

WHEELOCK

PROPERTIES

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

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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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		
	31 Mar 2018	31 Mar 2017	Change
	\$'000	\$'000	%
		(Restated)	
Revenue	55,973	93,735	(40.3)
Cost of sales	(39,265)	(78,510)	(50.0)
Gross profit	16,708	15,225	9.7
Other income	2,622	1,509	73.8
Selling and marketing expenses	(1,043)	(2,457)	(57.5)
Administrative and corporate expenses	(2,727)	(3,838)	(28.9)
Other operating expenses	(1,741)	(447)	289.5
Share of profit of associates, net of tax	19,866	1,008	NM
Profit before taxation	33,685	11,000	206.2
Tax expense	(2,862)	(1,813)	57.9
Profit for the period	30,823	9,187	235.5

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

	Quarter ended		
	31 Mar 2018	31 Mar 2017	Change
	\$'000	\$'000	%
		(Restated)	
Profit for the period	30,823	9,187	235.5
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income			
- net change in fair value	42,699	0	NA
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- net change in fair value	0	28,387	(100.0)
Financial assets at fair value through other comprehensive income			
- net change in fair value	(1,563)	0	NA
- fair value reserve transferred to profit or loss on disposal	1,025	0	NA
Exchange differences arising on consolidation of foreign subsidiaries	2,939	(7,590)	138.7
Share of other comprehensive income of associates, net of tax	1,545	(1,982)	178.0
Other comprehensive income for the period, net of income tax	46,645	18,815	147.9
Total comprehensive income for the period	77,468	28,002	176.7

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 2018	31 Mar 2017	Change
	\$'000	\$'000	%
Exchange gain (net)			
- net change in fair value of forward exchange contracts	0	44	(100.0)
- others	0	(133)	(100.0)
	0	(89)	(100.0)
Interest income	(2,287)	(821)	178.6
Others	(335)	(599)	(44.1)
Other income	(2,622)	(1,509)	73.8
Exchange loss (net)			
- net change in fair value of forward exchange contracts	1,299	0	NA
- others	(1,202)	0	NA
	97	0	NA
Changes in fair value on investment properties	483	436	10.8
Loss on disposal of investments	1,025	0	NA
Fixtures, plant and equipment included in investment property written off	127	0	NA
Changes in expected credit loss on investments	(23)	0	NA
Others	32	11	190.9
Other operating expenses	1,741	447	289.5
Depreciation of property, plant and equipment	66	46	43.5
Interest income from investments	(1,101)	(1,595)	(31.0)
Over provision of tax in prior years	(213)	(354)	(39.8)

NA: Not Applicable

NM: Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Group			Company	
	31 Mar 2018	31 Dec 2017	31 Dec 2016	31 Mar 2018	31 Dec 2017
	\$'000	\$'000	\$'000	\$'000	\$'000
		(Restated)	(Restated)		
Non-current assets					
Property, plant and equipment	2,064	2,123	1,966	1,767	1,801
Investment properties	1,092,000	1,092,000	1,092,000	216,000	216,000
Amounts due from subsidiaries	0	0	0	666,978	803,835
Interests in subsidiaries	0	0	0	253,420	257,741
Interests in associates	605,543	584,132	575,577	0	0
Investments	423,293	428,639	204,135	0	0
Deferred tax assets	613	613	0	0	0
Other non-current assets	434	434	540	434	434
	2,123,947	2,107,941	1,874,218	1,138,599	1,279,811
Current assets					
Development properties	268,313	295,942	825,353	34,445	34,425
Trade and accrued receivables	57,534	165,446	32,936	269	4,587
Amounts due from subsidiaries	0	0	0	32,866	124,856
Amounts due from related corporations	12	11	43	12	11
Other receivables	10,067	15,372	12,124	3,473	3,171
Cash and cash equivalents	918,080	766,229	471,946	839,311	580,850
	1,254,006	1,243,000	1,342,402	910,376	747,900
Total assets	3,377,953	3,350,941	3,216,620	2,048,975	2,027,711
Equity attributable to owners of the Company					
Share capital	1,055,901	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	2,150,551	2,073,083	1,949,629	603,263	599,759
Total equity	3,206,452	3,128,984	3,005,530	1,659,164	1,655,660
Non-current liabilities					
Interest-bearing liability (Ref: 1(b)(ii))	1,034	0	0	0	0
Deferred tax liabilities	12,468	13,018	12,533	2,568	2,558
	13,502	13,018	12,533	2,568	2,558
Current liabilities					
Trade payables	68,292	77,565	72,850	4,307	4,278
Deferred income and other payables	82,817	125,367	110,074	6,979	8,011
Amounts due to subsidiaries	0	0	0	375,741	357,192
Current tax liabilities	6,890	6,007	15,633	216	12
	157,999	208,939	198,557	387,243	369,493
Total liabilities	171,501	221,957	211,090	389,811	372,051
Total equity and liabilities	3,377,953	3,350,941	3,216,620	2,048,975	2,027,711

