

# WHEELOCK

## PROPERTIES

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

### UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

#### 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)	BORROWINGS	6
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	7
1(d)(i)	STATEMENTS OF CHANGES IN EQUITY	9
1(d)(ii)	SHARE CAPITAL	11
2	REVIEW OF RESULTS BY AUDITORS	11
3	AUDITORS' REPORT	11
4	BASIS OF PREPARATION	11
5	EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS	11
6	EARNINGS PER SHARE	11
7	NET ASSET VALUE PER SHARE	12
8	REVIEW OF PERFORMANCE	12
9	FORECAST STATEMENT	14
10	CURRENT YEAR'S PROSPECTS	14
11	DIVIDEND	14
12	SEGMENTAL INFORMATION	15
13	COMMENTS ON SEGMENT RESULTS	16
14	INTERESTED PERSON TRANSACTIONS	16
15	CONFIRMATION BY THE BOARD	16

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

**1(a)(i) CONSOLIDATED INCOME STATEMENT**

	Quarter ended		
	31 Mar 2013	31 Mar 2012	Change
	\$'000	\$'000	%
Revenue	27,029	26,134	3.4
Cost of sales	(5,771)	(8,227)	(29.9)
<b>Gross profit</b>	21,258	17,907	18.7
Other income	95,119	2,919	NM
Selling and marketing expenses	(707)	(842)	(16.0)
Administrative and corporate expenses	(2,257)	(4,198)	(46.2)
Other operating expenses	(5,035)	(271)	NM
<b>Profit before taxation</b>	108,378	15,515	598.5
Income tax expense	(3,100)	(2,377)	30.4
<b>Profit for the period</b>	105,278	13,138	701.3

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

	Quarter ended		
	31 Mar 2013	31 Mar 2012	Change
	\$'000	\$'000	%
<b>Profit for the period</b>	105,278	13,138	701.3
<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	9,052	34,041	(73.4)
- transfer to profit or loss on disposal	(95,555)	0	NA
Exchange differences arising on consolidation of foreign subsidiaries	8,247	(6,474)	227.4
<b>Other comprehensive income for the period, net of income tax*</b>	(78,256)	27,567	(383.9)
<b>Total comprehensive income for the period</b>	27,022	40,705	(33.6)

\* 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		
	31 Mar 2013	31 Mar 2012	Change
	\$'000	\$'000	%
Exchange gain (net)			
- net change in fair value of forward exchange contracts	0	(159)	(100.0)
- others	0	(1,623)	(100.0)
	0	(1,782)	(100.0)
Interest income	(764)	(1,044)	(26.8)
Gain on disposal of investments	(93,811)	(7)	NM
Others	(544)	(86)	532.6
Other income	(95,119)	(2,919)	NM
Exchange loss (net)			
- net change in fair value of forward exchange contracts	2,189	0	NA
- others	2,817	0	NA
	5,006	0	NA
Changes in fair value on investment properties	(12)	219	(105.5)
Loss on disposal of property, plant and equipment	29	0	NA
Others	12	52	(76.9)
Other operating expenses	5,035	271	NM
Depreciation of property, plant and equipment	71	70	1.4
Dividend income from investment	(1,563)	(40)	NM
Interest income from investments	(3,090)	0	NA
Over provision of tax in prior years	(233)	(5)	NM

