

# WHEELOCK

## PROPERTIES

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

### AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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	6
1(b)(ii)	BORROWINGS	8
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	9
1(d)(i)	STATEMENTS OF CHANGES IN EQUITY	11
1(d)(ii)	SHARE CAPITAL	13
2	REVIEW OF RESULTS BY AUDITORS	13
3	AUDITORS' REPORT	14
4	BASIS OF PREPARATION	14
5	EFFECT OF CHANGES IN ACCOUNTING POLICIES AND METHODS	14
6	EARNINGS PER SHARE	14
7	NET ASSET VALUE PER SHARE	15
8	REVIEW OF PERFORMANCE	15
9	FORECAST STATEMENT	18
10	CURRENT YEAR'S PROSPECTS	18
11	DIVIDEND	18
12	SEGMENTAL INFORMATION	19
13	COMMENTS ON SEGMENT RESULTS	20
14	INTERESTED PERSON TRANSACTIONS	21
15	NOTIFICATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL	21
16	BREAKDOWN OF GROUP REVENUE AND PROFIT AFTER TAXATION FOR FIRST HALF AND SECOND HALF YEAR	21

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

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

	Quarter ended			Year ended		
	31 Dec 2013	31 Dec 2012	Change	31 Dec 2013	31 Dec 2012	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	28,982	28,143	3.0	117,074	208,530	(43.9)
Cost of sales	(5,673)	(6,941)	(18.3)	(27,873)	(76,977)	(63.8)
<b>Gross profit</b>	23,309	21,202	9.9	89,201	131,553	(32.2)
Other income						
- Changes in fair value on investment properties	4,799	0	NA	4,803	0	NA
- Gain on disposal of investments	0	483	(100.0)	94,489	490	NM
- Others	867	2,548	(66.0)	3,787	16,119	(76.5)
	5,666	3,031	86.9	103,079	16,609	520.6
Selling and marketing expenses	(1,103)	(819)	34.7	(3,120)	(4,910)	(36.5)
Administrative and corporate expenses	(2,752)	(2,982)	(7.7)	(9,728)	(13,119)	(25.8)
Other operating expenses						
- Allowance for diminution in value of a development property	(110,000)	0	NA	(110,000)	0	NA
- Changes in fair value on investment properties	0	(48,031)	(100.0)	0	(47,746)	(100.0)
- Others	(5,163)	(273)	NM	(19,121)	(817)	NM
	(115,163)	(48,304)	138.4	(129,121)	(48,563)	165.9
<b>(Loss)/Profit before taxation</b>	(90,043)	(27,872)	(223.1)	50,311	81,570	(38.3)
Income tax expense	(1,278)	(2,900)	(55.9)	(10,271)	(18,274)	(43.8)
<b>(Loss)/Profit for the period</b>	(91,321)	(30,772)	(196.8)	40,040	63,296	(36.7)

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

	Quarter ended			Year ended		
	31 Dec 2013	31 Dec 2012	Change	31 Dec 2013	31 Dec 2012	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<b>(Loss)/Profit for the period</b>	(91,321)	(30,772)	(196.8)	40,040	63,296	(36.7)
<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	(8,456)	90,708	(109.3)	(18,766)	254,968	(107.4)
- transfer to profit or loss on disposal	0	0	NA	(95,663)	0	NA
Exchange differences arising on consolidation of foreign subsidiaries	4,999	2,186	128.7	20,326	(13,488)	250.7
<b>Other comprehensive income for the period, net of income tax*</b>	(3,457)	92,894	(103.7)	(94,103)	241,480	(139.0)
<b>Total comprehensive income for the period</b>	(94,778)	62,122	(252.6)	(54,063)	304,776	(117.7)

