WHEELOCK
PROPERTIES

ANNUAL REPORT 2017

Contents

Chairman's Statement

The residential market has grown positive in 2017, with price increases after some 4 years of decline. There were renewed interests and transactions in the residential collective sales market. On the back of these developments, and a higher GDP growth of 3.6%, we are expecting an overall recovery in the residential market.

Similarly, the CBD office market has started to stabilise with higher net absorption and higher rentals. The retail market remains challenging.

BUSINESS PERFORMANCE

Active marketing of our Development Properties has yielded significant results in sales. The Company has successfully sold all 84 units of Ardmore Three. At The Panorama, all 698 units have been sold ahead of its Temporary Occupation Permit in September 2017.

At Scotts Square, a total of 301 units (89%) out of the 338 apartments have been sold. Of the unsold inventory, 20 units were leased for recurring income.

In Hangzhou, China, 781 of the 784 units (99.6%) launched under Phase 1 and Phase 2A of the Fuyang project, 雍景山, have been sold. Construction of Phase 1 and Phase 2A duplex and townhouse units have been completed. Handover of these units are underway. Construction of Phase 2A high-rise units and Phase 3 of the development are currently in progress, and are expected to complete in 2018 and 2020 respectively.

Wheelock Place continues to enjoy a healthy overall occupancy rate of 95% as at 31 December 2017. The 16-storey office tower continues to attract and retain quality tenants.

We embarked on re-configuration and re-tenanting works on Level 2 of the retail podium. A new direct entrance from Orchard Boulevard to Level 2 was created and the tenant mix has been strengthened with the introduction of new food & beverage outlets.

Scotts Square Retail achieved a high occupancy rate of 98% as at 31 December 2017. We managed to sustain high tenant retention rate for the year. New store openings in 2017 include the Christian Louboutin flagship store and Lady M confections. The active calendar of advertising and promotion programmes has increased the footfall and turnover for the mall.

FINANCIAL RESULTS

For the year ended 31 December 2017, the Group achieved revenue of $534 million and profit after tax of $115 million.

The Directors have recommended a first and final tax exempt (one-tier) dividend of 6 cents per share. The final dividend, if approved by shareholders at the Annual General Meeting on 27 April 2018, will be paid on 14 May 2018. Total distribution would represent 62% of Group profit in 2017. In arriving at the dividend, the Board took into consideration the Group's profit, cash position, future cash requirements and returns to shareholders. The Group continues to seek and pursue suitable re-investment opportunities on a selective basis, both in Singapore and abroad.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Company, with the commitment of my fellow Directors and Management, strives to continuously maintain its high standard of corporate governance by following established sound policies and risk management practices. The Company values economic viability, environmental protection and social responsibility by adopting sustainable practices in its business operations and corporate activities.

Our second Sustainability Report, found within the main Annual Report, addresses the Group's material sustainability topics and identifies the Sustainability Development Goals most relevant to our business and stakeholders; both in terms of the Group's potential impact on and contribution to these goals. We continue to explore new means and implement initiatives to reduce our carbon footprint on the environment whilst improving energy and water efficiency in our daily operations.

OUTLOOK

With the robust residential collective sales activities in 2017, the Monetary Authority of Singapore has cautioned that the surge in private housing stock may pose risks to market stability and the possibility of a mismatch between supply and demand of private homes. We will monitor the market closely and evaluate all development and investment opportunities.

At the same time, we will actively manage our Investment Properties, and sell our remaining units at Scotts Square. Active marketing is also ongoing for our Fuyang project, 雍景山. Income from the Group's Investment Properties, dividends and interest income from indirect investments will continue to contribute to the Group's recurring income.

Sold

100%

of the 698 units at The Panorama

The Panorama, Arrival Plaza

Chairman's Statement

The Group has a cash standing of $766 million as at 31 December 2017. With prudent capital management and a robust balance sheet, the Group remains in a strong financial position to explore new opportunities and meet the challenges ahead.

