

WHEELOCK

PROPERTIES

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

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

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

1(a)(i) CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Quarter ended		
	31 Mar 2015	31 Mar 2014	Change
	\$'000	\$'000	%
Revenue	99,243	25,282	292.5
Cost of sales	(79,832)	(7,041)	NM
Gross profit	19,411	18,241	6.4
Other income	2,439	1,735	40.6
Selling and marketing expenses	(882)	(648)	36.1
Administrative and corporate expenses	(3,159)	(2,003)	57.7
Other operating expenses	(4,150)	(93)	NM
Finance costs	(671)	0	NA
Share of profit of associates, net of tax	1,566	0	NA
Profit before taxation	14,554	17,232	(15.5)
Tax expense	(2,296)	(2,972)	(22.7)
Profit for the period	12,258	14,260	(14.0)

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

	Quarter ended		
	31 Mar 2015	31 Mar 2014	Change
	\$'000	\$'000	%
Profit for the period	12,258	14,260	(14.0)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- net change in fair value	25,812	(33,644)	176.7
- transfer to profit or loss on disposal	0	(134)	(100.0)
Exchange differences arising on consolidation of foreign subsidiaries	10,653	(4,281)	348.8
Share of other comprehensive income of associates, net of tax	4,389	0	NA
Other comprehensive income for the period, net of income tax	40,854	(38,059)	207.3
Total comprehensive income for the period	53,112	(23,799)	323.2

1(a)(iii) NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	Quarter ended		
	31 Mar 2015	31 Mar 2014	Change
	\$'000	\$'000	%
Exchange (gain)/loss (net)			
- net change in fair value of forward exchange contracts	0	(9,850)	(100.0)
- others	0	8,985	(100.0)
	0	(865)	(100.0)
Interest income	(586)	(473)	23.9
Gain on disposal of investment	0	(51)	(100.0)
Others	(1,853)	(346)	435.5
Other income	(2,439)	(1,735)	40.6
Exchange loss (net)			
- net change in fair value of forward exchange contracts	1,564	0	NA
- others	2,375	0	NA
	3,939	0	NA
Allowance for impairment loss on trade receivables	47	42	11.9
Changes in fair value on investment properties	162	49	230.6
Others	2	2	0
Other operating expenses	4,150	93	NM
Depreciation of property, plant and equipment	83	83	0
Dividend income from investments	(3,588)	(3,239)	10.8
Interest income from investments	(3,225)	(3,789)	(14.9)
Over provision of tax in prior years	(69)	0	NA

NA: Not Applicable

NM: Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	1,986	2,015	1,660	1,667
Investment properties	1,175,000	1,175,000	260,000	260,000
Amounts due from subsidiaries	0	0	1,183,713	1,162,429
Interests in subsidiaries	0	0	239,819	255,366
Interests in associates	553,923	547,968	0	0
Investments	632,919	591,828	0	0
Other non-current assets	540	540	540	540
	2,364,368	2,317,351	1,685,732	1,680,002
Current assets				
Development properties	1,202,447	1,176,381	66,907	66,907
Trade and accrued receivables	5,658	8,571	183	612
Amounts due from subsidiaries	0	0	209	214
Amounts due from related corporations	65	36	65	36
Other receivables	6,484	7,508	1,241	952
Cash and cash equivalents	406,452	408,515	367,826	365,165
	1,621,106	1,601,011	436,431	433,886
Total assets	3,985,474	3,918,362	2,122,163	2,113,888
Equity attributable to owners of the Company				
Share capital	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	2,129,837	2,076,725	802,470	769,739
Total equity	3,185,738	3,132,626	1,858,371	1,825,640
Non-current liabilities				
Interest-bearing liabilities (Ref: 1(b)(ii))	323,268	315,063	0	0
Deferred tax liabilities	15,221	15,977	2,115	2,136
	338,489	331,040	2,115	2,136
Current liabilities				
Trade payables	68,272	67,602	12,603	12,539
Other payables	31,574	32,818	10,947	10,750
Amounts due to subsidiaries	0	0	237,801	261,663
Interest-bearing liabilities (Ref: 1(b)(ii))	350,202	343,360	0	0
Current tax liabilities	11,199	10,916	326	1,160
	461,247	454,696	261,677	286,112
Total liabilities	799,736	785,736	263,792	288,248
Total equity and liabilities	3,985,474	3,918,362	2,122,163	2,113,888

REVIEW OF FINANCIAL POSITION

Group

Increase in investments of \$41 million was mainly due to the increase in market value of the Group's investment in quoted securities.