\* 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			Year ended		
	31 Dec 2013	31 Dec 2012	Change	31 Dec 2013	31 Dec 2012	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Exchange gain (net)						
- net change in fair value of forward exchange contracts	0	2,072	(100.0)	0	152	(100.0)
- revaluation of bank loan and cash balances held in foreign currencies	0	(130)	(100.0)	0	(5,135)	(100.0)
- realised forward exchange contracts (net)	0	(2,732)	(100.0)	0	(6,413)	(100.0)
- others	0	11	(100.0)	0	75	(100.0)
	0	(779)	(100.0)	0	(11,321)	(100.0)
Interest income	(509)	(824)	(38.2)	(2,409)	(3,459)	(30.4)
Others	(358)	(945)	(62.1)	(1,378)	(1,339)	2.9
Other income - others	(867)	(2,548)	(66.0)	(3,787)	(16,119)	(76.5)
Exchange loss (net)						
- net change in fair value of forward exchange contracts	8,445	0	NA	8,351	0	NA
- revaluation of bank loan and cash balances held in foreign currencies	1,013	0	NA	5,238	0	NA
- realised forward exchange contracts (net)	(4,198)	0	NA	5,673	0	NA
- others	(98)	0	NA	(237)	0	NA
	5,162	0	NA	19,025	0	NA
Loss on disposal of property, plant and equipment	1	0	NA	45	0	NA
Fixtures, plant and equipment included in investment property written off	0	269	(100.0)	0	689	(100.0)
Others	0	4	(100.0)	51	128	(60.2)
Other operating expenses - others	5,163	273	NM	19,121	817	NM

	Quarter ended			Year ended		
	31 Dec 2013	31 Dec 2012	Change	31 Dec 2013	31 Dec 2012	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation of property, plant and equipment	85	72	18.1	299	283	5.7
Dividend income from investments	(4,683)	(3,823)	22.5	(17,596)	(10,735)	63.9
Interest income from investments	(3,714)	(2,387)	55.6	(13,830)	(6,249)	121.3
Over provision of tax in prior years	(531)	(452)	17.5	(786)	(362)	117.1

NA: Not Applicable

NM: Not Meaningful

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

	Group		Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	1,636	1,487	1,363	1,252
Investment properties	1,227,000	1,222,000	312,000	312,000
Amounts due from subsidiaries	0	0	1,249,794	948,671
Interests in subsidiaries	0	0	252,139	236,786
Interests in an associate	7	7	0	0
Investments	871,322	823,818	0	0
Deferred tax assets	1,427	0	0	0
Other non-current assets	540	540	540	540
	2,101,932	2,047,852	1,815,836	1,499,249
<b>Current assets</b>				
Development properties	1,224,592	617,509	67,703	68,489
Trade and accrued receivables	1,371	151,812	912	151,562
Amounts due from subsidiaries	0	0	202	636
Amounts due from related corporations	25	37	25	37
Other receivables	8,427	11,841	1,507	6,867
Cash and cash equivalents	457,289	720,649	420,812	685,287
	1,691,704	1,501,848	491,161	912,878
<b>Total assets</b>	<b>3,793,636</b>	<b>3,549,700</b>	<b>2,306,997</b>	<b>2,412,127</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	1,946,589	2,072,446	961,120	1,128,029
<b>Total equity</b>	<b>3,002,490</b>	<b>3,128,347</b>	<b>2,017,021</b>	<b>2,183,930</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities (Ref: 1(b)(ii))	631,872	278,770	0	0
Deferred tax liabilities	14,149	37,010	1,557	26,118
	646,021	315,780	1,557	26,118
<b>Current liabilities</b>				
Trade payables	71,024	56,408	26,246	28,441
Other payables	38,960	32,236	18,503	12,942
Amounts due to subsidiaries	0	0	217,505	159,201
Current tax payable	35,141	16,929	26,165	1,495
	145,125	105,573	288,419	202,079
<b>Total liabilities</b>	<b>791,146</b>	<b>421,353</b>	<b>289,976</b>	<b>228,197</b>
<b>Total equity and liabilities</b>	<b>3,793,636</b>	<b>3,549,700</b>	<b>2,306,997</b>	<b>2,412,127</b>

## REVIEW OF FINANCIAL POSITION

### Group

Increase in development properties of \$607 million was mainly due to the completion of the acquisition of the site at Ang Mo Kio Avenue 2 and construction costs incurred on Ardmore Three and the sites at Fuyang City. This was partially offset by an allowance for diminution in value made on the Ang Mo Kio project.