ACKNOWLEDGEMENTS

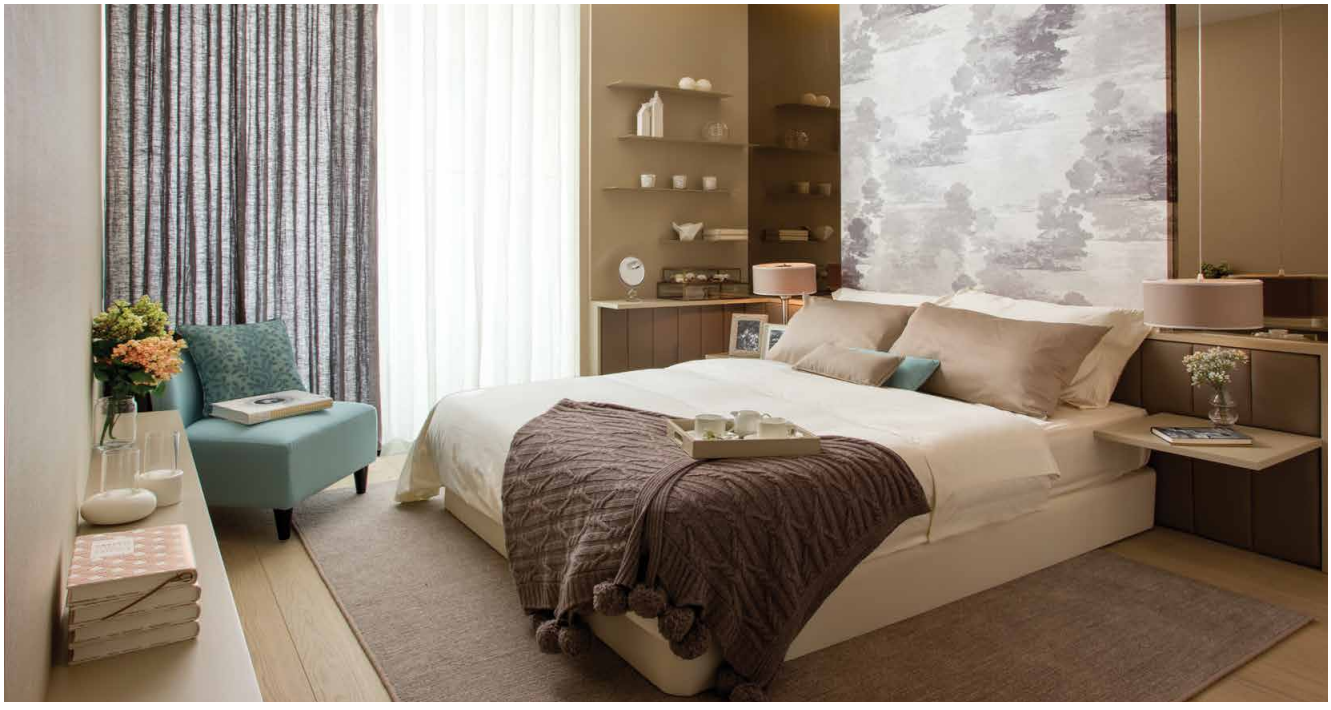
As part of succession planning, Mr Kevin Kwok was appointed as Chairman of the Audit & Risk Management Committee in place of Mr Frank Yung with effect from 1 May 2017. Mr Frank Yung, who has served on the Board for 27 years as an Independent Non-Executive Director, will be retiring from the Board upon the conclusion of the upcoming Annual General Meeting. On behalf of the Board, I would like to extend our heartfelt thanks and appreciation to Mr Yung for his invaluable advice and strong support over the past years in his role as Chairman of the Audit & Risk Management Committee, Lead Independent Director and a member of the Remuneration Committee. The Board and Management have benefitted from his wise counsel and guidance over the years.

Mr Greg Seow will also be retiring from the Board after 9 years, upon the conclusion of the upcoming Annual General Meeting and I would like to thank him for his invaluable contribution to the Company. He has contributed immensely as Chairman of the Nominating Committee and member of the Audit & Risk Management and Remuneration Committees.

My appreciation goes out to my fellow Directors for their invaluable advice and guidance, and the Management and staff for their dedication and commitment in the past year.

On behalf of the Board, I would also like to express my heartfelt appreciation to our stakeholders, including our shareholders, customers and business partners for their continued support of the Group.

STEPHEN T. H. NG
Chairman
27 February 2018



The Panorama, Master Bedroom

Aqua Gym at The Panorama

Property Overview

Development Properties

Scotts Square

SCOTTS SQUARE

Located in the heart of Orchard Road, the freehold Scotts Square comprises two luxury residential towers atop the stylish 4-storey Scotts Square mall.

Towering 35- and 43-storeys, the 338 well-appointed apartments offer spectacular views of the vibrant city skyline. Facilities on the Level 8 Club Floor include a swimming pool, jacuzzi, business centre, library and a dedicated concierge desk. The well-equipped gymnasium is located on Level 10 and for the penultimate luxury, residents can relax in the sky pool and heated jacuzzi on Level 35.

As at end 2017, 89% (301 units) of the 338 units were sold. For the remaining 37 unsold units, 20 units have been leased.

89%

of the 338 units were sold

ARDMORE THREE

The 84-unit freehold, luxury Ardmore Three is situated in the prestigious Ardmore Park enclave.

Exclusive facilities include a 30m lap pool, a bliss pool and an alfresco dining terrace, set amidst lush landscaping designed by award-winning landscape architect Colin K. Okashimo. The development offers a fully-equipped gymnasium and residents' lounge on Level 4.

Ardmore Three was awarded excellence in design, aesthetics, innovative solutions and functionality under the Residential (High-Rise) category at the FIABCI Singapore Property Awards 2015, and also received Honorable Mention at the Architectural Design Awards 2015 from the Singapore Institute of Architects.