NA: Not Applicable

NM: Not Meaningful

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

	Group		Company	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	1,461	1,487	1,235	1,252
Investment properties	1,221,879	1,222,000	312,000	312,000
Amounts due from subsidiaries	0	0	1,127,632	948,671
Interests in subsidiaries	0	0	236,835	236,786
Interests in an associate	7	7	0	0
Investments	837,350	823,818	0	0
Other non-current assets	540	540	540	540
	2,061,237	2,047,852	1,678,242	1,499,249
<b>Current assets</b>				
Development properties	631,616	617,509	68,489	68,489
Trade and accrued receivables	3,211	151,812	2,522	151,562
Amounts due from subsidiaries	0	0	168	636
Amounts due from related corporations	65	37	65	37
Deposits and other receivables	170,074	11,841	3,527	6,867
Cash and cash equivalents	720,175	720,649	696,024	685,287
	1,525,141	1,501,848	770,795	912,878
<b>Total assets</b>	3,586,378	3,549,700	2,449,037	2,412,127
<b>Equity attributable to owners of the Company</b>				
Share capital	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	2,099,468	2,072,446	1,133,435	1,128,029
<b>Total equity</b>	3,155,369	3,128,347	2,189,336	2,183,930
<b>Non-current liabilities</b>				
Interest-bearing liabilities (Ref: 1(b)(ii))	283,653	278,770	0	0
Deferred tax liabilities	12,807	37,010	1,135	26,118
	296,460	315,780	1,135	26,118
<b>Current liabilities</b>				
Trade payables	52,510	56,408	27,760	28,441
Other payables	41,367	32,236	11,501	12,942
Amounts due to subsidiaries	0	0	192,737	159,201
Current tax payable	40,672	16,929	26,568	1,495
	134,549	105,573	258,566	202,079
<b>Total liabilities</b>	431,009	421,353	259,701	228,197
<b>Total equity and liabilities</b>	3,586,378	3,549,700	2,449,037	2,412,127

## REVIEW OF FINANCIAL POSITION

### Group

Decrease in trade and accrued receivables of \$149 million was mainly due to the receipts of progress billings of Scotts Square which had been accounted for as accrued receivables as at 31 December 2012.

Increase in deposits and other receivables of \$158 million was mainly due to the payment of 25% of tender price and stamp duty for the land parcel at Ang Mo Kio Avenue 2.

Decrease in deferred tax liabilities and increase in current tax payable of \$24 million was mainly due to the reclassification of tax liabilities upon billing of the balance 15% of sale proceeds on Scotts Square.

### Company

Increase in amounts due from subsidiaries of \$178 million was mainly due to the provision of inter-company loans to subsidiaries to acquire the land parcel at Ang Mo Kio Avenue 2 and invest in quoted securities. This was partially offset by the repayment of inter-company loans by subsidiaries.

Decrease in trade and accrued receivables of \$149 million was mainly due to the receipts of progress billings of Scotts Square which had been accounted for as accrued receivables as at 31 December 2012.

Increase in amounts due to subsidiaries of \$34 million was mainly due to transfer of surplus funds from subsidiaries.

Decrease in deferred tax liabilities and increase in current tax payable of \$25 million was mainly due to the reclassification of tax liabilities upon billing of the balance 15% of sale proceeds on Scotts Square.

### **1(b)(ii) BORROWINGS**

	Group	
	31 Mar 2013	31 Dec 2012
	\$'000	\$'000
Repayable after 1 year but within 5 years:		
Interest-bearing liability (secured)	135,689	133,174
Interest-bearing liability (unsecured)	147,964	145,596
	283,653	278,770

The secured bank loan 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. 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.

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

	Quarter ended	
	31 Mar 2013	31 Mar 2012
	\$'000	\$'000
<b>Operating activities</b>		
Profit for the period	105,278	13,138
Adjustments for:		
Income tax expense	3,100	2,377
Depreciation of property, plant and equipment	71	70
Net change in fair value of forward exchange contracts	2,189	(159)
Exchange (gain)/loss (net)	(27)	160
Loss on disposal of property, plant and equipment	29	0
Interest income	(764)	(1,044)
Interest income from investments	(3,090)	0
Changes in fair value on investment properties	(12)	219
Gain on disposal of investments	(93,811)	(7)
Dividend income from investment	(1,563)	(40)
<b>Operating profit before working capital changes</b>	11,400	14,714
Changes in working capital:		
Development properties	(5,025)	(151,753)
Trade and accrued receivables	148,601	5,958
Amounts due from related corporations	(28)	(26)
Deposits and other receivables	(156,374)	(1,011)
Trade payables	(3,639)	(6,702)
Other payables	6,965	1,944
<b>Cash generated from/(utilised in) operations</b>	1,900	(136,876)
Interest received	798	1,078
Income tax paid	(3,560)	(6)
<b>Cash flows from operating activities</b>	(862)	(135,804)