Decrease in trade and accrued receivables of \$150 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.

Decrease in cash and cash equivalents of \$263 million was mainly due to the acquisition of site at Ang Mo Kio Avenue 2, acquisition of quoted securities and payment of dividends. This was partially offset by the receipt of balance 15% of sale proceeds on Scotts Square.

Increase in interest-bearing liabilities of \$353 million was mainly due to drawdown of bank loans to finance the acquisition of site at Ang Mo Kio Avenue 2 and payment of construction costs for Ardmore Three and the sites at Fuyang City.

Decrease in deferred tax liabilities of \$23 million was mainly due to the reclassification of tax liabilities upon billing of the balance 15% of sale proceeds on Scotts Square.

Increase in current tax payable of \$18 million was mainly due to the reclassification from deferred tax liabilities and provision of tax in respect of profit recognised in the current financial year. This was partially offset by the payment of income tax for year of assessment 2013.

### Company

Increase in amounts due from subsidiaries of \$301 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 \$151 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.

Decrease in cash and cash equivalents of \$264 million was mainly due to the provision of inter-company loans to subsidiaries to acquire the site at Ang Mo Kio Avenue 2, invest in quoted securities and payment of dividends. This was partially offset by sale proceeds received from Scotts Square.

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.

Increase in amounts due to subsidiaries of \$58 million was mainly due to transfer of surplus funds from subsidiaries.

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

	<b>Group</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Repayable after 1 year but within 5 years:		
Interest-bearing liabilities (secured)	480,984	133,174
Interest-bearing liability (unsecured)	150,888	145,596
	631,872	278,770

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.



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

	Quarter ended		Year ended	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
(Loss)/Profit for the period	(91,321)	(30,772)	40,040	63,296
Adjustments for:				
Income tax expense	1,278	2,900	10,271	18,274
Depreciation of property, plant and equipment	85	72	299	283
Net change in fair value of forward exchange contracts	8,445	2,072	8,351	152
Exchange gain (net)	(314)	(360)	(600)	(2,440)
Loss on disposal of property, plant and equipment	1	0	45	0
Interest income	(509)	(824)	(2,409)	(3,459)
Interest income from investments	(3,714)	(2,387)	(13,830)	(6,249)
Fixtures, plant and equipment included in investment property written off	0	269	0	689
Allowance for diminution in value of a development property	110,000	0	110,000	0
Changes in fair value on investment properties	(4,799)	48,031	(4,803)	47,746
Gain on disposal of investments	0	(483)	(94,489)	(490)
Dividend income from investments	(4,683)	(3,823)	(17,596)	(10,735)
<b>Operating profit before working capital changes</b>	14,469	14,695	35,279	107,067
Changes in working capital:				
Development properties	(77,661)	(6,794)	(689,909)	(108,363)
Trade and accrued receivables	(645)	7,780	150,441	13,779
Amounts due from related corporations	(12)	201	12	(12)
Other receivables	1,450	(944)	5,469	(5,304)
Trade payables	7,913	(810)	14,833	(14,571)
Other payables	1,437	2,025	(1,698)	(451)
<b>Cash (utilised in)/generated from operations</b>	(53,049)	16,153	(485,573)	(7,855)
Interest received	518	797	2,555	3,538
Income tax paid	(2,979)	(10,606)	(16,332)	(84,849)
Dividends paid	0	0	(71,794)	(71,794)
<b>Cash flows from operating activities</b>	(55,510)	6,344	(571,144)	(160,960)

