant and equipment included in investment property written off	0	0	0	199	0	NA
Others	59	83	(28.9)	114	182	(37.4)
Other operating expenses	299	181	65.2	1,174	369	218.2
Depreciation of property, plant and equipment	55	56	(1.8)	110	114	(3.5)
Dividend income from investments	(8,422)	(3,041)	176.9	(8,422)	(3,041)	176.9
Under/(Over) provision of tax in prior years	0	48	(100.0)	(39)	(118)	(66.9)

NA : Not Applicable

NM : Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Group			Company	
	30 Jun 2011	31 Dec 2010	31 Dec 2009	30 Jun 2011	31 Dec 2010
	\$'000	\$'000	\$'000	\$'000	\$'000
		(Restated)	(Restated)		
Non-current assets					
Property, plant and equipment	1,383	1,379	1,011	1,167	1,174
Investment properties	1,151,564	1,141,811	1,052,500	301,564	291,811
Amounts due from subsidiaries	0	0	0	621,433	486,315
Interests in subsidiaries	0	0	0	238,247	229,696
Interests in an associate	7	7	7	0	0
Investments	333,441	394,271	334,420	0	0
Other non-current assets	540	540	540	540	540
	1,486,935	1,538,008	1,388,478	1,162,951	1,009,536
Current assets					
Development properties	683,061	623,799	683,720	393,371	328,644
Trade and accrued receivables	20,331	102,437	47,835	4,951	7,141
Amounts due from subsidiaries	0	0	0	178,154	54,619
Amounts due from related corporations	12	24	21	12	24
Deposits and other receivables	262,972	2,627	968	1,614	1,753
Cash and cash equivalents	610,716	860,702	759,427	537,358	830,001
	1,577,092	1,589,589	1,491,971	1,115,460	1,222,182
Total assets	3,064,027	3,127,597	2,880,449	2,278,411	2,231,718
Equity attributable to equity holders of the company					
Share capital	1,055,901	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	1,718,105	1,765,921	1,457,104	794,689	732,540
Total equity	2,774,006	2,821,822	2,513,005	1,850,590	1,788,441
Non-current liabilities					
Interest-bearing liability (Ref:1(b)(ii))	102,894	0	103,028	0	0
Deferred tax liabilities	75,682	78,645	52,219	65,160	53,286
	178,576	78,645	155,247	65,160	53,286
Current liabilities					
Trade payables	47,878	63,437	49,571	18,440	26,321
Other payables	29,725	33,156	27,208	12,596	13,836
Amounts due to subsidiaries	0	0	0	331,622	349,834
Interest-bearing liability (Ref:1(b)(ii))	0	103,925	130,612	0	0
Current tax payable	33,842	26,612	4,806	3	0
	111,445	227,130	212,197	362,661	389,991
Total liabilities	290,021	305,775	367,444	427,821	443,277
Total equity and liabilities	3,064,027	3,127,597	2,880,449	2,278,411	2,231,718

REVIEW OF FINANCIAL POSITION

Group

Decrease in investments of \$61 million was mainly due to the decrease in market value of the Group's investments in Hotel Properties Limited ("HPL") and SC Global Developments Ltd ("SC Global").

Increase in development properties of \$59 million was mainly due to profit recognition on Scotts Square and construction costs incurred on Scotts Square and Ardmore Three. This was partially offset by progress billings from Scotts Square and sale of completed units from Orchard View.

Decrease in trade and accrued receivables of \$82 million was mainly due to the accrued receivables of Ardmore II, Orchard View and Scotts Square as at the end of the last financial year, which were subsequently billed and received in the current financial period. This was partially offset by progress billings of Ardmore II and Scotts Square in the current financial period, which was not due as at 30 June 2011.

Increase in deposits and other receivables of \$260 million was mainly due to the 50% deposit paid for the 5 sites at Fuyang City, the People's Republic of China, which the Group was successful in bidding and auction deposit paid for a tender which was subsequently aborted and refunded.

Decrease in cash and cash equivalents of \$250 million was mainly due to the payment of the 50% deposit for the sites in Fuyang City, auction deposit for a tender and dividends. This was partially offset by the sales proceeds received from the development properties projects.