REVIEW OF FINANCIAL POSITION

Group

The Group's total assets remained at \$3.4 billion as at 31 March 2018. The lower trade receivables and higher cash balances were mainly attributed to the sales proceeds received from the development properties. The increase in market value of the Group's investments and profit for the period contributed to the higher reserves.

Development properties and deferred income were lower due mainly to recognition of revenue for 雍景山 upon handover of units.

1(b)(ii) BORROWINGS

	Group	
	31 Mar 2018	31 Dec 2017
	\$'000	\$'000
Repayable after 1 year but within 5 years: Interest-bearing liability (secured)	1,034	0

The bank loan is secured by mortgage over the land of Phase 3 of 雍景山.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	Quarter ended	
	31 Mar 2018	31 Mar 2017
	\$'000	\$'000
		(Restated)
Operating activities		
Profit for the period	30,823	9,187
Adjustments for:		
Tax expense	2,862	1,813
Depreciation of property, plant and equipment	66	46
Net change in fair value of forward exchange contracts	1,299	44
Exchange loss (net)	3,842	7,465
Changes in expected credit loss on investments	(23)	0
Interest income	(2,287)	(821)
Interest income from investments	(1,101)	(1,595)
Fixtures, plant and equipment included in investment property written off	127	0
Changes in fair value on investment properties	483	436
Loss on disposal of investments	1,025	0
Share of profit of associates, net of tax	(19,866)	(1,008)
	17,250	15,567

	Quarter ended	
	31 Mar 2018	31 Mar 2017
	\$'000	\$'000
		(Restated)
(Cont'd)	17,250	15,567
Changes in:		
Development properties	30,862	14,780
Trade and accrued receivables	107,912	20,284
Amounts due from related corporations	(1)	(18)
Other receivables	(162)	(583)
Trade payables	(9,669)	(16,377)
Deferred income and other payables	(44,602)	26,279
Cash generated from operations	101,590	59,932
Interest received	2,155	940
Income tax paid	(1,344)	(3,726)
Cash flows from operating activities	102,401	57,146
Investing activities		
Proceeds from sale of investments	42,585	0
Purchase of property, plant and equipment	(8)	(11)
Expenditure on investment properties	(611)	(436)
Dividends received	2,104	0
Interest received	2,947	3,895
Cash flows from investing activities	47,017	3,448
Financing activities		
Drawdown of bank loan	1,031	0
Finance costs	(6)	0
Cash flows from financing activities	1,025	0
Net increase in cash and cash equivalents	150,443	60,594
Cash and cash equivalents at beginning of the period	748,229	453,946
Effect of exchange rate changes on balances held in foreign currencies	1,408	(1,895)
Cash and cash equivalents at end of the period (Note 1)	900,080	512,645

	Quarter ended	
	31 Mar 2018	31 Mar 2017
	\$'000	\$'000
Note 1		
Cash and cash equivalents in the statements of financial position	918,080	530,645
Less: Deposit pledged	(18,000)	(18,000)
Cash and cash equivalents in the consolidated statement of cash flows	900,080	512,645

