

# WHEELOCK

## PROPERTIES

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

### UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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**WHELOCK PROPERTIES (SINGAPORE) LIMITED**  
(Incorporated in the Republic of Singapore)

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

	Quarter ended			Six-month ended		
	30 Jun 2017	30 Jun 2016	Change	30 Jun 2017	30 Jun 2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	128,732	300,930	(57.2)	222,467	392,706	(43.4)
Cost of sales	(82,028)	(253,305)	(67.6)	(159,670)	(329,555)	(51.5)
<b>Gross profit</b>	46,704	47,625	(1.9)	62,797	63,151	(0.6)
Other income	1,505	4,243	(64.5)	2,925	6,104	(52.1)
Selling and marketing expenses	(2,678)	(5,695)	(53.0)	(5,135)	(7,120)	(27.9)
Administrative and corporate expenses	(3,672)	(3,825)	(4.0)	(7,510)	(6,983)	7.5
Other operating expenses	178	(628)	(128.3)	(180)	(1,298)	(86.1)
Finance costs	0	(782)	(100.0)	0	(1,754)	(100.0)
Share of profit of associates, net of tax	2,513	729	244.7	3,521	2,270	55.1
<b>Profit before taxation</b>	44,550	41,667	6.9	56,418	54,370	3.8
Tax expense	(8,054)	(6,383)	26.2	(9,867)	(7,943)	24.2
<b>Profit for the period</b>	36,496	35,284	3.4	46,551	46,427	0.3

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

	Quarter ended			Six-month ended		
	30 Jun 2017	30 Jun 2016	Change	30 Jun 2017	30 Jun 2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period</b>	36,496	35,284	3.4	46,551	46,427	0.3
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Available-for-sale financial assets						
- net change in fair value	34,837	(9,195)	478.9	63,224	(14,125)	547.6
- transfer to profit or loss on disposal	0	(2,784)	(100.0)	0	(2,777)	(100.0)
Exchange differences arising on consolidation of foreign subsidiaries	(288)	(7,270)	(96.0)	(7,848)	(18,385)	(57.3)
Share of other comprehensive income of associates, net of tax	5,502	(190)	NM	3,520	(4,338)	181.1
<b>Other comprehensive income for the period, net of income tax</b>	40,051	(19,439)	306.0	58,896	(39,625)	248.6
<b>Total comprehensive income for the period</b>	76,547	15,845	383.1	105,447	6,802	NM

**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			Six-month ended		
	30 Jun 2017	30 Jun 2016	Change	30 Jun 2017	30 Jun 2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	(833)	(971)	(14.2)	(1,654)	(2,353)	(29.7)
Gain on disposal of investments	0	(2,784)	(100.0)	0	(2,777)	(100.0)
Gain on disposal of property, plant and equipment	0	(1)	(100.0)	0	(1)	(100.0)
Others	(672)	(487)	38.0	(1,271)	(973)	30.6
Other income	(1,505)	(4,243)	(64.5)	(2,925)	(6,104)	(52.1)
Exchange loss (net)						
- net change in fair value of forward exchange contracts	(992)	1,064	(193.2)	(948)	(668)	41.9
- others	1,841	(772)	338.5	1,708	761	124.4
	849	292	190.8	760	93	717.2
Write-back of impairment loss on trade receivables	(49)	(40)	22.5	(49)	(40)	22.5
Write-back of diminution in value of a development property	(1,300)	0	NA	(1,300)	0	NA
Changes in fair value on investment properties	108	343	(68.5)	544	1,210	(55.0)
Loss on disposal of other assets	94	0	NA	94	0	NA
Others	120	33	263.6	131	35	274.3
Other operating expenses	(178)	628	(128.3)	180	1,298	(86.1)
Depreciation of property, plant and equipment	48	56	(14.3)	94	127	(26.0)
Dividend income from investment	(4,975)	(3,932)	26.5	(4,975)	(3,932)	26.5
Interest income from investments	(1,589)	(2,417)	(34.3)	(3,184)	(5,230)	(39.1)
Under/(Over) provision of tax in prior years	30	0	NA	(324)	(198)	63.6