As at end 2017, the development was fully sold.

100%

of the Ardmore Three was sold

Ardmore Three

Property Overview

Development Properties

THE PANORAMA

The Panorama is a 698-unit leasehold condominium located in the established Upper Thomson/Ang Mo Kio neighbourhood. With its central location in the North, residents enjoy convenient transport connections which include the upcoming Thomson/ East Coast Line.

The 198,942 square feet development comprises two 20-storey and four 17-storey towers of one- to five-bedroom apartments and spacious penthouses for multi-generation families. Lush landscaped gardens are interwoven with facilities for residents' enjoyment and relaxation, such as a mini putting green, joggers' path, lap pool, aqua gym, as well as a poolside and sky grill.

The development was conferred the Gold award in 2015 under the Building & Construction Authority Green Mark and Building Information Modelling (BIM) Awards. The BIM award was in recognition for the adoption of good BIM design and construction practices.

As at end 2017, all 698 units have been sold. The Panorama obtained its Temporary Occupation Permit in September 2017 and its Certificate of Statutory Completion in December 2017.

The Panorama

雍景山

雍景山

Closely linked to Western Hangzhou via tunnel, 雍景山, is sited at the Fuyang district of Hangzhou, in the People's Republic of China. Comprising villas, townhouses, duplexes and apartments on a site area of 3.2 million square feet surrounded by lush nature, the development is in close proximity of numerous educational institutions and attractions.

Under Phases 1 and 2A, a total of 784 units have been launched, comprising 188 small and 52 big duplex units, 146 townhouse units and 398 high-rise units. As at end 2017, 99.6% (781 units) of the 784 units have been sold. Active marketing is ongoing.

Construction of Phase 1 and Phase 2A duplex and townhouse units have been completed and handover is ongoing. Construction of Phase 2A high-rise units and Phase 3 of the development are currently in progress, and are expected to be completed in 2018 and 2020 respectively.

99.6%

of the 784 launched units have been sold

Property Overview

Investment Properties

Wheelock Place

WHEELOCK PLACE

Linked to the busy Orchard MRT Station, Wheelock Place is a cosmopolitan shopping mall that continues to attract shoppers with its exciting bevy of fashion and lifestyle stores, services and food & beverage outlets spread over seven levels.

Above the retail podium is a 16-storey office tower which houses numerous multi-national companies and the Asia Pacific headquarters of several leading luxury brands.

In August, Wheelock Place received its Green Mark Gold re-certification from the BCA. The building was also featured as one of the Top 10 Mixed Developments in Singapore in the 2014 BCA Building Energy Benchmarking Report.

Wheelock Place maintained an overall occupancy rate of 95% as at 31 December 2017.

SCOTTS SQUARE RETAIL

Scotts Square Retail is an exclusive luxury retail destination in the bustling Orchard Road shopping belt, where shoppers can indulge in a well-curated suite of international luxury brands, top designer labels and dining selections.

In 2017, new international brands that have opened in the mall include Niessing Jewellery and Lady M confections.

As at end 2017, Scotts Square achieved a high occupancy rate of 98%.

Scotts Square Retail

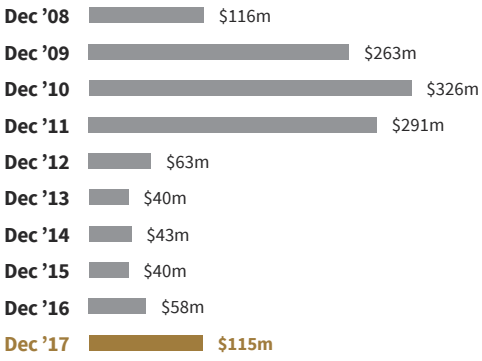
Five-Year Financial Summary

	2017	2016	2015	2014	2013
GROUP INCOME STATEMENT ($'000)					
Revenue	**533,741**	769,673	371,593	99,015	117,074
Profit for the year	**115,230**	58,349	40,331	43,126	40,040
GROUP STATEMENTS OF FINANCIAL POSITION ($'000)					
Investment properties	**1,092,000**	1,092,000	1,146,000	1,175,000	1,227,000
Investments	**428,639**	204,135	251,814	591,828	871,322
Interests in associates	**584,132**	575,577	560,478	547,968	7
Development properties	**295,068**	809,109	1,108,931	1,176,381	1,224,592
Cash and cash equivalents	**766,229**	471,946	611,565	408,515	457,289
Other assets	**183,999**	47,609	43,283	18,670	13,426
Bank loans	**–**	–	(515,214)	(658,423)	(631,872)
Other liabilities	**(221,957)**	(211,090)	(172,279)	(127,313)	(159,274)
	3,128,110	2,989,286	3,034,578	3,132,626	3,002,490
Representing:					
Share capital	**1,055,901**	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	**2,072,209**	1,933,385	1,978,677	2,076,725	1,946,589
	3,128,110	2,989,286	3,034,578	3,132,626	3,002,490
FINANCIAL RATIOS					
Earnings per share (cents)	**9.63**	4.88	3.37	3.60	3.35
Net asset value per share ($)	**2.61**	2.50	2.54	2.62	2.51
Dividends per share (cents)	**6.00**	6.00	6.00	6.00	6.00
Return on shareholders' equity (%)	**3.68**	1.95	1.33	1.38	1.33
Return on total assets (%)	**3.44**	1.82	1.08	1.10	1.06
Debt-equity (%)	**-**	-	16.98	21.02	21.04