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
		(Restated)	(Restated)	(Restated)
Group				
At 1 January 2018	1,055,901	109,417	1,962,792	3,128,110
Impact on adoption of new accounting standards	0	(1,895)	2,769	874
At 1 January 2018, restated	1,055,901	107,522	1,965,561	3,128,984
Total comprehensive income for the period				
Profit for the period	0	0	30,823	30,823
Other comprehensive income				
Financial assets at fair value through other comprehensive income				
- net change in fair value	0	41,136	0	41,136
- fair value reserve transferred to profit or loss on disposal	0	1,025	0	1,025
Exchange differences arising on consolidation of foreign subsidiaries	0	2,939	0	2,939
Share of other comprehensive income of associates, net of tax	0	1,545	0	1,545
Total other comprehensive income	0	46,645	0	46,645
Total comprehensive income for the period	0	46,645	30,823	77,468
At 31 March 2018	1,055,901	154,167	1,996,384 *	3,206,452

* 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
		(Restated)	(Restated)	(Restated)
Group				
At 1 January 2017	1,055,901	14,029	1,919,356	2,989,286
Impact on adoption of new accounting standards	0	0	16,244	16,244
At 1 January 2017, restated	1,055,901	14,029	1,935,600	3,005,530
Total comprehensive income for the period				
Profit for the period	0	0	9,187	9,187
Other comprehensive income				
Available-for-sale financial assets				
- net change in fair value	0	28,387	0	28,387
Exchange differences arising on consolidation of foreign subsidiaries	0	(7,590)	0	(7,590)
Share of other comprehensive income of associates, net of tax	0	(1,982)	0	(1,982)
Total other comprehensive income	0	18,815	0	18,815
Total comprehensive income for the period	0	18,815	9,187	28,002
At 31 March 2017	1,055,901	32,844	1,944,787	3,033,532

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 January 2018	1,055,901	599,759	1,655,660
Total comprehensive income for the period			
Profit for the period	0	3,504	3,504
At 31 March 2018	1,055,901	603,263	1,659,164

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Company			
At 1 January 2017	1,055,901	633,735	1,689,636
Total comprehensive income for the period			
Loss for the period	0	(10,568)	(10,568)
At 31 March 2017	1,055,901	623,167	1,679,068

1(d)(ii) SHARE CAPITAL

Since the last financial year ended 31 December 2017, 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 2018, there were no unissued shares of the Company or its subsidiaries under option or other convertibles (31 March 2017: nil).

There were no treasury shares or subsidiary holdings as at 31 March 2018 (31 March 2017: nil). There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during the financial period ended 31 March 2018.

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 31 March 2018, as those applied in the Group's audited financial statements for the year ended 31 December 2017.

5. EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS

On 1 January 2018, the Group adopted the new framework, Singapore Financial Reporting Standards (International) (SFRS(I)) issued by the Accounting Standards Council (ASC). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) issued by the ASC.

The adoption of the new SFRS(I) framework does not have a significant impact on the Group's financial statements, except for SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new hedge accounting requirement. Under the SFRS(I) 9, the Group has assessed and accounted for its previously available-for-sale investments to financial assets at fair value through other comprehensive income and recognised an expected credit loss for these investments as at 1 January 2018.

The adoption of SFRS(I) 9 also resulted in a change of the associates' accounting policy on available-for-sale investments. The associate has reclassified these investments as financial assets at fair value through profit or loss as at 1 January 2018.

The impact of the adoption of SFRS(I) 9 to the Group is a reclassification of \$1.9 million from other reserves to retained earnings as at 1 January 2018.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 using the retrospective approach and applies all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedients used for completed contracts. Under SFRS(I) 15, the Group capitalises sales commission paid to property agents on the sale of property as incremental costs to obtain a contract with customer if these costs are recoverable. Sales commissions are amortised to profit or loss as the Group recognises the related revenue. Previously, the sales commissions were recognised as expenses in profit or loss when incurred.

In addition, under SFRS(I) 15, the Group recognises the cost of its sold units as expenses when incurred. Previously, the Group recognised the cost of sales based on estimated total construction costs for its sold units using the development's percentage of completion.