Increase in reserves of \$53 million was mainly due to the increase in market value of the Group's investment in quoted securities, profit for the current period and exchange differences arising on consolidation of foreign subsidiaries.

Company

Increase in reserves of \$33 million was mainly due to the gain on liquidation of a subsidiary and the exchange gain on translation of intercompany loans.

1(b)(ii) BORROWINGS

	Group	
	31 Mar 2015	31 Dec 2014
	\$'000	\$'000
Repayable within 1 year:		
Interest-bearing liability (secured)	185,812	185,740
Interest-bearing liability (unsecured)	164,390	157,620
	350,202	343,360
Repayable after 1 year but within 5 years:		
Interest-bearing liabilities (secured)	323,268	315,063

The secured bank loans are generally secured by mortgages over the Group's development properties, legal assignment of all rights, titles, interests and benefits under contracts in respect of the properties. Corporate guarantees are issued by the Company for the secured and unsecured bank loans and the repayment in respect of the amounts due to the Company by certain subsidiaries are subordinated to the bank loans.

The secured bank loan repayable within one year was refinanced on 28 April 2015.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	Quarter ended	
	31 Mar 2015	31 Mar 2014
	\$'000	\$'000
Operating activities		
Profit for the period	12,258	14,260
Adjustments for:		
Tax expense	2,296	2,972
Depreciation of property, plant and equipment	83	83
Net change in fair value of forward exchange contracts	1,564	(9,850)
Exchange (gain)/loss (net)	(8,738)	694
Finance costs	671	0
Interest income	(586)	(473)
Interest income from investments	(3,225)	(3,789)
Changes in fair value on investment properties	162	49
Gain on disposal of investment	0	(51)
Dividend income from investments	(3,588)	(3,239)
Share of profit of associates, net of tax	(1,566)	0
	(669)	656
Changes in:		
Development properties	(11,513)	4,836
Trade and accrued receivables	2,913	(72)
Amounts due from related corporations	(29)	8
Other receivables	(553)	(1,500)
Trade payables	17	(18,023)
Other payables	(2,650)	(1,726)
Cash utilised in operations	(12,484)	(15,821)
Interest received	593	492
Income tax paid	(2,769)	(6,881)
Cash flows from operating activities	(14,660)	(22,210)

	Quarter ended	
	31 Mar 2015	31 Mar 2014
	\$'000	\$'000
Investing activities		
Proceeds from sale of investment	0	1,338
Purchase of property, plant and equipment	(57)	(62)
Expenditure on investment properties	(162)	(95)
Acquisition of investment	0	(720)
Dividends received	2,837	726
Interest received	5,815	5,440
Cash flows from investing activities	8,433	6,627
Financing activities		
Drawdown of bank loan	7,032	11,662
Finance costs	(2,931)	(1,901)
Cash flows from financing activities	4,101	9,761
Net decrease in cash and cash equivalents	(2,126)	(5,822)
Cash and cash equivalents at beginning of the period	408,515	457,289
Effect of exchange rate changes on balances held in foreign currencies	63	(178)
Cash and cash equivalents at the end of the period	406,452	451,289

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

	Share Capital	Other Reserves	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Group				
At 1 January 2015	1,055,901	112,461	1,964,264	3,132,626
Total comprehensive income for the period				
Profit for the period	0	0	12,258	12,258
Other comprehensive income				
Available-for-sale financial assets				
- net change in fair value	0	25,812	0	25,812
Exchange differences arising on consolidation of foreign subsidiaries	0	10,653	0	10,653
Share of other comprehensive income of associates, net of tax	0	4,389	0	4,389
Total other comprehensive income	0	40,854	0	40,854
Total comprehensive income for the period	0	40,854	12,258	53,112
At 31 March 2015	1,055,901	153,315	1,976,522 *	3,185,738

* This comprised unrealised revaluation gains of \$434 million from the investment in 68 Holdings Pte. Ltd. which should not be considered as available for distribution.