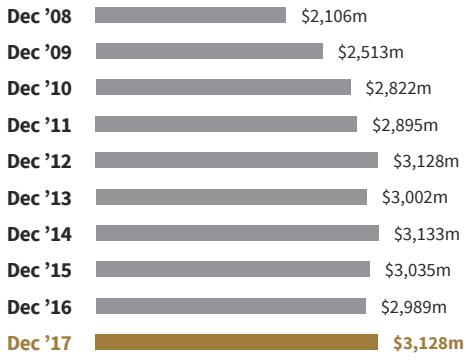
Note:
Dividends per share for FY2017 relates to the proposed first and final tax exempt (one-tier) dividend.

Key Financial Data

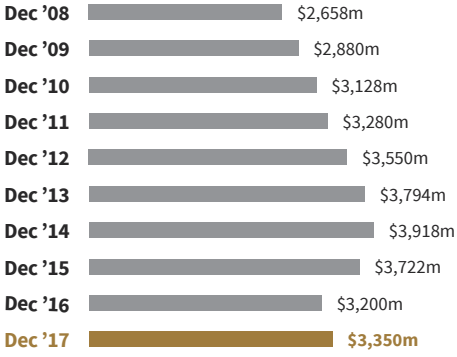
GROUP PROFIT FOR THE YEAR



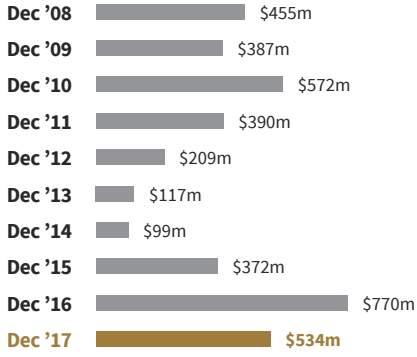
NET ASSETS



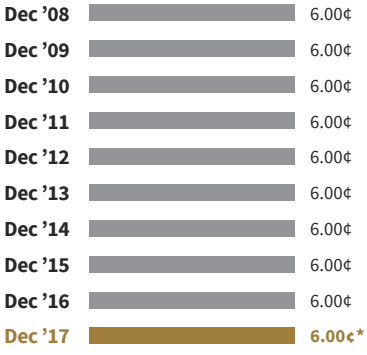
GROUP TOTAL ASSETS



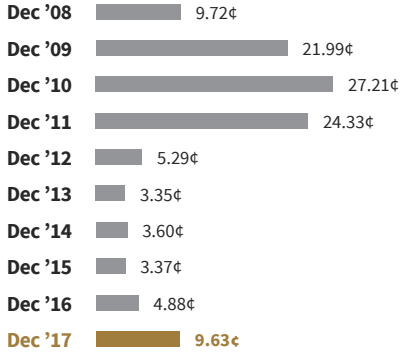
GROUP REVENUE



DIVIDENDS PER SHARE



EARNINGS PER SHARE



Notes:
Figures prior to FY2011 have been restated following the early adoption of the amendments to FRS 12 Income Taxes with effect from 1 January 2011.
* Dividends per share for FY2017 relates to the proposed first and final tax exempt (one-tier) dividend.

Corporate Information

BOARD OF DIRECTORS

Stephen T. H. Ng
Chairman

Horace W. C. Lee
Frank Y. C. Yung
(Lead Independent Director)
Greg F. H. Seow
Colm M. McCarthy
David T. E. Lim
Kevin K. Kwok
Tan Bee Kim
Tan Zing Yan

AUDIT & RISK MANAGEMENT COMMITTEE

Kevin K. Kwok
Chairman

Frank Y. C. Yung
Greg F. H. Seow
Colm M. McCarthy
David T. E. Lim

NOMINATING COMMITTEE

Greg F. H. Seow
Chairman

Colm M. McCarthy
David T. E. Lim
Tan Bee Kim

REMUNERATION COMMITTEE

Colm M. McCarthy
Chairman

Frank Y. C. Yung
Greg F. H. Seow

COMPANY SECRETARY

Pearly H. N. Oon

EXTERNAL AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
(Yvonne Chiu Sok Hua, Partner-in-charge with effect from the financial year ended 31 December 2016)