Decrease in reserves of \$48 million was mainly due to the payment of dividends and decrease in market value of the Group's investments in HPL and SC Global. This was partially offset by the profits recognised in the current financial period.

Increase in current tax payable of \$7 million was mainly due to the reclassification of tax liabilities from deferred tax liabilities upon billing of 15% sales consideration on Ardmore II and 13% sales consideration on Orchard View, partially offset by tax payments.

Company

Increase in amounts due from subsidiaries of \$259 million was mainly due to inter-company loans to subsidiaries to acquire the sites in Fuyang City and for the payment of auction deposit for a tender. This was partially offset by impairment loss on an inter-company loan to a subsidiary as a result of the decrease in the net asset value of the subsidiary due to the decrease in market value of its investment in SC Global.

Increase in development properties of \$65 million was mainly due to profit recognition on Scotts Square and construction costs incurred. This was partially offset by progress billings served in the current financial period.

Decrease in cash and cash equivalents of \$293 million was mainly due to inter-company loans to subsidiaries to acquire the sites in Fuyang City, for the payment of auction deposit and dividends. This was partially offset by the transfer of surplus funds from subsidiaries and sales proceeds received from the Scotts Square project.

Increase in reserves of \$62 million was mainly due to dividend income received from a subsidiary and the profits recognised in the current financial period. This was partially offset by the payment of dividends.

Increase in deferred tax liabilities of \$12 million was mainly due to increased profits recognised from Scotts Square in the current financial period.

1(b)(ii) BORROWING

	Group	
	30 Jun 2011	31 Dec 2010
	\$'000	\$'000
Repayable within 1 year: Interest-bearing liability (secured)	0	103,925
Repayable after 1 year but within 5 years: Interest-bearing liability (secured)	102,894	0

The secured interest-bearing liability is secured by a mortgage over the Group's development property in Singapore, legal assignment of all rights, titles, interests and benefits under contracts in respect of the property and corporate guarantee issued by the Company.

The interest-bearing liability is secured on the following asset:

	Group	
	30 Jun 2011	31 Dec 2010
	\$'000	\$'000
Development property	227,166	222,302

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	Quarter ended		Period ended	
	30 Jun 2011	30 Jun 2010	30 Jun 2011	30 Jun 2010
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit for the period	37,007	83,519	89,351	133,899
Adjustments for:				
Income tax expense	5,840	16,215	17,552	26,335
Depreciation of property, plant and equipment	55	56	110	114
Exchange gain	(578)	(19)	(578)	(19)
Gain on disposal of property, plant and equipment	0	(48)	0	(48)
Interest income	(330)	(251)	(774)	(596)
Fixtures, plant and equipment included in investment property written off	0	0	199	0
Changes in fair value on investment property	240	98	861	187
Dividend income from investments	(8,422)	(3,041)	(8,422)	(3,041)
Operating profit before working capital changes	33,812	96,529	98,299	156,831
Changes in working capital:				
Development properties	(26,862)	196,550	(58,802)	158,189
Trade and accrued receivables	42,802	(191,606)	82,106	(151,550)
Amounts due from related corporations	16	26	12	(14)
Deposits and other receivables	(123,836)	(721)	(265,174)	(922)
Trade payables	(8,110)	18,230	(15,559)	13,140
Other payables	(5,081)	(895)	(3,497)	516
Cash (utilised in)/generated from operations	(87,259)	118,113	(162,615)	176,190
Interest received	489	537	1,181	1,275
Income tax (paid)/refunded	(13,284)	(8,324)	(13,285)	4,019
Dividends paid	(71,794)	(71,794)	(71,794)	(71,794)
Cash flows from operating activities	(171,848)	38,532	(246,513)	109,690