	Quarter ended		Year ended	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
<b>Investing activities</b>				
Proceeds from sale of property, plant and equipment	0	0	2	0
Proceeds from sale of investments	0	18,122	166,493	18,233
Purchase of property, plant and equipment	(203)	(84)	(519)	(411)
Expenditure on investment properties	(21)	(3,419)	(633)	(10,695)
Acquisition of investments	(670)	(25,590)	(228,368)	(337,745)
Dividends received	4,929	4,041	17,596	10,841
Interest received	2,169	1,387	11,695	3,668
<b>Cash flows from investing activities</b>	<b>6,204</b>	<b>(5,543)</b>	<b>(33,734)</b>	<b>(316,109)</b>
<b>Financing activities</b>				
Drawdown of bank loans	43,301	2,124	349,957	121,550
Finance costs	(1,877)	(950)	(9,159)	(3,608)
Deposit pledged	0	4,380	0	4,380
<b>Cash flows from financing activities</b>	<b>41,424</b>	<b>5,554</b>	<b>340,798</b>	<b>122,322</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7,882)</b>	<b>6,355</b>	<b>(264,080)</b>	<b>(354,747)</b>
Cash and cash equivalents at beginning of the period	464,787	714,237	720,649	1,077,245
Effect of exchange rate changes on balances held in foreign currencies	384	57	720	(1,849)
<b>Cash and cash equivalents at the end of the period</b>	<b>457,289</b>	<b>720,649</b>	<b>457,289</b>	<b>720,649</b>

**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 year</b>					
Profit for the year	0	0	0	40,040	40,040
<b>Other comprehensive income</b>					
Available-for-sale financial assets					
- net change in fair value	0	0	(18,766)	0	(18,766)
- transfer to profit or loss on disposal	0	0	(95,663)	0	(95,663)
Exchange differences arising on consolidation of foreign subsidiaries	0	20,326	0	0	20,326
Total other comprehensive income	0	20,326	(114,429)	0	(94,103)
Total comprehensive income for the year	0	20,326	(114,429)	40,040	(54,063)
<b>Transaction with owners of the Company, recorded directly in equity</b>					
<b>Distribution to owners</b>					
Dividends to owners	0	0	0	(71,794)	(71,794)
Total transaction with owners	0	0	0	(71,794)	(71,794)
At 31 December 2013	1,055,901	16,553	255,313	1,674,723	3,002,490

	<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 year</b>					
Profit for the year	0	0	0	63,296	63,296
<b>Other comprehensive income</b>					
Available-for-sale financial assets					
- net change in fair value	0	0	254,968	0	254,968
Exchange differences arising on consolidation of foreign subsidiaries	0	(13,488)	0	0	(13,488)
Total other comprehensive income	0	(13,488)	254,968	0	241,480
Total comprehensive income for the year	0	(13,488)	254,968	63,296	304,776
<b>Transaction with owners of the Company, recorded directly in equity</b>					
<b>Distribution to owners</b>					
Dividends to owners	0	0	0	(71,794)	(71,794)
Total transaction with owners	0	0	0	(71,794)	(71,794)
At 31 December 2012	1,055,901	(3,773)	369,742	1,706,477	3,128,347

	<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 year</b>			
Loss for the year	0	(95,115)	(95,115)
<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 31 December 2013	1,055,901	961,120	2,017,021

	<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 year</b>			
Profit for the year	0	282,781	282,781
<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 31 December 2012	1,055,901	1,128,029	2,183,930

#### 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 December 2013, there were no unissued shares of the Company or its subsidiaries under option (31 December 2012: nil).

#### 2. REVIEW OF RESULTS BY AUDITORS

The figures have been audited by the auditors.

### 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 year ended 31 December 2013, as compared with the Group's audited financial statements for the year ended 31 December 2012, except as explained in Section 5 below.