INTERNAL AUDITORS

PricewaterhouseCoopers Risk Services Pte. Ltd.
7 Straits View #12-00
Marina One East Tower
Singapore 018936

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Tel: (65) 6227 6660

PRINCIPAL BANKERS

BNP Paribas Singapore Branch
DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation, Singapore Branch
The Hongkong and Shanghai Banking Corporation Limited

SOLICITORS

Engelin Teh Practice LLC
Lee & Lee
Tan Peng Chin LLC
WongPartnership LLP
Wee Tay & Lim LLP

REGISTERED OFFICE

501 Orchard Road #11-01
Wheelock Place
Singapore 238880
Tel: (65) 6738 8660
Fax: (65) 6735 9833
www.wheelockproperties.com.sg

Board of Directors

STEPHEN TIN HOI NG
Chairman

Mr Ng joined the Wheelock Properties (Singapore) Board on 24 December 2012 and was appointed as Chairman of the Company with executive role on 1 April 2013. Mr Ng was last re-elected as Director at the Annual General Meeting on 29 April 2016.

Mr Ng is Chairman and Managing Director of the publicly listed The Wharf (Holdings) Limited. He joined the Wharf group in January 1981 and was appointed Director and Chief Financial Officer in October 1987, and Managing Director in May 1989. He was appointed Deputy Chairman in June 1994 and Chairman in May 2015.

Among other companies in Hong Kong and Singapore of which Mr Ng serves as a Director, he is Deputy Chairman of Wheelock and Company Limited, Chairman and Managing Director of Wharf Real Estate Investment Company Limited, Chairman of Harbour Centre Development Limited and non-executive Chairman of Joyce Boutique Holdings Limited as well as a non-executive Director of Hotel Properties Limited, all being listed public companies. He is also Chairman of Modern Terminals Limited and The "Star" Ferry Company, Limited.

Mr Ng attended Ripon College in Ripon, Wisconsin, U.S.A. and the University of Bonn, Germany, from 1971 to 1975, and graduated with a major in mathematics. Mr Ng was formerly the Chairman of i-CABLE Communications Limited and a non-executive Director of Greentown China Holdings Limited, both listed public companies in Hong Kong. He is currently Chairman of Project *WeCan* Committee, Chairman of the Hong Kong General Chamber of Commerce, a Council Member of the Employers' Federation of Hong Kong and a Council Member of the Hong Kong Trade Development Council.

HORACE WAI-CHUNG LEE
Non-Executive Director

Mr Lee joined the Wheelock Properties (Singapore) Board on 1 August 2015. He was last re-elected as Director at the Annual General Meeting on 29 April 2016 and is proposed for re-election in accordance with Regulation 114 of the Company's Constitution at the forthcoming Annual General Meeting on 27 April 2018.

Mr Lee has over 30 years of financial management experience across different business sectors and companies. Currently, he is Director and Group Financial Controller of Wheelock Corporate Services Limited and Wheelock Properties (Hong Kong) Limited (Wheelock Properties), both being wholly-owned subsidiaries of Wheelock and Company Limited (Wheelock). Mr Lee is also a member of Wheelock's Finance Committee and a member of Wheelock Properties' Management Committee. He assumes responsibilities for Wheelock's finance, banking, investor relations, human resources, corporate communications and IT systems functions.

Mr Lee attained a Master of Business Administration degree (EMBA Programme) in 2004 from The Kellogg School of Management of Northwestern University and The Hong Kong University of Science & Technology Business School. Currently, he is a member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants (also a Chartered Global Management Accountant). He is also a member of the Licensing Appeals Board of the HKSAR Government for a third two-year term.

Board of Directors

FRANK YUNG-CHENG YUNG
Non-Executive and Lead Independent Director

Mr Yung joined the Wheelock Properties (Singapore) Board on 21 August 1990 and was appointed Lead Independent Director on 11 November 2013. Mr Yung serves as a member of the Audit & Risk Management and Remuneration Committees. He was last re-appointed as Director at the Annual General Meeting on 29 April 2016. Mr Yung will be retiring at the conclusion of the forthcoming Annual General Meeting to be held on 27 April 2018.

Mr Yung's career spans 24 years with Inchcape Bhd, where in the last three years he served as Deputy Chairman and Chairman of Inchcape Singapore. He was Chairman of the Telecommunication Authority of Singapore from 1974 to 1986, Chief Executive Officer of Singapore Press Holdings Limited, and a Director of DBS Bank Ltd and Datacraft Asia Ltd. Additionally, Mr Yung was formerly a member of the Civil Aviation Authority of Singapore, a member of the Securities Industry Council and a member of the Advisory Committee of the Faculty of Business Administration, National University of Singapore.

Mr Yung is a member of the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants of Scotland. In addition, he is a member of the Singapore Institute of Directors.