	Quarter ended		Period ended	
	30 Jun 2011	30 Jun 2010	30 Jun 2011	30 Jun 2010
	\$'000	\$'000	\$'000	\$'000
Investing activities				
Proceeds from sale of property, plant and equipment	0	84	0	86
Purchase of property, plant and equipment	(95)	(371)	(166)	(590)
Expenditure on investment properties	(5,864)	(4,717)	(10,813)	(8,273)
Acquisition of investments	0	(2,189)	0	(7,049)
Dividends received	8,422	3,041	8,422	3,041
Cash flows from investing activities	2,463	(4,152)	(2,557)	(12,785)
Financing activities				
Repayment of bank loan	0	(132,147)	(104,000)	(132,147)
Drawdown of bank loan	0	0	104,000	1,295
Finance costs	(237)	(400)	(1,607)	(918)
Cash flows from financing activities	(237)	(132,547)	(1,607)	(131,770)
Net decrease in cash and cash equivalents	(169,622)	(98,167)	(250,677)	(34,865)
Cash and cash equivalents at beginning of the period	776,175	807,961	856,322	744,659
Effect of exchange rate changes on balances held in foreign currencies	(217)	0	691	0
Cash and cash equivalents at end of the period (Note 1)	606,336	709,794	606,336	709,794

	Quarter ended		Period ended	
	30 Jun 2011	30 Jun 2010	30 Jun 2011	30 Jun 2010
	\$'000	\$'000	\$'000	\$'000
Note 1				
Cash and cash equivalents in the statement of financial position	610,716	724,562	610,716	724,562
Less: Deposits pledged	(4,380)	(14,768)	(4,380)	(14,768)
Cash and cash equivalents in the statement of cash flows	606,336	709,794	606,336	709,794

Deposits pledged represent bank balances of certain subsidiaries pledged as security to obtain credit facilities.

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

	Share Capital	Translation Reserve	Fair Value Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 April 2011	1,055,901	(1,021)	221,754	1,547,945	2,824,579
Total comprehensive income for the period					
Profit for the period	0	0	0	37,007	37,007
Other comprehensive income					
Available-for-sale financial assets					
- net change in fair value	0	0	(12,261)	0	(12,261)
Exchange differences arising on consolidation of foreign subsidiaries	0	(3,525)	0	0	(3,525)
Total other comprehensive income	0	(3,525)	(12,261)	0	(15,786)
Total comprehensive income for the period	0	(3,525)	(12,261)	37,007	21,221
Transactions with owners, recorded directly in equity					
Distributions to owners					
Dividends to equity holders	0	0	0	(71,794)	(71,794)
Total transactions with owners	0	0	0	(71,794)	(71,794)
At 30 June 2011	1,055,901	(4,546)	209,493	1,513,158	2,774,006

	Share Capital	Translation Reserve	Fair Value Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 April 2010, as previously reported	1,055,901	(1)	233,074	1,238,629	2,527,603
Effect of early adoption of the amendments to FRS 12 (refer to section 5)	0	0	0	53,525	53,525
At 1 April 2010, restated	1,055,901	(1)	233,074	1,292,154	2,581,128
Total comprehensive income for the period					
Profit for the period	0	0	0	83,519	83,519
Other comprehensive income					
Available-for-sale financial assets - net change in fair value	0	0	3,225	0	3,225
Exchange differences arising on consolidation of foreign subsidiaries and available-for-sale financial assets	0	(12)	0	0	(12)
Total other comprehensive income	0	(12)	3,225	0	3,213
Total comprehensive income for the period	0	(12)	3,225	83,519	86,732
Transactions with owners, recorded directly in equity					
Distributions to owners					
Dividends to equity holders	0	0	0	(71,794)	(71,794)
Total transactions with owners	0	0	0	(71,794)	(71,794)
At 30 June 2010, restated	1,055,901	(13)	236,299	1,303,879	2,596,066

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 April 2011	1,055,901	748,911	1,804,812
Total comprehensive income for the period			
Profit for the period	0	117,572	117,572
Transactions with owners, recorded directly in equity			
Distributions to owners			
Dividends to equity holders	0	(71,794)	(71,794)
Total transactions with owners	0	(71,794)	(71,794)
At 30 June 2011	1,055,901	794,689	1,850,590

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 April 2010	1,055,901	638,134	1,694,035
Total comprehensive income for the period			
Profit for the period	0	43,107	43,107
Transactions with owners, recorded directly in equity			
Distributions to owners			
Dividends to equity holders	0	(71,794)	(71,794)
Total transactions with owners	0	(71,794)	(71,794)
At 30 June 2010	1,055,901	609,447	1,665,348

1(d)(ii) SHARE CAPITAL

Since the last financial year ended 31 December 2010, 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 2011, there were no unissued shares of the Company or its subsidiaries under option (30 June 2010: nil).