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

The following changes in accounting policies have no significant impact on the measurement of the Group's assets and liabilities:

#### *Fair value measurement*

FRS 113 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRS. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRS, including FRS 107 *Financial Instruments: Disclosures*.

In accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures.

#### *Presentation of items of other comprehensive income*

As a result of the amendments to FRS 1, the Group has modified the presentation of items of other comprehensive income in its statements of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

### 6. EARNINGS PER SHARE

	Quarter ended		Year ended	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Basic earnings per share	(7.63) cents	(2.57) cents	3.35 cents	5.29 cents
Diluted earnings per share	(7.63) cents	(2.57) cents	3.35 cents	5.29 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 4<sup>th</sup> quarter and year ended 31 December 2013 of 1,196,559,876 (2012: 1,196,559,876 shares).

## 7. NET ASSET VALUE PER SHARE

Group		Company	
31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
\$	\$	\$	\$
2.51	2.61	1.69	1.83

## 8. REVIEW OF PERFORMANCE

### Revenue and Profit

The Group achieved revenue of \$29 million and loss after tax of \$91 million for the 4<sup>th</sup> quarter ended 31 December 2013, an increase of 3% and a decrease of 197% when compared to the same period last year.

The Group achieved revenue of \$117 million and profit after tax of \$40 million for the year ended 31 December 2013, a decrease of 44% and 37% when compared to last year.

Revenue for the year ended 31 December 2013 decreased as the sales of Scotts Square were much lower than the revenue recognised from the sales of Orchard View and Scotts Square in the last financial year. This was partially offset by higher interest income and dividend income received from the Group's investments and revenue from the investment properties.

The decrease in cost of sales for the year ended 31 December 2013 was in line with the decrease in revenue for property development.

The Group's investment properties were valued by independent professional valuers. Wheelock Place was revalued from \$910 million to \$915 million with fair value gain of \$5 million (2012: nil). Scotts Square Retail's valuation remained at \$312 million (2012: fair value loss of \$48 million).

The increase in other income for the year ended 31 December 2013 was mainly due to the accounting gain on disposal of SC Global Developments Ltd's shares of \$93 million.

The sale commissions were higher in 2012 due to sale of remaining units in Orchard View.

The decrease in administrative and corporate expenses for the year ended 31 December 2013 was mainly due to the lower staff costs incurred in the current year.

An allowance for diminution in value of \$110 million (2012: nil) was made on the Ang Mo Kio project (The Panorama) due to the weakening market conditions and the slow take up rate of the property.

The higher other operating expenses for the year ended 31 December 2013 was mainly due to exchange loss. The Group uses foreign exchange contracts to hedge against its foreign currency available-for-sale investments. However, for accounting purpose, the net exchange loss of \$14 million arising from foreign exchange contracts was recognised in profit or loss while the translation gain from the quoted equity securities of \$17 million was recognised in equity.

In addition, an exchange loss of \$5 million arising from translation of a foreign currency bank loan for financing the Fuyang project was charged to profit or loss. Concurrently, the exchange gain arising from translation of the investment in the China subsidiary of \$20 million was recorded in equity.

The decrease in income tax expense for the year ended 31 December 2013 was in line with the decrease in profit from development properties.

## **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 People's Republic of China ("PRC"), profit on the sale of the development property is recognised on completion of the project.

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

## **Assets**

The Group's total assets as at 31 December 2013 were higher at \$3.8 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 on the completion of the acquisition of the site at Ang Mo Kio Avenue 2 and as construction progresses for Ardmore Three and the Fuyang project. This was partially offset by an allowance for diminution in value made on the Ang Mo Kio project.

## **Shareholders' Equity**

The shareholders' equity as at 31 December 2013 were lower at \$3.0 billion compared to \$3.1 billion as at 31 December 2012. The decrease in shareholders' equity was mainly due to an allowance for diminution in value made on the Ang Mo Kio project.