GREG FOOK HIN SEOW
Non-Executive and Independent Director

Mr Seow joined the Wheelock Properties (Singapore) Board on 7 March 2008, and serves as Chairman of the Nominating Committee and a member of the Audit & Risk Management and Remuneration Committees. He was last re-elected as Director at the Annual General Meeting on 29 April 2016. Mr Seow who will be retiring pursuant to Regulation 114 of the Constitution of the Company, will not be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2018.

Mr Seow has served with the Government of Singapore Investment Corporation (GIC) where he was responsible for overseeing its global fixed income and real estate investment portfolios, and in San Francisco looking after GIC's U.S. real estate investments. Mr Seow was also with the Monetary Authority of Singapore (MAS), where he worked in New York managing U.S. fixed-income securities for the MAS.

He joined DBS Asset Management Ltd in 1999 and was responsible for its regional fund management business until 2006. Mr Seow was previously the Chairman of Singapore Land Authority and AMP Capital Investors (Singapore) as well as a Board member of Singapore's Land Transport Authority and President of the Singapore Council for Estate Agencies. He was also formerly a Director of Hwang-DBS Securities Bhd, a publicly listed company in Malaysia, an independent Director of PartnerRe Limited, a global listed reinsurance company and a Director of AIA Singapore Private Limited.

Mr Seow graduated from the Australian National University with a Bachelor of Economics (First Class Honours) degree and a Master in Economics.

COLM MARTIN MCCARTHY

Non-Executive and Independent Director

Mr McCarthy joined the Wheelock Properties (Singapore) Board on 26 September 2008. He serves as the Chairman of the Remuneration Committee and a member of the Audit & Risk Management and Nominating Committees. Mr McCarthy was last re-elected as Director at the Annual General Meeting on 28 April 2017.

Mr McCarthy's career has been in banking. He joined Bank of America's Dublin office in 1979 and was later transferred to London. In 1991, he moved to Asia to become Country Executive Officer of the Singapore office. Mr McCarthy was appointed President, Bank of America Asia, in 2003 and after 29 years of service, retired from the bank in June 2008. He was formerly the Head of Global Banking, Asia Pacific, with Wells Fargo Bank, a Director of Oversea-Chinese Banking Corporation Limited, Bank of Singapore Limited and The Irish Chamber of Commerce Singapore.

Mr McCarthy currently sits on the Board of Governors of Tanglin Trust School.

Mr McCarthy was conferred the Public Service Medal (PBM) by the Singapore Government in 2003 for his contribution to the financial services industry.

Mr McCarthy graduated from University College Dublin with a Bachelor of Commerce (Honours) and a Master of Business Studies (First Class Honours).

DAVID TIK EN LIM

Non-Executive and Independent Director

Mr Lim joined the Wheelock Properties (Singapore) Board on 12 February 2009. Mr Lim serves as a member of the Audit & Risk Management and Nominating Committees. He was last re-elected as Director at the Annual General Meeting on 30 April 2015 and is proposed for re-election in accordance with Regulation 114 of the Company's Constitution at the forthcoming Annual General Meeting on 27 April 2018.

Mr Lim has worked in various capacities in public and private sectors, both locally and overseas. His past roles included Group Chief Executive Officer of Neptune Orient Lines Limited, Chief Executive Officer of the Port of Singapore Authority, Jurong Town Corporation and the China-Singapore Suzhou Industrial Park based in Shanghai. Mr Lim was previously Chairman of the National Computer Board and Jurong International Holdings Pte Ltd, and Deputy Chairman of Ascendas Property Fund Trustee Pte Ltd. He was also formerly a Director of Advanced Materials Technologies Pte Ltd, a member of the Supervisory Board of Dornier MedTech GmbH, Germany, and an Alternate Director of Veredus Laboratories Pte Ltd. Mr Lim was a Member of Parliament from 1997 to 2006, and served in a number of portfolios, most latterly, as Acting Minister for Information, Communications and the Arts.

Mr Lim is currently a Director of Economic Development Innovations Singapore Pte Ltd. He is also a member of the Centre for Liveable Cities Advisory Board.

Mr Lim graduated with a Bachelor of Engineering (First Class Honours) degree from the University of Melbourne, and holds a Master in Business Administration degree from the National University of Singapore. Mr Lim also completed a Programme for Management Development at Harvard University, U.S.A.

Board of Directors

KEVIN KHIEN KWOK
Non-Executive and Independent Director

Mr Kwok joined the Wheelock Properties (Singapore) Board on 1 June 2013 and was appointed as Chairman of the Audit & Risk Management Committee on 1 May 2017. Mr Kwok was last re-elected as Director at the Annual General Meeting on 28 April 2017.