	Quarter ended	
	31 Mar 2013	31 Mar 2012
	\$'000	\$'000
<b>Investing activities</b>		
Proceeds from sale of investments	157,050	111
Purchase of property, plant and equipment	(79)	(110)
Expenditure on investment properties	(126)	(219)
Acquisition of investments	(161,004)	(2,638)
Dividend received	0	106
Interest received	2,823	0
<b>Cash flows from investing activities</b>	<b>(1,336)</b>	<b>(2,750)</b>
<b>Financing activities</b>		
Drawdown of bank loans	2,443	112,857
Finance costs	(938)	(729)
<b>Cash flows from financing activities</b>	<b>1,505</b>	<b>112,128</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(693)</b>	<b>(26,426)</b>
Cash and cash equivalents at beginning of the period	720,649	1,077,245
Effect of exchange rate changes on balances held in foreign currencies	219	(1,648)
<b>Cash and cash equivalents at the end of the period (Note 1)</b>	<b>720,175</b>	<b>1,049,171</b>

	Quarter ended	
	31 Mar 2013	31 Mar 2012
	\$'000	\$'000
Note 1		
Cash and cash equivalents in the statements of financial position	720,175	1,053,551
Less: Deposit pledged	0	(4,380)
Cash and cash equivalents in the statement of cash flows	720,175	1,049,171

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



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

	<b>Share Capital</b>	<b>Translation Reserve</b>	<b>Fair Value Reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
At 1 January 2013	1,055,901	(3,773)	369,742	1,706,477	3,128,347
<b>Total comprehensive income for the period</b>					
Profit for the period	0	0	0	105,278	105,278
<b>Other comprehensive income</b>					
Available-for-sale financial assets					
- net change in fair value	0	0	9,052	0	9,052
- transfer to profit or loss on disposal	0	0	(95,555)	0	(95,555)
Exchange differences arising on consolidation of foreign subsidiaries	0	8,247	0	0	8,247
Total other comprehensive income	0	8,247	(86,503)	0	(78,256)
Total comprehensive income for the period	0	8,247	(86,503)	105,278	27,022
At 31 March 2013	1,055,901	4,474	283,239	1,811,755	3,155,369

	<b>Share Capital</b>	<b>Translation Reserve</b>	<b>Fair Value Reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
At 1 January 2012	1,055,901	9,715	114,774	1,714,975	2,895,365
<b>Total comprehensive income for the period</b>					
Profit for the period	0	0	0	13,138	13,138
<b>Other comprehensive income</b>					
Available-for-sale financial assets					
- net change in fair value	0	0	34,041	0	34,041
Exchange differences arising on consolidation of foreign subsidiaries	0	(6,474)	0	0	(6,474)
Total other comprehensive income	0	(6,474)	34,041	0	27,567
Total comprehensive income for the period	0	(6,474)	34,041	13,138	40,705
At 31 March 2012	1,055,901	3,241	148,815	1,728,113	2,936,070

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000
<b>Company</b>			
At 1 January 2013	1,055,901	1,128,029	2,183,930
<b>Total comprehensive income for the period</b>			
Profit for the period	0	5,406	5,406
At 31 March 2013	1,055,901	1,133,435	2,189,336

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000
<b>Company</b>			
At 1 January 2012	1,055,901	917,042	1,972,943
<b>Total comprehensive income for the period</b>			
Profit for the period	0	4,954	4,954
At 31 March 2012	1,055,901	921,996	1,977,897

## 1(d)(ii) SHARE CAPITAL

Since the last financial year ended 31 December 2012, 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 2013, there were no unissued shares of the Company or its subsidiaries under option (31 March 2012: nil).