NA: Not Applicable

NM: Not Meaningful

**1(b)(i) STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	1,912	1,966	1,694	1,697
Investment properties	1,092,000	1,092,000	216,000	216,000
Amounts due from subsidiaries	0	0	1,136,863	1,102,118
Interests in subsidiaries	0	0	262,758	262,744
Interests in associates	582,618	575,577	0	0
Investments	305,202	204,135	0	0
Deferred tax assets	540	0	0	0
Other non-current assets	434	540	434	540
	1,982,706	1,874,218	1,617,749	1,583,099
<b>Current assets</b>				
Development properties	735,886	809,109	36,280	55,642
Trade and accrued receivables	73,131	32,936	34,018	873
Amounts due from subsidiaries	0	0	241	2,944
Amounts due from related corporations	15	43	15	41
Other receivables	19,021	12,124	3,309	2,668
Cash and cash equivalents	447,657	471,946	310,371	365,649
	1,275,710	1,326,158	384,234	427,817
<b>Total assets</b>	<b>3,258,416</b>	<b>3,200,376</b>	<b>2,001,983</b>	<b>2,010,916</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	1,967,038	1,933,385	566,354	633,735
<b>Total equity</b>	<b>3,022,939</b>	<b>2,989,286</b>	<b>1,622,255</b>	<b>1,689,636</b>
<b>Non-current liability</b>				
Deferred tax liabilities	13,418	12,533	2,527	2,510
	13,418	12,533	2,527	2,510
<b>Current liabilities</b>				
Trade payables	54,548	72,850	4,194	4,089
Deferred income and other payables	150,978	110,074	7,463	8,455
Amounts due to subsidiaries	0	0	362,291	305,872
Current tax liabilities	16,533	15,633	3,253	354
	222,059	198,557	377,201	318,770
<b>Total liabilities</b>	<b>235,477</b>	<b>211,090</b>	<b>379,728</b>	<b>321,280</b>
<b>Total equity and liabilities</b>	<b>3,258,416</b>	<b>3,200,376</b>	<b>2,001,983</b>	<b>2,010,916</b>

## REVIEW OF FINANCIAL POSITION

### Group

The Group's total assets was higher at \$3.3 billion as at 30 June 2017 due mainly to the increase in market value of the Group's investment in quoted securities, which also contributed to the higher reserves. The decrease in development properties was due to the sale of units and the lower cash position was due mainly to the acquisition of quoted investments, payment of dividends, partially offset by receipt of sales proceeds from the development properties.

The increase in deferred income and other payables was mainly due to sales proceeds received from 雍景山.

### 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	Quarter ended		Six-month ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit for the period	36,496	35,284	46,551	46,427
Adjustments for:				
Tax expense	8,054	6,383	9,867	7,943
Depreciation of property, plant and equipment	48	56	94	127
Net change in fair value of forward exchange contracts	(992)	1,064	(948)	(668)
Exchange loss (net)	4,151	516	11,616	11,371
Gain on disposal of property, plant and equipment	0	(1)	0	(1)
Finance costs	0	782	0	1,754
Interest income	(833)	(971)	(1,654)	(2,353)
Interest income from investments	(1,589)	(2,417)	(3,184)	(5,230)
Write-back of diminution in value of a development property	(1,300)	0	(1,300)	0
Changes in fair value on investment properties	108	343	544	1,210
Gain on disposal of investments	0	(2,784)	0	(2,777)
Dividend income from investment	(4,975)	(3,932)	(4,975)	(3,932)
Loss on disposal of other assets	94	0	94	0
Share of profit of associates, net of tax	(2,513)	(729)	(3,521)	(2,270)
	36,749	33,594	53,184	51,601