## **Borrowings**

The Group's borrowings as at 31 December 2013 were \$632 million compared to \$279 million as at 31 December 2012. The higher borrowings were mainly due to the drawdown of bank loans to finance the acquisition of site at Ang Mo Kio Avenue 2 and payment of construction costs for Ardmore Three and the sites at Fuyang City.

## **Net Cash Flow**

Net cash flow utilised in operating activities for the year ended 31 December 2013 was \$571 million, mainly due to the acquisition of site at Ang Mo Kio Avenue 2, partially offset by sale proceeds received from development properties. For financing activities, the loans drawn down was \$350 million.

## **Property Review**

### **Development Properties**

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

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

On 8 and 10 January 2013, the development obtained its Certificate of Statutory Completion and Subsidiary Strata Certificates of Title respectively. The final 15% payments under the progress payment structure were received for all sold units.



As at 31 December 2013, 79% (268 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 in 2014.

### ***The Panorama***

The site was successfully tendered under the Government Land Sales Programme and the Sales and Purchase was completed on 8 April 2013.

The 99-year leasehold site is bounded by Ang Mo Kio Ave 2 and Ang Mo Kio Street 13. It is strategically located next to the reputable CHIJ St Nicholas Girls' School and within walking distance to the future Mayflower MRT station. It has an expansive land size of 198,942 sq. ft. and will comprise 698 units.

The showflat was open prior to the 1<sup>st</sup> phase sales launch in mid January 2014.

### ***雍景山***

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

Construction of Phase 1 is in progress.

## **Investment Properties**

### ***Wheelock Place***

As at 31 December 2013, the overall occupancy rate was 96% and the average monthly rental achieved was above \$13 psf.

#### **Retail**

The occupancy rate and average monthly rental was 96% and more than \$16 psf respectively. We have completed our lease renewal exercise for leases expiring in 2013. 14 tenants renewed their lease and 17 new leases were secured. The renewed tenancies translate to approximately 78% retention rate based on the total net lettable area of 32,743 sq. ft. expiring in 2013.

The leasing strategy is to retain good covenants, maintain high occupancy rate for the mall and introduce new brands to improve the trade mix of each floor to contribute to footfall.

#### **Office**

For the quarter ended 31 December 2013, the occupancy rate was 96% and the average rent was about \$11 psf per month. Renewal of leases due in the 1<sup>st</sup> quarter 2014 has been completed.

### **Scotts Square Retail**

As at 31 December 2013, the overall occupancy rate was about 95% and the average rental achieved was above \$23 psf.

We are active in our efforts to draw footfall and increase spending through an active advertising and promotion campaign.

## **9. FORECAST STATEMENT**

The Group's performance for the year under review is broadly in line with the commentary made when the 3<sup>rd</sup> quarter of 2013 financial results were announced.

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

The Panorama was launched for sale in January 2014. Construction is expected to commence in the 2<sup>nd</sup> quarter of 2014.

Ardmore Three is expected to be completed in 2014.

The show suite for Fuyang project has been completed and the launch of the 1<sup>st</sup> phase is expected to commence in the first half of 2014.

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

The Group has a cash standing of \$457 million and will continue to seek investment and development opportunities locally or overseas.

## **11. DIVIDEND**

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
Name of Dividend	Proposed First & Final (One-tier)	First & Final (One-tier)
Dividend Type	Cash	Cash
Dividend Rate	6 cents	6 cents
Dividend (\$'000)	71,794	71,794
<b>Total annual dividend (\$'000)</b>	<b>71,794</b>	<b>71,794</b>

The proposed first and final dividend, if approved by the Shareholders at the Annual General Meeting, to be held on 25 April 2014, will be paid on 22 May 2014 to those Shareholders whose names are in the Company's Register of Members up to 5.00pm on 7 May 2014.