1(e) SHARE PURCHASE

The Company has not made any purchase of its shares during the period ended 30 June 2011.

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 auditors’ 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 for the period ended 30 June 2011, as compared with the Group’s audited financial statements for the year ended 31 December 2010.

5. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS

In the current financial period, the Group adopted Interpretation of Financial Reporting Standard (“INT FRS”) 115 *Agreements for the Construction of Real Estate*, the improvements to FRS 2010 and early adopted the amendments to FRS 12 *Income Taxes* which are to be applied for annual periods beginning on or after 1 January 2012.

The application of INT FRS 115 and the improvements to FRS 2010 does not have any effect on the Group’s financial position or results.

On 23 February 2011, FRS 12 was amended to provide an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with FRS 40 *Investment Property*. Under the exception, the measurement of deferred tax assets and liabilities is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale.

Following the early adoption of the amendments to FRS 12 with effect from 1 January 2011, the Group has retrospectively accounted for the reversal of the deferred tax liability recognised on the fair value gain of an investment property against the opening retained earnings of the Group of \$63 million (1 January 2010: \$54 million).

The changes in accounting policies, to the extent that it is applied retrospectively, have the following impact:

	Group	
	2011	2010
	\$'000	\$'000
Effect of changes in accounting policies on retained earnings:		
Opening retained earnings at 1 January as previously reported	1,432,641	1,188,249
Effect of early adoption of the amendments to FRS 12	62,960	53,525
Opening retained earnings, restated	1,495,601	1,241,774
Effect of changes in accounting policies on deferred tax liabilities:		
Opening deferred tax liabilities at 1 January as previously reported	141,605	105,744
Effect of early adoption of the amendments to FRS 12	(62,960)	(53,525)
Opening deferred tax liabilities, restated	78,645	52,219

6. EARNINGS PER SHARE

	Quarter ended		Period ended	
	30 Jun 2011	30 Jun 2010	30 Jun 2011	30 Jun 2010
Basic earnings per share	3.09 cents	6.98 cents	7.47 cents	11.19 cents
Diluted earnings per share	3.09 cents	6.98 cents	7.47 cents	11.19 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 2011 of 1,196,559,876 (2010: 1,196,559,876).

7. NET ASSET VALUE PER SHARE

Group		Company	
30 Jun 2011	31 Dec 2010	30 Jun 2011	31 Dec 2010
\$	\$	\$	\$
	(Restated)		
2.32	2.36	1.55	1.49

8. REVIEW OF PERFORMANCE

Revenue and Profit

The Group achieved revenue of \$68 million and profit after tax of \$37 million for the 2nd quarter ended 30 June 2011, a decrease of 62% and 56% respectively when compared to the same period last year.

The Group achieved revenue of \$170 million and profit after tax of \$89 million for the 6-month ended 30 June 2011, a decrease of 40% and 33% respectively when compared to the same period last year.

The decrease in revenue for the 2nd quarter and 6-month ended 30 June 2011 was mainly due to the completion of Ardmore II and Orchard View in the 2nd quarter of 2010 and lower revenue recognition from Scotts Square based on the progress of construction works in the current period.

Gross profit margin for the 2nd quarter and 6-month ended 30 June 2011 were 66%, compared to 57% and 58% respectively for the same period last year. The increase was mainly due to the higher profit margin for Scotts Square.

The decrease in cost of sales for the 2nd quarter and 6-month ended 30 June 2011 was in line with the decrease in revenue.

The increase in administrative and corporate expenses for the 2nd quarter and 6-month ended 30 June 2011 was mainly due to the expenses incurred on Orchard View and Ardmore II charged to the income statement after their completion in the 2nd quarter of 2010.

The decrease in income tax expense for the 2nd quarter and 6-month ended 30 June 2011 was mainly due to lower taxable profits.

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 for each project. 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 2011 and 31 December 2010 were \$3.1 billion. Return on assets for the 6-month ended 30 June 2011 was 2.9% (6-month ended 30 June 2010: 4.7%).