	Quarter ended		Six-month ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	\$'000	\$'000	\$'000	\$'000
(cont'd)	36,749	33,594	53,184	51,601
Changes in:				
Development properties	50,818	163,339	64,730	171,999
Trade and accrued receivables	(60,479)	(111,322)	(40,195)	(86,503)
Amounts due from related corporations	46	(3)	28	(8)
Other receivables	(1,536)	(3,577)	(2,119)	(6,831)
Trade payables	(1,365)	1,892	(17,742)	(233)
Deferred income and other payables	17,684	53,727	43,963	64,937
<b>Cash generated from operations</b>	<b>41,917</b>	<b>137,650</b>	<b>101,849</b>	<b>194,962</b>
Interest received	1,181	1,111	2,121	2,860
Income tax paid	(4,188)	(3,485)	(7,914)	(6,263)
Dividends paid	(71,794)	(71,794)	(71,794)	(71,794)
<b>Cash flows from operating activities</b>	<b>(32,884)</b>	<b>63,482</b>	<b>24,262</b>	<b>119,765</b>
<b>Investing activities</b>				
Proceeds from sale of property, plant and equipment	0	1	0	1
Proceeds from sale of investments	0	82,324	0	97,314
Proceeds from sale of other assets	12	0	12	0
Purchase of property, plant and equipment	(40)	(15)	(51)	(59)
Expenditure on investment properties	(108)	(343)	(544)	(1,210)
Acquisition of investments	(49,916)	(82,953)	(49,916)	(97,950)
Interest received	0	2,910	3,895	7,768
<b>Cash flows from investing activities</b>	<b>(50,052)</b>	<b>1,924</b>	<b>(46,604)</b>	<b>5,864</b>
<b>Financing activities</b>				
Repayment of bank loans	0	(42,000)	0	(45,520)
Drawdown of bank loan	0	6,317	0	6,317
Finance costs	0	(2,251)	0	(4,945)
<b>Cash flows from financing activities</b>	<b>0</b>	<b>(37,934)</b>	<b>0</b>	<b>(44,148)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(82,936)</b>	<b>27,472</b>	<b>(22,342)</b>	<b>81,481</b>

	Quarter ended		Six-month ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	\$'000	\$'000	\$'000	\$'000
<b>Net (decrease)/increase in cash and cash equivalents (cont'd)</b>	(82,936)	27,472	(22,342)	81,481
Cash and cash equivalents at beginning of the period	512,645	665,284	453,946	611,565
Effect of exchange rate changes on balances held in foreign currencies	(52)	(1,034)	(1,947)	(1,324)
<b>Cash and cash equivalents at the end of the period (Note 1)</b>	429,657	691,722	429,657	691,722

	Quarter ended		Six-month ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	\$'000	\$'000	\$'000	\$'000
Note 1				
Cash and cash equivalents in the statements of financial position	447,657	691,722	447,657	691,722
Less: Deposit pledged	(18,000)	0	(18,000)	0
<b>Cash and cash equivalents in the statement of cash flows</b>	429,657	691,722	429,657	691,722

Deposit pledged represents bank balance of a subsidiary pledged as security to obtain credit facility.



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

	<b>Share Capital</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
At 1 April 2017	1,055,901	32,874	1,929,411	3,018,186
<b>Total comprehensive income for the period</b>				
Profit for the period	0	0	36,496	36,496
<b>Other comprehensive income</b>				
Available-for-sale financial assets				
- net change in fair value	0	34,837	0	34,837
Exchange differences arising on consolidation of foreign subsidiaries	0	(288)	0	(288)
Share of other comprehensive income of associates, net of tax	0	5,502	0	5,502
Total other comprehensive income	0	40,051	0	40,051
Total comprehensive income for the period	0	40,051	36,496	76,547
<b>Transaction with owners of the Company, recorded directly in equity</b>				
<b>Distribution to owners</b>				
Dividends to owners	0	0	(71,794)	(71,794)
Total transaction with owners	0	0	(71,794)	(71,794)
At 30 June 2017	1,055,901	72,925	1,894,113 *	3,022,939

\* 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.