## 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 Dec 2013</b>						
Total revenue from external customers	2,849	17,737	8,396	0	0	28,982
Inter-segment revenue	0	509	0	1,063	(1,572)	0
Reportable segment (loss)/ profit before taxation	(108,807)	17,152	4,657	(1,705)	(1,340)	(90,043)

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Quarter ended 31 Dec 2012</b>						
Total revenue from external customers	4,849	17,084	6,210	0	0	28,143
Inter-segment revenue	0	579	0	750	(1,329)	0
Reportable segment profit/ (loss) before taxation	1,733	(35,634)	7,181	408	(1,560)	(27,872)

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 Dec 2013</b>						
Total revenue from external customers	14,913	70,735	31,426	0	0	117,074
Inter-segment revenue	0	2,078	0	4,155	(6,233)	0
Reportable segment (loss)/ profit before taxation	(107,678)	56,743	111,835	(3,299)	(7,290)	50,311

	Property Development	Property Investment	Investments	Other Operations	Inter- segment Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 Dec 2012</b>						
Total revenue from external customers	126,963	64,583	16,984	0	0	208,530
Inter-segment revenue	0	2,282	0	4,041	(6,323)	0
Reportable segment profit/ (loss) before taxation	53,659	(2,263)	22,809	7,789	(424)	81,570

### 13. COMMENTS ON SEGMENT RESULTS

The revenue for property development for the 4<sup>th</sup> quarter and year ended 31 December 2013 decreased as the revenue recognised from Ardmore Three based on the progress of construction works and sales of Scotts Square were much lower than the revenue recognised from the sales of Orchard View and Scotts Square in the last financial year. The loss incurred for property development for the 4<sup>th</sup> quarter and year ended 31 December 2013 was mainly due to an allowance for diminution in value made on the Ang Mo Kio project.

The increase in revenue and profit for property investment for the 4<sup>th</sup> quarter and year ended 31 December 2013 was mainly due to the higher revenue from Wheelock Place and Scotts Square Retail. The increase in profit for property investment for the 4<sup>th</sup> quarter and year ended 31 December 2013 was mainly due to fair value gain on Wheelock Place in the current year and fair value loss on Scotts Square Retail in the last financial year.

The increase in profit for investments for the year ended 31 December 2013 was mainly due to the accounting gain on disposal of SC Global Developments Ltd's shares, higher interest income and dividend income received from the Group's investments.

The loss incurred for other operations in the 4<sup>th</sup> quarter and year ended 31 December 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. NOTIFICATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL

Pursuant to Rule 704(13) of the Listing Manual, none of the employees occupying managerial positions in Wheelock Properties (Singapore) Limited (the "Company") or any of its principal subsidiaries are relatives of the Directors or Chief Executive Officer or Substantial Shareholders of the Company.

#### 16. BREAKDOWN OF GROUP REVENUE AND PROFIT AFTER TAXATION FOR FIRST HALF AND SECOND HALF YEAR

	Year ended		
	31 Dec 2013	31 Dec 2012	Change
	\$'000	\$'000	%
<b>Revenue</b>			
- first half	60,522	142,737	(57.6)
- second half	56,552	65,793	(14.0)
<b>Total revenue</b>	<b>117,074</b>	<b>208,530</b>	<b>(43.9)</b>
<b>Profit/(Loss) after taxation</b>			
- first half	119,506	61,686	93.7
- second half	(79,466)	1,610	NM
<b>Total profit after taxation</b>	<b>40,040</b>	<b>63,296</b>	<b>(36.7)</b>

By Order of the Board

Pearly Oon  
Company Secretary  
24 February 2014



**KPMG LLP**  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

Telephone +65 6213 3388  
Fax +65 6225 0984  
Internet [www.kpmg.com.sg](http://www.kpmg.com.sg)

## **Independent auditors' report**

Members of the Company  
Wheelock Properties (Singapore) Limited

### **Report on the financial statements**

We have audited the accompanying financial statements of Wheelock Properties (Singapore) Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2013, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS58.

#### *Management's responsibility for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

#### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

*kpmg llp*  
**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
24 February 2014