Shareholders' Equity

The Shareholders' equity as at 30 June 2011 and the restated shareholders' equity as at 31 December 2010 were \$2.8 billion. Return on shareholders' equity for the 6-month ended 30 June 2011 was 3.2% (6-month ended 30 June 2010 (restated): 5.2%).

Borrowing

The Group's borrowing as at 30 June 2011 was \$103 million compared to \$104 million as at 31 December 2010. The debt-equity ratio as at 30 June 2011 and 31 December 2010 (restated) were 3.7%.

Net Cash Flow

Net cash flow utilised in operating activities for the 6-month ended 30 June 2011 was \$247 million, mainly due to the payment of the 50% deposit for the sites in Fuyang City, auction deposit for a tender and dividends, partially offset by the sales proceeds received from the development properties projects. For investing activities, the Group incurred \$11 million on construction of Scotts Square Retail and upgrading of Wheelock Place and received dividends of \$8 million from the Group's investments in equity securities. The Group refinanced its bank loan in the current period.

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 2011	31 Dec 2010
	\$'000	\$'000
Commitments contracted but not provided	240,910	44,950

The Group leases out its investment properties, Wheelock Place and Scotts Square Retail (on a pre-lease basis), during the financial period. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group	
	30 Jun 2011	31 Dec 2010
	\$'000	\$'000
Within 1 year	48,522	38,090
After 1 year, but within 5 years	82,515	37,720
After 5 years	950	0
	131,987	75,810

The lease typically runs for an initial period from 2 to 5 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

Island-wide prices of residential properties increased by 2.0% in the 2nd quarter of 2011 compared with a 2.2% increase in the preceding quarter. In the Core Central Region, prices of residential properties increased by 1.6% compared with an increase of 1.1% in the 1st quarter of 2011. (Source: URA)

Ardmore II

Ardmore II is 100% sold.

The development received its Temporary Occupation Permit ("TOP") on 21 June 2010. The Certificate of Statutory Completion ("CSC") was received on 15 December 2010. The Subsidiary Strata Certificates of Title for all units were issued on 10 May 2011.

Orchard View

Orchard View is a luxury 36-storey development, consisting of 30 four-bedroom apartments, located on Angullia Park and within walking distance to Orchard MRT. Each unit occupies a whole floor in the development and enjoys 360 degree views.

The development received its TOP on 18 May 2010 and CSC on 7 December 2010. Marketing is on-going for the unsold units at the showflat located on the 24th floor.

As at 30 June 2011, 12 units have been sold at an average price of \$3,232 psf.

Scotts Square

As at 30 June 2011, Scotts Square is 73% (246 units) sold. This represents 79% of the net saleable area at an average price of \$3,999 psf. Billings are in progress and the notices to purchasers for the next progressive payment (Car Park, Roads and Drains stage) have been served in July 2011. Collection is in progress.

The development is scheduled for completion in the 3rd quarter of 2011.

Ardmore Three

Ardmore Three is a 36-storey luxury development along Ardmore Park. Building construction has commenced and is expected to be completed by 2014. Construction of a showflat on site has commenced and is targeted to be completed in the 4th quarter of 2011.

Investment Property

Office and Retail Market

The overall retail rentals increased a further 0.8% in the 2nd quarter of 2011, the same rate of increase as in the 1st quarter of 2011. (Source: URA)

Island-wide rentals for office space increased by 1.5% in the 2nd quarter of 2011, compared with 5.4% in the 1st quarter of 2011. Overall vacancy rate of office space as at the end of 2nd quarter 2011 increased to 12.5%, compared with 12.1% vacancy rate as at the end of 1st quarter 2011. (Source: URA)

Wheelock Place

The occupancy rate of Wheelock Place is 99% as at 30 June 2011. The average rental for the building was \$12 psf per month.

For 2011, 13% of the office space is subject to renewal. We have completed the lease renewals due in the 3rd quarter of 2011. 2 out of the 3 tenants have renewed their leases and most of the renewal rates were committed at higher rentals. This represents approximately 79% retention rate based on area.

