

WHEELOCK

PROPERTIES

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

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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			Nine-month ended		
	30 Sep 2017	30 Sep 2016	Change	30 Sep 2017	30 Sep 2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	182,652	152,647	19.7	405,119	545,353	(25.7)
Cost of sales	(156,107)	(121,589)	28.4	(315,777)	(451,144)	(30.0)
Gross profit	26,545	31,058	(14.5)	89,342	94,209	(5.2)
Other income	1,565	1,931	(19.0)	4,336	7,941	(45.4)
Selling and marketing expenses	(2,610)	(2,583)	1.0	(7,745)	(9,703)	(20.2)
Administrative and corporate expenses	(3,611)	(3,474)	3.9	(11,121)	(10,457)	6.3
Other operating expenses						
- Write-back of diminution in value of a development property	10,825	0	NA	12,125	0	NA
- Others	(312)	(311)	0.3	(1,638)	(1,515)	8.1
	10,513	(311)	NM	10,487	(1,515)	(792.2)
Finance costs	0	(401)	(100.0)	0	(2,155)	(100.0)
Share of profit of associates, net of tax	8,578	5,823	47.3	12,099	8,093	49.5
Profit before taxation	40,980	32,043	27.9	97,398	86,413	12.7
Tax credit/(expense)	7,796	(3,707)	310.3	(2,071)	(11,650)	(82.2)
Profit for the period	48,776	28,336	72.1	95,327	74,763	27.5

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

	Quarter ended			Nine-month ended		
	30 Sep 2017	30 Sep 2016	Change	30 Sep 2017	30 Sep 2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	48,776	28,336	72.1	95,327	74,763	27.5
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
- net change in fair value	27,153	16,213	67.5	90,377	2,088	NM
- transfer to profit or loss on disposal	(245)	0	NA	(245)	(2,777)	(91.2)
Exchange differences arising on consolidation of foreign subsidiaries	1,663	1,273	30.6	(6,185)	(17,112)	(63.9)
Share of other comprehensive income of associates, net of tax	591	2,812	(79.0)	4,111	(1,526)	369.4
Other comprehensive income for the period, net of income tax	29,162	20,298	43.7	88,058	(19,327)	555.6
Total comprehensive income for the period	77,938	48,634	60.3	183,385	55,436	230.8

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			Nine-month ended		
	30 Sep 2017	30 Sep 2016	Change	30 Sep 2017	30 Sep 2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Exchange gain (net)						
- net change in fair value of forward exchange contracts	1,505	592	154.2	0	(76)	(100.0)
- others	(1,659)	(832)	99.4	0	(71)	(100.0)
	(154)	(240)	(35.8)	0	(147)	(100.0)
Interest income	(752)	(972)	(22.6)	(2,406)	(3,325)	(27.6)
Gain on disposal of investments	(245)	0	NA	(245)	(2,777)	(91.2)
Others	(414)	(719)	(42.4)	(1,685)	(1,692)	(0.4)
Other income	(1,565)	(1,931)	(19.0)	(4,336)	(7,941)	(45.4)
Exchange loss (net)						
- net change in fair value of forward exchange contracts	0	0	NA	557	0	NA
- others	0	0	NA	49	0	NA
	0	0	NA	606	0	NA
Write-back of impairment loss on trade receivables	0	(40)	(100.0)	(49)	(80)	(38.8)
Changes in fair value on investment properties	248	239	3.8	792	1,449	(45.3)
Loss on disposal of property, plant and equipment	15	1	NM	15	0	NA
Loss on disposal of other assets	0	0	NA	94	0	NA
Others	49	111	(55.9)	180	146	23.3
Other operating expenses - others	312	311	0.3	1,638	1,515	8.1

	Quarter ended			Nine-month ended		
	30 Sep 2017	30 Sep 2016	Change	30 Sep 2017	30 Sep 2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	52	53	(1.9)	146	180	(18.9)
Dividend income from investments	(226)	0	NA	(5,201)	(3,932)	32.3
Interest income from investments	(1,435)	(2,492)	(42.4)	(4,619)	(7,722)	(40.2)
Under/(Over) provision of tax in prior years	1	(40)	102.5	(323)	(238)	35.7