Formerly a Senior Partner of Ernst & Young LLP in Singapore, Mr Kwok retired in 2012 after 35 years with the firm. He headed up the firm's Assurance Services in Singapore and ASEAN. His 35 years of experience spans across audits, M&A transactions, public listings and other fund-raising activities, both locally as well as overseas. Apart from audit and M&A work, he has also carried out various investigations and litigation support assignments.

Mr Kwok is currently a Director and Chairman of the Audit Committees of Singapore Exchange Limited and Mapletree Greater China Commercial Trust Management Ltd and a Director of Keppel Offshore & Marine Ltd. He is also Chairman of the Accounting Standards Council of Singapore. Mr Kwok was formerly a Governing Council Member of the Singapore Institute of Directors where he had been involved in various initiatives to foster improvements in corporate governance and reporting practices.

Mr Kwok graduated from the University of Sheffield (United Kingdom) with a Bachelor of Arts degree, with dual honours in Economics and Accounting & Financial Management. He is a Fellow of the Institute of Singapore Chartered Accountants. He qualified as a Chartered Accountant and is a member of the Institute of Chartered Accountants in England and Wales as well as the Malaysian Institute of Accountants. He is also a Fellow of the Singapore Institute of Directors and the Chartered Malaysian Institute of Taxation.

TAN BEE KIM
Senior Executive Director

Ms Tan, with over 30 years of real estate experience, was appointed to the Wheelock Properties (Singapore) Board on 26 May 2006. Ms Tan serves as a member of the Nominating Committee. She was last re-elected as Director at the Annual General Meeting on 28 April 2017.

Ms Tan started her career in banking at Overseas Union Bank Limited before moving on to Richard Ellis (Pte) Ltd in Singapore and subsequently Hong Kong, and Singapore Land Limited. Her experience includes international consultancy, marketing and sales.

Ms Tan joined the Company in 1996 to spearhead the launch of Ardmore Park. Over the years, she has successfully conceptualised and marketed the Group's luxury real estate portfolio including the latest award-winning Ardmore Three project, in addition to other responsibilities.

Since 2012, she has assumed responsibility for operations in Singapore.

Currently, she sits on the Boards of the various subsidiaries of the Wheelock Properties (Singapore) Group.

Ms Tan graduated with a Bachelor of Science Degree (Honours) in Building from the National University of Singapore and is a member of the Singapore Institute of Surveyors and Valuers.

TAN ZING YAN
Executive Director

Mr Tan was appointed to the Wheelock Properties (Singapore) Board on 1 January 2007. He was last re-elected as Director at the Annual General Meeting on 29 April 2016.

Prior to joining the Company in 1995, Mr Tan was with Singapore Airlines Limited, Sumitomo Trust & Banking Co. Ltd. and Keppel Land Limited. His portfolio included, among others, real estate investments and development, financing and overseas marketing. Mr Tan has over 30 years of experience in the real estate industry.

In his current position, he is responsible for the Group's risk management portfolio which includes investments, project completion, finance & treasury and company secretariat.

During his over 20 years with the Group, Mr Tan has been responsible for driving a string of successful acquisitions of sites for redevelopment such as the former Times House, The Sea View Hotel/China Airlines' apartments, Habitat One, Habitat II, Angullia View, Scotts Shopping Centre, The Ascott Singapore and The Panorama. In addition, he was responsible for the overseas acquisitions and successful divestments of the Hamptons Group Limited in United Kingdom and the Oakwood Residence Azabujuban, a luxury serviced residence in Tokyo, Japan.

Currently, he sits on the Boards of the various subsidiaries of the Wheelock Properties (Singapore) Group.

Mr Tan holds a Bachelor of Science Degree in Estate Management from the National University of Singapore. He is a member of the Singapore Institute of Surveyors and Valuers and a licensed appraiser for land and buildings in Singapore.

Corporate Governance Report

Establishing good corporate governance is not a one-time action but evolves constantly over time in response to new regulations, standards and market conditions. Good and transparent corporate governance ensures that a company is responsibly managed and supervised with an orientation towards value creation.

At Wheelock Properties (Singapore) Limited, we are committed to continuously develop and uphold the high standards of our corporate governance principles.

In this Report, we set out the principles, policies and practices of corporate governance which the Group has adopted in line with the principles and guidelines of the Code of Corporate Governance 2012 (the Code). The Company has substantially complied with the principles and guidelines of the Code. The specific deviations and alternative practices adopted by the Company can be found on page 34 of the Annual Report.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is responsible for the overall management and the long-term success of the Company. All Directors are expected to make decisions independently, objectively, and discharge their duties and responsibilities at all times as fiduciaries in the best interest of the Company. Directors who are in any way, directly or indirectly, interested in a proposed transaction will declare the nature of their interests in accordance with the provisions of the Companies Act, Cap. 50 and also voluntarily abstain from participation in Board discussions and the decision-making process on the same.