	Share Capital	Other Reserves	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Group				
At 1 January 2014	1,055,901	271,866	1,674,723	3,002,490
Total comprehensive income for the period				
Profit for the period	0	0	14,260	14,260
Other comprehensive income				
Available-for-sale financial assets				
- net change in fair value	0	(33,644)	0	(33,644)
- transfer to profit or loss on disposal	0	(134)	0	(134)
Exchange differences arising on consolidation of foreign subsidiaries	0	(4,281)	0	(4,281)
Total other comprehensive income	0	(38,059)	0	(38,059)
Total comprehensive income for the period	0	(38,059)	14,260	(23,799)
At 31 March 2014	1,055,901	233,807	1,688,983	2,978,691

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 January 2015	1,055,901	769,739	1,825,640
Total comprehensive income for the period			
Profit for the period	0	32,731	32,731
At 31 March 2015	1,055,901	802,470	1,858,371

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 January 2014	1,055,901	961,120	2,017,021
Total comprehensive income for the period			
Profit for the period	0	2,116	2,116
At 31 March 2014	1,055,901	963,236	2,019,137

1(d)(ii) SHARE CAPITAL

Since the last financial year ended 31 December 2014, there has been no change in the issued and paid-up share capital of the Company (1,196,559,876 shares).

As at 31 March 2015, there were no unissued shares of the Company or its subsidiaries under option (31 March 2014: nil).

2. AUDIT OR REVIEW OF RESULTS BY AUDITORS

The figures have neither been audited nor reviewed by the Group's auditors.

3. AUDITORS' REPORT

Not applicable.

4. BASIS OF PREPARATION

The Group has adopted the same accounting policies and methods of computation in the financial statements for the period ended 31 March 2015, as compared with the Group's audited financial statements for the year ended 31 December 2014.

5. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS

Not applicable.

6. EARNINGS PER SHARE

	Quarter ended	
	31 Mar 2015	31 Mar 2014
Basic earnings per share	1.02 cents	1.19 cents
Diluted earnings per share	1.02 cents	1.19 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 1st quarter ended 31 March 2015 of 1,196,559,876 (2014: 1,196,559,876).

7. NET ASSET VALUE PER SHARE

Group		Company	
31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
\$2.66	\$2.62	\$1.55	\$1.53

8. REVIEW OF PERFORMANCE

Revenue and Profit

The Group achieved revenue of \$99 million and profit after tax of \$12 million for the 1st quarter ended 31 March 2015, an increase of 293% and a decrease of 14% when compared to the same period last year.

Revenue for the 1st quarter ended 31 March 2015 increased mainly due to revenue recognised from The Panorama based on the progress of construction works. This was partially offset by lower rental income from Scotts Square retail.

The increase in cost of sales for the 1st quarter ended 31 March 2015 was in line with the increase in revenue for property development.

The increase in other operating expenses for the 1st quarter ended 31 March 2015 was mainly due to exchange loss arising from translation of bank loan denominated in foreign currency.

The Group's investments in equity and debt securities have provided satisfactory yield return in addition to appreciation of \$26 million from last year, which has been accounted for under fair value reserve in the statement of changes in equity.

Nature of business and profit recognition

Profits on pre-sale of development properties in Singapore 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.

For the Group's project in the PRC, profit on the sale of the development property will be recognised on completion of the project.

This basis of revenue and profit recognition together with the nature of the Group's business in Singapore and PRC may lead to volatility of earnings between comparable periods.

Assets

The Group's total assets as at 31 March 2015 were higher at \$4.0 billion compared to \$3.9 billion as at 31 December 2014.

Shareholders' Equity

The shareholders' equity as at 31 March 2015 was higher at \$3.2 billion compared to \$3.1 billion as at 31 December 2014.

Borrowings

The Group's borrowings as at 31 March 2015 were \$673 million compared to \$658 million as at 31 December 2014. The higher borrowings were mainly due to the drawdown of bank loan to finance the payment of construction costs for the Fuyang project (雍景山) and exchange loss arising from translation of bank loan denominated in foreign currency.

Net Cash Flow

Net cash flow utilised in operating activities for the 3-month ended 31 March 2015 was \$15 million, mainly due to the payment of main construction costs for the Fuyang project (雍景山). For financing activities, the loan drawn down was \$7 million.

Property Review

Development Properties

Scotts Square

Completed in August 2011, Scotts Square comprises 2 freehold luxury residential towers above the boutique Scotts Square mall. As at 31 March 2015, 79% (268 units) of the 338 units were sold, representing 85% of the net saleable area at an average price of \$4,004 psf.

With the weak demand for sales in the luxury sector, our current focus is on leasing. For the same period, 35 units were leased out at average rental of \$5,200 per month.