NA: Not Applicable

NM: Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	2,044	1,966	1,689	1,697
Investment properties	1,092,000	1,092,000	216,000	216,000
Amounts due from subsidiaries	0	0	1,235,399	1,102,118
Interests in subsidiaries	0	0	262,786	262,744
Interests in associates	591,787	575,577	0	0
Investments	402,514	204,135	0	0
Deferred tax assets	705	0	0	0
Other non-current assets	434	540	434	540
	2,089,484	1,874,218	1,716,308	1,583,099
Current assets				
Development properties	368,473	809,109	36,280	55,642
Trade and accrued receivables	286,105	32,936	180	873
Amounts due from subsidiaries	0	0	255	2,944
Amounts due from related corporations	25	43	25	41
Other receivables	14,183	12,124	3,296	2,668
Cash and cash equivalents	606,979	471,946	324,566	365,649
	1,275,765	1,326,158	364,602	427,817
Total assets	3,365,249	3,200,376	2,080,910	2,010,916
Equity attributable to owners of the Company				
Share capital	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	2,044,976	1,933,385	587,240	633,735
Total equity	3,100,877	2,989,286	1,643,141	1,689,636
Non-current liability				
Deferred tax liabilities	12,373	12,533	2,514	2,510
	12,373	12,533	2,514	2,510
Current liabilities				
Trade payables	74,418	72,850	4,463	4,089
Deferred income and other payables	172,423	110,074	7,651	8,455
Amounts due to subsidiaries	0	0	423,120	305,872
Current tax liabilities	5,158	15,633	21	354
	251,999	198,557	435,255	318,770
Total liabilities	264,372	211,090	437,769	321,280
Total equity and liabilities	3,365,249	3,200,376	2,080,910	2,010,916

REVIEW OF FINANCIAL POSITION

Group

The Group's total assets was higher at \$3.4 billion as at 30 September 2017 due mainly to the increase in market value of the Group's investment in quoted securities, which also contributed to the higher reserves. Development properties was lower due mainly to the recognition of the balance 40% of sales consideration upon completion of The Panorama, which also contributed to higher trade and accrued receivables, and sale of units from other projects. The higher cash position was due mainly to the sales proceeds from the development properties, partially offset by acquisition of quoted investments and payment of dividends .

Deferred income and other payables was higher due mainly to sales proceeds received from 雍景山.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	Quarter ended		Nine-month ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit for the period	48,776	28,336	95,327	74,763
Adjustments for:				
Tax (credit)/expense	(7,796)	3,707	2,071	11,650
Depreciation of property, plant and equipment	52	53	146	180
Net change in fair value of forward exchange contracts	1,505	592	557	(76)
Exchange loss/(gain) (net)	2,825	(3,072)	14,441	8,299
Loss on disposal of property, plant and equipment	15	1	15	0
Finance costs	0	401	0	2,155
Interest income	(752)	(972)	(2,406)	(3,325)
Interest income from investments	(1,435)	(2,492)	(4,619)	(7,722)
Write-back of diminution in value of a development property	(10,825)	0	(12,125)	0
Changes in fair value on investment properties	248	239	792	1,449
Gain on disposal of investments	(245)	0	(245)	(2,777)
Dividend income from investments	(226)	0	(5,201)	(3,932)
Loss on disposal of other assets	0	0	94	0
Share of profit of associates, net of tax	(8,578)	(5,823)	(12,099)	(8,093)
	23,564	20,970	76,748	72,571

	Quarter ended		Nine-month ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	\$'000	\$'000	\$'000	\$'000
(cont'd)	23,564	20,970	76,748	72,571
Changes in:				
Development properties	379,842	38,041	444,572	210,040
Trade and accrued receivables	(212,974)	94,038	(253,169)	7,535
Amounts due from related corporations	(10)	0	18	(8)
Other receivables	(3,724)	(236)	(5,843)	(7,067)
Trade payables	19,731	(9,384)	1,989	(9,617)
Deferred income and other payables	19,965	20,732	63,928	85,669
Cash generated from operations	226,394	164,161	328,243	359,123
Interest received	1,141	1,152	3,262	4,012
Income tax paid	(4,137)	(3,471)	(12,051)	(9,734)
Dividends paid	0	0	(71,794)	(71,794)
Cash flows from operating activities	223,398	161,842	247,660	281,607
Investing activities				
Proceeds from sale of property, plant and equipment	5	0	5	1
Proceeds from sale of investments	38,756	0	38,756	97,314
Proceeds from sale of other assets	0	0	12	0
Purchase of property, plant and equipment	(206)	(54)	(257)	(113)
Expenditure on investment properties	(248)	(239)	(792)	(1,449)
Acquisition of investments	(112,020)	0	(161,936)	(97,950)
Dividends received	5,175	4,017	5,175	4,017
Interest received	3,595	2,071	7,490	9,839
Cash flows from investing activities	(64,943)	5,795	(111,547)	11,659
Financing activities				
Repayment of bank loans	0	(469,093)	0	(514,613)
Drawdown of bank loan	0	10,228	0	16,545
Finance costs	0	(1,523)	0	(6,468)
Deposit pledged	0	(18,000)	0	(18,000)
Cash flows from financing activities	0	(478,388)	0	(522,536)
Net increase/(decrease) in cash and cash equivalents	158,455	(310,751)	136,113	(229,270)