## 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 the attached auditors' report.

## 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 2013, as compared with the Group's audited financial statements for the year ended 31 December 2012.

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

Not applicable.

## 6. EARNINGS PER SHARE

	Quarter ended	
	31 Mar 2013	31 Mar 2012
Basic earnings per share	8.80 cents	1.10 cents
Diluted earnings per share	8.80 cents	1.10 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 1<sup>st</sup> quarter ended 31 March 2013 of 1,196,559,876 (2012: 1,196,559,876 shares).

## 7. NET ASSET VALUE PER SHARE

Group		Company	
31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
\$	\$	\$	\$
2.64	2.61	1.83	1.83

## 8. REVIEW OF PERFORMANCE

### Revenue and Profit

The Group achieved revenue of \$27 million and profit after tax of \$105 million for the 1<sup>st</sup> quarter ended 31 March 2013, an increase of 3% and 701% respectively when compared to the same period last year.

The marginal increase in revenue for the 1<sup>st</sup> quarter ended 31 March 2013 was mainly due to revenue recognised from Ardmore Three based on the progress of construction works, interest income and dividend income received from the Group's investments and revenue from the retail malls. This was partially offset by sales from Scotts Square and Orchard View in the same period last year.

The decrease in cost of sales for the 1<sup>st</sup> quarter ended 31 March 2013 was in line with the decrease in revenue for property development.

The increase in other income for the 1<sup>st</sup> quarter ended 31 March 2013 was mainly due to the accounting gain on disposal of SC Global Developments Ltd's shares of \$93 million.

The decrease in administrative and corporate expenses for the 1<sup>st</sup> quarter ended 31 March 2013 was mainly due to the lower staff costs incurred in the current period.

The higher other operating expenses for the 1<sup>st</sup> quarter ended 31 March 2013 was mainly due to exchange differences arising from hedging of available-for-sale financial assets and translation of bank loan denominated in foreign currency. Exchange differences arising from translation of quoted equity securities were recognised in the fair value reserve 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.

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 31 March 2013 were higher at \$3.6 billion compared to \$3.5 billion as at 31 December 2012. The increase in total assets was mainly due to the increase in development properties as construction progresses and increase in market value of the Group's investments. Return on assets (based on profit for the period) for the 3-month ended 31 March 2013 was 2.9% (3-month ended 31 March 2012: 0.4%).

### **Shareholders' Equity**

The shareholders' equity as at 31 March 2013 was higher at \$3.2 billion compared to \$3.1 billion as at 31 December 2012. The increase in shareholders' equity was mainly due to the profits recognised in the current financial period. Return on shareholders' equity (based on profit for the period) for the 3-month ended 31 March 2013 was 3.3% (3-month ended 31 March 2012: 0.4%).

### **Borrowings**

The Group's borrowings as at 31 March 2013 were \$284 million compared to \$279 million as at 31 December 2012. The higher borrowings was mainly due to the drawdown of bank loan to finance the payment of construction costs for Ardmore Three. The debt-equity ratio as at 31 March 2013 was 9.0% (as at 31 December 2012: 8.9%).

### **Net Cash Flow**

Net cash flow utilised in operating activities for the 3-month ended 31 March 2013 was \$1 million, mainly due to the payment of 25% deposit for the Ang Mo Kio site. For financing activities, the loan drawn down was \$2 million.

### **Property Review**

#### **Development Properties**

##### ***Scotts Square***

Scotts Square, comprising 2 prestigious residential towers above the Scotts Square luxury mall, obtained its Temporary Occupation Permit on 22 August 2011.

On 8 and 10 January 2013, the development also obtained its Certificate of Statutory Completion and Subsidiary Strata Certificates of Title respectively.