	<b>Share Capital</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
At 1 April 2016	1,055,901	25,690	1,943,944	3,025,535
<b>Total comprehensive income for the period</b>				
Profit for the period	0	0	35,284	35,284
<b>Other comprehensive income</b>				
Available-for-sale financial assets				
- net change in fair value	0	(9,195)	0	(9,195)
- transfer to profit or loss on disposal	0	(2,784)	0	(2,784)
Exchange differences arising on consolidation of foreign subsidiaries	0	(7,270)	0	(7,270)
Share of other comprehensive loss of associates, net of tax	0	(190)	0	(190)
Total other comprehensive income	0	(19,439)	0	(19,439)
Total comprehensive income for the period	0	(19,439)	35,284	15,845
<b>Transaction with owners of the Company, recorded directly in equity</b>				
<b>Distribution to owners</b>				
Dividends to owners	0	0	(71,794)	(71,794)
Total transaction with owners	0	0	(71,794)	(71,794)
At 30 June 2016	1,055,901	6,251	1,907,434	2,969,586

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000
<b>Company</b>			
At 1 April 2017	1,055,901	623,167	1,679,068
<b>Total comprehensive income for the period</b>			
Profit for the period	0	14,981	14,981
<b>Transaction with owners of the Company, recorded directly in equity</b>			
<b>Distribution to owners</b>			
Dividends to owners	0	(71,794)	(71,794)
Total transaction with owners	0	(71,794)	(71,794)
At 30 June 2017	1,055,901	566,354	1,622,255

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000
<b>Company</b>			
At 1 April 2016	1,055,901	672,719	1,728,620
<b>Total comprehensive income for the period</b>			
Loss for the period	0	(4,848)	(4,848)
<b>Transaction with owners of the Company, recorded directly in equity</b>			
<b>Distribution to owners</b>			
Dividends to owners	0	(71,794)	(71,794)
Total transaction with owners	0	(71,794)	(71,794)
At 30 June 2016	1,055,901	596,077	1,651,978

#### 1(d)(ii) SHARE CAPITAL

Since the last financial year ended 31 December 2016, 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 2017, there were no unissued shares of the Company or its subsidiaries under option or other convertibles (30 June 2016: nil).

There were no treasury shares or subsidiary holdings as at 30 June 2017 (30 June 2016: nil). There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during the financial period ended 30 June 2017.

## 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

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the period ended 30 June 2017, as those applied in the Group's audited financial statements for the year ended 31 December 2016.

## 5. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS

The Group adopted various amendments to Financial Reporting Standard (FRS) which took effect for financial year beginning on 1 January 2017. The adoption of these amendments to FRS did not have any significant impact on the financial position or performance of the Group.

## 6. EARNINGS PER SHARE

	Quarter ended		Six-month ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
Basic earnings per share	3.05 cents	2.95 cents	3.89 cents	3.88 cents
Diluted earnings per share	3.05 cents	2.95 cents	3.89 cents	3.88 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 2<sup>nd</sup> quarter and period ended 30 June 2017 of 1,196,559,876 (2016: 1,196,559,876).

## 7. NET ASSET VALUE PER SHARE

Group		Company	
30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
\$2.53	\$2.50	\$1.36	\$1.41

## 8. REVIEW OF PERFORMANCE

### Revenue and Profit

The Group achieved revenue of \$129 million for the 2<sup>nd</sup> quarter ended 30 June 2017, a decrease of 57% when compared to the same period last year. Profit after tax for the 2<sup>nd</sup> quarter ended 30 June 2017 was \$36 million.

The Group achieved revenue of \$222 million for the 6-month ended 30 June 2017, a decrease of 43% when compared to the same period last year. Profit after tax for the 6-month ended 30 June 2017 was \$47 million.

Revenue for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was lower due mainly to lower sales in Ardmore Three and The Panorama and lower interest income from the Group's investment in quoted securities. This was partially offset by higher sales from Scotts Square and 雍景山.

The lower cost of sales for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was in line with the lower revenue for property development.

Other income for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was lower due mainly to the absence of net gain on disposal of the Group's investment in quoted securities.

The lower selling and marketing expenses for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was in line with the lower sales in Ardmore Three.

Included in other operating expenses for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was a \$1 million write-back of diminution in value made on The Panorama.

### **Net Cash Flow**

Net cash flow generated from operating activities for the 6-month ended 30 June 2017 was \$24 million, mainly due to sales proceeds received from the development properties. This was partially offset by payment of dividends.

### **Property Review as at 30 June 2017**

In what remains challenging conditions, the group succeeded in selling a fair number of units across its several developments.

Ardmore Three was relaunched for sales on 14 April 2016 and 85% (71 units) of the 84 units have been sold.