The impact of the adoption of SFRS(I) 15 is as follows:

	At 1 Jan 2017	At 31 Dec 2017
	Increase/ (Decrease)	Increase/ (Decrease)
	\$'000	\$'000
Statement of financial position		
Developments properties	16,244	874
Total assets	16,244	874
Retained earnings	16,244	898
Others	0	(24)
Total equity	16,244	874

Consolidated statement of profit or loss

Cost of sales

Profit for the period

Quarter ended 31 Mar 2017
Increase/ (Decrease)
\$'000
868
(868)

6. EARNINGS PER SHARE

	Quarter ended	
	31 Mar 2018	31 Mar 2017
		(Restated)
Basic earnings per share	2.58 cents	0.77 cent
Diluted earnings per share	2.58 cents	0.77 cent

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 2018 of 1,196,559,876 (2017: 1,196,559,876).

7. NET ASSET VALUE PER SHARE

Group		Company	
31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
	(Restated)		
\$2.68	\$2.61	\$1.39	\$1.38

8. REVIEW OF PERFORMANCE**Revenue and Profit**

The Group achieved revenue of \$56 million for the 1st quarter ended 31 March 2018, a decrease of 40% when compared to the same period last year. Profit after tax for the 1st quarter ended 31 March 2018 was \$31 million.

Revenue for the 1st quarter ended 31 March 2018 decreased as The Panorama and Ardmore Three have been completely sold last year and lower interest income from the Group's investment in quoted securities. This was partially offset by higher sales from 雍景山.

The lower cost of sales for the 1st quarter ended 31 March 2018 was in line with the lower revenue for property development.

Other income for the 1st quarter ended 31 March 2018 was higher due mainly to the bank interest income from higher cash balances.

The higher selling and marketing expenses for the same period last year was due mainly to sale of units in Ardmore Three.

Other operating expenses for the 1st quarter ended 31 March 2018 were higher due mainly to the loss on early redemption of the Group's investment in quoted securities.

The Group's share of profit of associates was higher due mainly to recognition of profits from development in London (Holland Park Villas) and sale of completed units from the Singapore development (Tomlinson Heights).

The high tax expense for the 1st quarter ended 31 March 2018 was due mainly to the recognition of land appreciation tax for 雍景山 upon handover of units.

Net Cash Flow

Net cash flow generated from operating activities for the 3-month ended 31 March 2018 was \$102 million, mainly due to sales proceeds received from the development properties. For investing activities, the Group has received proceeds of \$43 million from early redemption of quoted securities.

Property Review as at 31 March 2018

Scotts Square is 89% sold (301 out of 338 units). Of the remaining unsold inventory, 81% of the 26 units earmarked for lease are tenanted.

Both The Panorama and Ardmore Three have been completely sold in June and November 2017 respectively.

In China, about 99% or 780 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 96%, whilst that for Scotts Square Retail was 98%.

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 2017 financial results were announced.

10. CURRENT YEAR'S PROSPECTS

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

Share of profit of associates will continue with the marketing of their remaining completed residential properties in Singapore and London. Their hotels and resorts are also expected to continue to provide a recurring income stream.

Marketing is on-going for the residential apartments in Scotts Square.

The construction of the highrise apartments of Phase 2A of 雍景山 is expected to be completed in the 2nd quarter of 2018 while construction for Phase 3 is currently in progress. Sales for the development are on-going.

11. DIVIDEND

The Directors do not recommend any interim dividend for the 1st quarter ended 31 March 2018 (31 March 2017: 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 2018						
Total revenue from external customers	39,871	15,001	1,101	0	0	55,973
Inter-segment revenue	0	393	0	771	(1,164)	0
Reportable segment profit/ (loss) before taxation	5,289	9,688	(18)	(1,138)	(2)	13,819
Share of profit of associates, net of tax						19,866
Profit before taxation						33,685

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Restated)					(Restated)
Quarter ended 31 Mar 2017						
Total revenue from external customers	77,062	15,078	1,595	0	0	93,735
Inter-segment revenue	0	505	0	988	(1,493)	0
Reportable segment (loss)/ profit before taxation	(2,490)	9,453	1,730	1,196	103	9,992
Share of profit of associates, net of tax						1,008
Profit before taxation						11,000

13. COMMENTS ON SEGMENT RESULTS

Lower revenue for property development for the 1st quarter ended 31 March 2018 as The Panorama and Ardmore Three have been completely sold last year. This was partially offset by higher sales from 雍景山.

The loss incurred for investments for the 1st quarter ended 31 March 2018 was due mainly to loss on early redemption of 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 1st quarter ended 31 March 2018 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 May 2018