For 2011, 15% of the retail space is subject to renewal. Lease renewals for the 3rd quarter of 2011 have been completed. 2 out of the 4 tenants have renewed their leases, which represents a retention rate of 63% based on area.

9. FORECAST STATEMENT

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

10. CURRENT YEAR'S PROSPECTS

In 2011, the Group will recognise the remaining profits from sold units of Scotts Square as the project is expected to obtain its Temporary Occupation Permit. 100% of profits will also be recognised on additional units sold in Orchard View and Scotts Square in 2011. In the 1st half of 2011, 10 units of Scotts Square and 3 units of Orchard View have been sold.

Ardmore II, which was completed in the 2nd quarter of 2010, has received Subsidiary Strata Certificates of Title in the 2nd quarter of 2011. 100% of the sales proceeds have been collected to-date. We are in the process of transferring legal titles to the purchasers.

Progress billing for Scotts Square is on-going and 60% of progress billings have been served. We expect to achieve 85% in the 3rd quarter of 2011.

Set-up of the project company for the sites in Fuyang City has been completed. The handover of the sites are scheduled in February 2012 and construction is expected to commence in the 2nd half of 2012.

Wheelock Place, which has achieved good rental rates and high occupancy, is expected to continue to generate good recurring income. The completion of Scotts Square Retail in the 2nd half of 2011 will further contribute to the Group's annual recurring income.

The Group remains in a strong financial position to take advantage of investment and development opportunities which may arise locally or overseas.

11. DIVIDEND

The Directors do not recommend any interim dividend for the 2nd quarter ended 30 June 2011 (30 June 2010: nil).

ADDITIONAL INFORMATION

12. SEGMENTAL INFORMATION

The Group has three reportable segments as described below:

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

Property investment: The holding and management of investment properties.

Investments: The holding of investments in equity securities.

Other operations include investment holding company and provision of management services.

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Quarter ended 30 Jun 2011						
Total revenue from external customers	47,727	11,486	8,422	0	0	67,635
Inter-segment revenue	0	579	0	1,152	(1,731)	0
Reportable segment profit/(loss) before taxation	27,237	8,383	8,416	(91)	(1,098)	42,847

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Quarter ended 30 Jun 2010						
Total revenue from external customers	162,738	11,508	3,041	0	0	177,287
Inter-segment revenue	0	579	0	1,018	(1,597)	0
Reportable segment profit before taxation	83,749	9,193	3,031	945	2,816	99,734

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 30 Jun 2011						
Total revenue from external customers	138,897	23,103	8,422	0	0	170,422
Inter-segment revenue	0	1,158	0	2,486	(3,644)	0
Reportable segment profit/(loss) before taxation	83,232	16,488	8,408	(167)	(1,058)	106,903

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 30 Jun 2010						
Total revenue from external customers	257,412	23,434	3,041	0	0	283,887
Inter-segment revenue	0	1,164	0	2,413	(3,577)	0
Reportable segment profit before taxation	136,844	18,775	3,024	2,300	(709)	160,234

13. COMMENTS ON SEGMENT RESULTS

The decrease in revenue and profit for property development for the 2nd quarter and 6-month ended 30 June 2011 was mainly due to the completion of Ardmore II and Orchard View in the 2nd quarter of 2010 and lower revenue recognition from Scotts Square based on the progress of construction works in the current period.

The increase in revenue and profit for investments for the 2nd quarter and 6-month ended 30 June 2011 was mainly due to higher dividend income from Hotel Properties Limited and SC Global Developments Ltd in the current financial period.

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 2nd quarter and half year ended 30 June 2011 to be false or misleading in any material respects.

By Order Of the Board

Tan Ling Ling
Company Secretary
1 August 2011



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

1 August 2011

Dear Sirs

**Wheelock Properties (Singapore) Limited and its subsidiaries
Review of Interim Financial Information for the three months and six months ended
30 June 2011**

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 2011, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the three-month period and six-month period then ended and certain explanatory notes as set out on pages FS1 to FS18 (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 information of the directors and for the inclusion of our report in the Company's second quarter announcement to its shareholders 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 LP

KPMG LLP

*Public Accountants and
Certified Public Accountants*

Singapore