Ardmore Three

Ardmore Three is a 36-storey freehold development along Ardmore Park. It comprises 84 luxuriously well-appointed three-bedroom apartments each about 1,800 sq. ft.

Temporary Occupation Permit was obtained on 16 December 2014.

As at 31 March 2015, 3 units were sold in a private preview at an average price of \$3,158 psf.

The Panorama

This 698-unit leasehold development is located on an expansive 198,000 sq. ft. site in the established Upper Thomson/Ang Mo Kio neighbourhood.

As at 31 March 2015, a total of 354 units or about 93% of the 380 units launched have been sold at an average price of \$1,260 psf.

The sales gallery and showflats are located off-site along Ang Mo Kio Avenue 8 and active marketing is on-going.

雍景山

This residential site situated at Fuyang City, 22 km away from Hangzhou, China, comprises villas, townhouses, duplexes and apartments on a site area of 3.2 million sq. ft.

Investment Properties

Wheelock Place

The overall occupancy rate was 99.6% as at 31 March 2015 and the blended monthly rent achieved was above \$13.70 psf.

Retail

The occupancy rate as at 31 March 2015 was about 99% and the average rent achieved was over \$16 psf per month. For leases that are expiring in the 1st half of 2015, most renewals have been completed and tenant retention rate is about 81% based on area.

To stay relevant in the competitive retail environment, we will continue to update and introduce new concepts.

Office

As at 31 March 2015, the occupancy rate was 100% and the average rent achieved was more than \$11.70 psf per month. Leases that expired in the 1st half of 2015 have mostly been renewed with a 75% retention rate based on area.

Scotts Square Retail

As at 31 March 2015, the overall occupancy rate was about 79% and the average monthly rent achieved was \$16.70 psf.

The re-tenanting exercise will be carried out in phases and discussions are on-going with major international fashion brands. The first phase is targeted to complete with new shops opening on Level 1

and 2 by the 4th quarter of 2015. Two new interesting food & beverage restaurants in the basement will be opened by June this year.

During the transition period, short term leases for interesting pop up concepts and extended leases are secured to maintain trading activities in the mall.

9. FORECAST STATEMENT

The Group's performance for the period under review is broadly in line with the prospect statement made when the full year 2014 financial results were announced.

10. CURRENT YEAR'S PROSPECTS

Rental income from Wheelock Place and Scotts Square Retail will continue to contribute to the Group's recurring income.

The Group's investments in equity and debt securities provide regular source of returns.

Construction for The Panorama is in progress and targeted for completion in 2017. Sale of the units is on-going.

We have fitted 2 showflats and a sales office within the development of Ardmore Three and are ready to launch the project when the opportunity arises.

Phase 1 construction for the Fuyang project (雍景山) is in progress and is expected to be completed in 2016. The showflats and sales office are completed and we are monitoring the market for a window of opportunity to launch.

11. DIVIDEND

The Directors do not recommend any interim dividend for the 1st quarter ended 31 March 2015 (31 March 2014: 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 quoted 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 31 Mar 2015						
Total revenue from external customers	75,721	16,709	6,813	0	0	99,243
Inter-segment revenue	0	509	0	941	(1,450)	0
Reportable segment (loss)/ profit before taxation	(3,904)	12,477	6,196	(2,514)	733	12,988
Share of profit of associates, net of tax						1,566
Profit before taxation						14,554

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Quarter ended 31 Mar 2014						
Total revenue from external customers	455	17,799	7,028	0	0	25,282
Inter-segment revenue	0	510	0	1,040	(1,550)	0
Reportable segment (loss)/ profit before taxation	(2,781)	13,335	7,303	2,835	(3,460)	17,232

13. COMMENTS ON SEGMENT RESULTS

Higher revenue for property development for the 1st quarter ended 31 March 2015 was attributed to The Panorama based on the progress of construction works.

The loss incurred for property development for the 1st quarter ended 31 March 2015 was mainly due to expenses charged to profit or loss upon completion of Ardmore Three in the 4th quarter of 2014 and marketing expenses incurred.

Loss incurred for other operations for the 1st quarter ended 31 March 2015 was mainly due to the exchange loss arising from translation of bank loan denominated in foreign currency.

14. INTERESTED PERSON TRANSACTIONS

The Company has not obtained a general mandate from shareholders for interested person transactions.

15. CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) 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 1st quarter ended 31 March 2015 to be false or misleading in any material respects.

By Order of the Board

Pearly Oon
Company Secretary
11 May 2015