As at 31 March 2013, 79% (267 units) of the 338 units were sold, representing 85% of the net saleable area at an average price of \$4,004 psf.

Marketing of the remaining units for sale is on-going.

##### ***Ardmore Three***

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

Construction is in progress and the development is expected to be completed by 2014.

2 units were sold at an average of \$3,116 psf.

##### ***雍景山***

A residential development situated at Fuyang City, Zhejiang, People's Republic of China.

Construction work for the first phase has commenced.

## **Investment Properties**

### ***Wheelock Place***

As at 31 March 2013, the overall occupancy rate is 97% and the average rental achieved was more than \$13 psf.

The occupancy rate and average monthly rental for the retail podium was 98% and exceeds \$15 psf respectively. Shops in Basement 1 and Basement 2 are fully open for trading.

For the quarter ended 31 March 2013, office occupancy is 96% and the average rent is more than \$11 psf per month. For the office tower, the main lease reversion for 1<sup>st</sup> quarter 2013 is the 20,656 sq. ft. space vacated by a tenant. More than half of this space has been leased at a higher rent. We are continuing with our active marketing efforts for the remaining space.

### ***Scotts Square Retail***

As at 31 March 2013, the occupancy rate is 95% and the average rental achieved was more than \$22 psf per month.

Active marketing efforts are in progress to seek suitable prospects for the vacant units at Level 1 and Basement 1.

## **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 2012 financial results were announced.

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

The acquisition of the land parcel at Ang Mo Kio Avenue 2 was completed with the payment of the balance 75% of the tender price on 8 April 2013. Planning and design of the project is in progress.

The launch of the first of four phases for the Fuyang project is expected in the 4<sup>th</sup> quarter of 2013. Under the Group's accounting policy, profit on the sale of overseas development project is recognised on completion of the project. Accordingly, for sold units, profit will be recognised upon completion of the 1<sup>st</sup> phase, expected in year 2016.

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

After allowing for capital outflows for the above development projects, 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 1<sup>st</sup> quarter ended 31 March 2013 (31 March 2012: 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
<b>Quarter ended 31 Mar 2013</b>						
Total revenue from external customers	4,706	17,670	4,653	0	0	27,029
Inter-segment revenue	0	551	0	721	(1,272)	0
Reportable segment profit/ (loss) before taxation	2,988	13,298	93,777	(28)	(1,657)	108,378

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Quarter ended 31 Mar 2012</b>						
Total revenue from external customers	11,123	14,971	40	0	0	26,134
Inter-segment revenue	0	564	0	1,385	(1,949)	0
Reportable segment profit before taxation	4,885	9,692	388	2,081	(1,531)	15,515

**13. COMMENTS ON SEGMENT RESULTS**

The revenue and profit for property development for the 1<sup>st</sup> quarter ended 31 March 2013 was attributed to Ardmore Three based on the progress of construction works in the current period. Higher revenue and profit for the comparative period was due to 100% profit recognition on sale of units in Scotts Square and Orchard View.

The increase in revenue and profit for property investment for the 1<sup>st</sup> quarter ended 31 March 2013 was mainly due to the higher revenue from Wheelock Place as a result of higher occupancy and rental rates.

The increase in profit for investments for the 1<sup>st</sup> quarter ended 31 March 2013 was mainly due to the gain on disposal of SC Global Developments Ltd's shares, dividend income and interest income received from the Group's investments.

The decrease in profit for other operations for the 1<sup>st</sup> quarter ended 31 March 2013 was mainly due to the exchange loss arising from the hedging of available-for-sale financial assets and translation of bank loan denominated in foreign currency. Exchange differences arising from translation of quoted equity securities were recognised in the fair value reserve in equity.

**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 1<sup>st</sup> quarter ended 31 March 2013 to be false or misleading in any material respects.

By Order of the Board

Pearly Oon  
Company Secretary  
29 April 2013