Scotts Square is now 88% sold (299 out of 338 units). A total of 28 unsold units have been earmarked for lease with an occupancy rate of 82%.

All of the 698 units at The Panorama have been sold.

In China, about 96% or 725 of the 755 units launched in Phase 1 and 2A of 雍景山 have been sold.

Notwithstanding headwinds in the retail market and oversupply in the office market, occupancy in our investment properties has remained high.

Overall occupancy for Wheelock Place was 98% whilst that for Scotts Square Retail was 97%.

## **9. FORECAST STATEMENT**

The Group's performance for the period under review is broadly in line with the prospect statement made when the 1<sup>st</sup> quarter of 2017 financial results were announced. The Group does not issue a forecast statement but the prospect for the current year is outlined in the following section.

## **10. CURRENT YEAR'S PROSPECTS**

Rental income from Wheelock Place and Scotts Square Retail, as well as the Group's investment in quoted securities and share of profit of associates, will continue to contribute to the Group's recurring income.

Construction for The Panorama is in progress and targeted for completion in Q3 2017. Progress billings are currently at 60%.

Active marketing is on-going for Ardmore Three.

Phase 2A construction of 雍景山 is in progress and is expected to be completed in 2018. Sales for the development are on-going.

## **11. DIVIDEND**

The Directors do not recommend any interim dividend for the 2<sup>nd</sup> quarter ended 30 June 2017 (30 June 2016: 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.

	<b>Property Development</b>	<b>Property Investment</b>	<b>Investments</b>	<b>Other Operations</b>	<b>Inter- segment Eliminations</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Quarter ended 30 Jun 2017</b>						
Total revenue from external customers	107,114	15,054	6,564	0	0	128,732
Inter-segment revenue	0	505	0	1,068	(1,573)	0
Reportable segment profit before taxation	23,525	10,474	5,693	876	1,469	42,037
Share of profit of associates, net of tax						2,513
Profit before taxation						44,550

	<b>Property Development</b>	<b>Property Investment</b>	<b>Investments</b>	<b>Other Operations</b>	<b>Inter- segment Eliminations</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Quarter ended 30 Jun 2016</b>						
Total revenue from external customers	278,999	15,582	6,349	0	0	300,930
Inter-segment revenue	0	509	0	1,113	(1,622)	0
Reportable segment profit before taxation	7,247	9,845	8,551	354	14,941	40,938
Share of profit of associates, net of tax						729
Profit before taxation						41,667

	<b>Property Development</b>	<b>Property Investment</b>	<b>Investments</b>	<b>Other Operations</b>	<b>Inter- segment Eliminations</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Six-month ended 30 Jun 2017</b>						
Total revenue from external customers	184,176	30,132	8,159	0	0	222,467
Inter-segment revenue	0	1,010	0	2,056	(3,066)	0
Reportable segment profit before taxation	21,903	19,927	7,423	2,072	1,572	52,897
Share of profit of associates, net of tax						3,521
Profit before taxation						56,418

	<b>Property Development</b>	<b>Property Investment</b>	<b>Investments</b>	<b>Other Operations</b>	<b>Inter- segment Eliminations</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Six-month ended 30 Jun 2016</b>						
Total revenue from external customers	352,376	31,168	9,162	0	0	392,706
Inter-segment revenue	0	1,060	0	2,206	(3,266)	0
Reportable segment profit before taxation	5,064	19,060	11,450	1,162	15,364	52,100
Share of profit of associates, net of tax						2,270
Profit before taxation						54,370



**13. COMMENTS ON SEGMENT RESULTS**

Lower revenue for property development for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was attributed to lower sales in Ardmore Three and The Panorama. This was partially offset by higher sales from Scotts Square and 雍景山.

The increase in profit for property development for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was mainly due to the sales from Scotts Square.

The decrease in profit for investments for the 2<sup>nd</sup> quarter and 6-month ended 30 June 2017 was mainly due to lower interest income from the Group's investments.

**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 2<sup>nd</sup> quarter ended 30 June 2017 to be false or misleading in any material respects.

**16. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

By Order of the Board

Pearly Oon  
Company Secretary  
11 August 2017