	Quarter ended		Nine-month ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	\$'000	\$'000	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents (cont'd)	158,455	(310,751)	136,113	(229,270)
Cash and cash equivalents at beginning of the period	429,657	691,722	453,946	611,565
Effect of exchange rate changes on balances held in foreign currencies	867	198	(1,080)	(1,126)
Cash and cash equivalents at the end of the period (Note 1)	588,979	381,169	588,979	381,169

	Quarter ended		Nine-month ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	\$'000	\$'000	\$'000	\$'000
Note 1				
Cash and cash equivalents in the statements of financial position	606,979	399,169	606,979	399,169
Less: Deposit pledged	(18,000)	(18,000)	(18,000)	(18,000)
Cash and cash equivalents in the consolidated statement of cash flows	588,979	381,169	588,979	381,169

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

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

	Share Capital	Other Reserves	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Group				
At 1 July 2017	1,055,901	72,925	1,894,113	3,022,939
Total comprehensive income for the period				
Profit for the period	0	0	48,776	48,776
Other comprehensive income				
Available-for-sale financial assets				
- net change in fair value	0	27,153	0	27,153
- transfer to profit or loss on disposal	0	(245)	0	(245)
Exchange differences arising on consolidation of foreign subsidiaries	0	1,663	0	1,663
Share of other comprehensive income of associates, net of tax	0	591	0	591
Total other comprehensive income	0	29,162	0	29,162
Total comprehensive income for the period	0	29,162	48,776	77,938
At 30 September 2017	1,055,901	102,087	1,942,889 *	3,100,877

* 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 July 2016	1,055,901	6,251	1,907,434	2,969,586
Total comprehensive income for the period				
Profit for the period	0	0	28,336	28,336
Other comprehensive income				
Available-for-sale financial assets				
- net change in fair value	0	16,213	0	16,213
Exchange differences arising on consolidation of foreign subsidiaries	0	1,273	0	1,273
Share of other comprehensive income of associates, net of tax	0	2,812	0	2,812
Total other comprehensive income	0	20,298	0	20,298
Total comprehensive income for the period	0	20,298	28,336	48,634
At 30 September 2016	1,055,901	26,549	1,935,770	3,018,220

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 July 2017	1,055,901	566,354	1,622,255
Total comprehensive income for the period			
Profit for the period	0	20,886	20,886
At 30 September 2017	1,055,901	587,240	1,643,141

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 July 2016	1,055,901	596,077	1,651,978
Total comprehensive income for the period			
Profit for the period	0	5,788	5,788
At 30 September 2016	1,055,901	601,865	1,657,766

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 September 2017, there were no unissued shares of the Company or its subsidiaries under option or other convertibles (30 September 2016: nil).

There were no treasury shares or subsidiary holdings as at 30 September 2017 (30 September 2016: nil). There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during the financial period ended 30 September 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 September 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		Nine-month ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
Basic earnings per share	4.08 cents	2.37 cents	7.97 cents	6.25 cents
Diluted earnings per share	4.08 cents	2.37 cents	7.97 cents	6.25 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 3rd quarter and period ended 30 September 2017 of 1,196,559,876 (2016: 1,196,559,876).

7. NET ASSET VALUE PER SHARE

Group		Company	
30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
\$2.59	\$2.50	\$1.37	\$1.41

8. REVIEW OF PERFORMANCE

Revenue and Profit

The Group achieved revenue of \$183 million for the 3rd quarter ended 30 September 2017, an increase of 20% when compared to the same period last year. Profit after tax for the 3rd quarter ended 30 September 2017 was \$49 million.

The Group achieved revenue of \$405 million for the 9-month ended 30 September 2017, a decrease of 26% when compared to the same period last year. Profit after tax for the 9-month ended 30 September 2017 was \$95 million.

Revenue for the 9-month ended 30 September 2017 was lower due mainly to lower sales in Ardmore Three and The Panorama. This was partially offset by higher sales from 雍景山 and Scotts Square.

The lower cost of sales for the 9-month ended 30 September 2017 was in line with the lower revenue for property development.

Other income for the 9-month ended 30 September 2017 was lower due mainly to the lower gain on disposal of the Group's investment in quoted securities.

The lower selling and marketing expenses for the 9-month ended 30 September 2017 was in line with the lower sales in Ardmore Three.

There was a \$12 million write-back of diminution in value made on The Panorama under other operating expenses for the 9-month ended 30 September 2017 in line with the completion of the project.

The lower tax expense for the 9-month ended 30 September 2017 was due mainly to recognition of tax credit in respect of tax losses from The Panorama transferred to other subsidiaries under Group Relief upon completion of the project.

Net Cash Flow

Net cash flow generated from operating activities for the 9-month ended 30 September 2017 was \$248 million, due mainly to sales proceeds received from the development properties. This was partially offset by payment of dividends. For investing activities, the Group has invested \$162 million in quoted securities.

Property Review as at 30 September 2017

Sales for Ardmore Three continue and 93% (78 units) of the 84 units have been sold.

Scotts Square is 88% sold (299 out of 338 units). Of the 28 unsold units earmarked for lease, 71% have been tenanted.

All 698 units at The Panorama have been sold since June 2017.

In China, about 98% or 765 of the 784 units launched in Phase 1 and 2A of 雍景山 have been sold.

Occupancy in our investment properties has remained high.

Overall occupancy for Wheelock Place was 94%, of which another 3% has been pre-committed, whilst that for Scotts Square Retail was 99%.

9. FORECAST STATEMENT

The Group's performance for the period under review is broadly in line with the prospect statement made when the 2nd 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.

The Panorama has obtained temporary occupation permit in September 2017 and handover of units is in progress.

Marketing is on-going for Ardmore Three and Scotts Square.

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 3rd quarter ended 30 September 2017 (30 September 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.

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Quarter ended 30 Sep 2017						
Total revenue from external customers	166,164	14,827	1,661	0	0	182,652
Inter-segment revenue	0	504	0	1,484	(1,988)	0
Reportable segment profit before taxation	15,110	10,091	1,111	2,321	3,769	32,402
Share of profit of associates, net of tax						8,578
Profit before taxation						40,980

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Quarter ended 30 Sep 2016						
Total revenue from external customers	134,650	15,505	2,492	0	0	152,647
Inter-segment revenue	0	505	0	1,119	(1,624)	0
Reportable segment profit/ (loss) before taxation	8,011	10,184	(254)	3,714	4,565	26,220
Share of profit of associates, net of tax						5,823
Profit before taxation						32,043

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Nine-month ended 30 Sep 2017						
Total revenue from external customers	350,340	44,959	9,820	0	0	405,119
Inter-segment revenue	0	1,514	0	3,540	(5,054)	0
Reportable segment profit before taxation	37,013	30,018	8,534	4,393	5,341	85,299
Share of profit of associates, net of tax						12,099
Profit before taxation						97,398

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Nine-month ended 30 Sep 2016						
Total revenue from external customers	487,026	46,673	11,654	0	0	545,353
Inter-segment revenue	0	1,565	0	3,325	(4,890)	0
Reportable segment profit before taxation	13,075	29,244	11,196	4,876	19,929	78,320
Share of profit of associates, net of tax						8,093
Profit before taxation						86,413

13. COMMENTS ON SEGMENT RESULTS

Lower revenue for property development for the 9-month ended 30 September 2017 was attributed to lower sales in Ardmore Three and The Panorama. This was partially offset by higher sales from 雍景山 and Scotts Square.

The increase in profit for property development for the 3rd quarter and 9-month ended 30 September 2017 was due mainly to write-back of diminution in value made on The Panorama.

The decrease in profit for investments for the 9-month ended 30 September 2017 was due mainly to lower interest income from the Group's investments. This was partially offset by higher dividend 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 3rd quarter ended 30 September 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
14 November 2017