Apart from statutory responsibilities, the Board provides entrepreneurial leadership, supervision and oversight, sets strategic objectives and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives. The Board sets policies on matters relating to financial controls, financial performance and risk management procedures (including safeguarding of shareholders' interests and the Company's assets) in order to establish a framework of prudent and effective controls which enables risks to be assessed and managed. The Board reviews the financial and management performance of the Group, identifies key stakeholder groups and recognises that their perceptions affect the Company's reputation, considers sustainability issues such as environmental, social and governance factors as part of its strategic formulation, sets the values and standards of the Company (including ethical standards) and ensures that obligations to shareholders and other stakeholders are understood and met. The Board also reviews and approves major investment and divestment proposals, material acquisitions, disposals and funding decisions, major commitments relating to the Group's operations, major policies on key areas of operations, bank facilities, annual budget and the release of the Group's quarterly and full year results. The Board has in place specific policies and procedures setting out the matters reserved for the Board's decision and clear directions to Management on matters that must be approved by the Board, including the levels of authorisation required for specific transactions for operational efficiency and risk management.

In addition, the Board oversees the process of evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and assumes responsibility for the Company's compliance with the guidelines on corporate governance and sustainability reporting. To assist the Board in the execution of its responsibilities, the Board delegates specific responsibilities to the Audit & Risk Management Committee (ARMC), Nominating Committee (NC) and Remuneration Committee (RC) without abdicating its responsibility. Each Board Committee has its own Terms of Reference to address their respective areas of focus and composition, and reports its activities regularly to the Board. The terms of references of the Board Committees are reviewed regularly to ensure that they remain relevant and are in line with best practices. Specific descriptions of these Board Committees are set out in this Report. There are also two other committees which deal with investments and divestments, and acquisitions and disposals of the Group within levels of authorisation approved by the Board.

The Board meets on a quarterly basis to review the Group's performance, internal policies and procedures, risk management, investments and divestments, acquisitions and disposals, and to approve the release of the quarterly and full year results. The Board holds additional meetings as and when necessary

to deliberate on significant transactions and issues. Meetings via telephone or video conference are permitted under the Company's Constitution. Apart from formal meetings, decisions of the Board and Board Committees may also be obtained via circulated resolutions. Meetings are scheduled one year in advance to assist Directors in planning their attendance at Board and Board Committee meetings, as well as the Annual General Meeting (AGM).

During the year under review, the number of Board and Board Committee meetings held and the attendance of each Board member at the meetings were as follows:

Period from January 2017 to December 2017

BOARD / BOARD COMMITTEES	BOARD	AUDIT & RISK MANAGEMENT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
No. of meetings held	4	4	1	1
Name of Director				
Stephen T. H. Ng	4	N.A.	N.A.	N.A.
Horace W. C. Lee	4	N.A.	N.A.	N.A.
Frank Y. C. Yung	4	4	N.A.	1
Greg F. H. Seow	4	4	1	1
Colm M. McCarthy	4	4	1	1
David T. E. Lim	4	4	1	N.A.
Kevin K. Kwok	4	4	N.A.	N.A.
Tan Bee Kim	4	N.A.	1	N.A.
Tan Zing Yan	4	N.A.	N.A.	N.A.

Each Director has been appointed on the strength of his calibre and experience. All the Directors bring independent judgement to bear on issues of risk, performance, resources and standards, and contribute to the Group through their sharing of views, advice and experiences. The Group therefore believes that a Director's contribution extends beyond the confines of the formal environment of meetings and it would be too narrow a view to judge a Director's contribution to the Group and its businesses based only on his attendance at meetings.

The Company has in place an orientation program for newly appointed Directors to assimilate them into their new roles. Upon appointment, each Director is briefed on the Group's businesses, directions and governance policies, and provided with a formal letter setting out his duties and obligations, and how to discharge those duties and obligations. Directors are also provided with materials containing essential information about the Group, its governance practices and relevant laws and regulations. Appropriate external training in areas such as financial, accounting, legal and industry-specific knowledge will be arranged where necessary. When a Director is appointed to a Board Committee, he is provided with a copy of the Terms of Reference of that Committee.

The Board is updated regularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards by the Auditors, Management and Company Secretary. Relevant news releases issued by the Singapore Exchange Securities Trading Limited (SGX-ST), the Accounting and Corporate Regulatory Authority (ACRA) and the Monetary Authority of Singapore are also circulated to the Board. Directors are encouraged to attend training and seminars funded by the Company particularly on relevant new laws, governance practices, changing commercial risks and updates/developments in regulatory framework including those organised by the Singapore Institute of Directors (SID), Singapore Exchange Limited and PricewaterhouseCoopers LLP. During the year, Directors attended in-house training on cybersecurity risks conducted by KPMG Services Pte Ltd, corporate governance updates conducted by Messrs. Lee & Lee, briefing by Auditors on changes to the Financial Reporting Standards and seminars organised by the SID.

Corporate Governance Report

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

In line with the Code, the policy of the Company is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board. As the Chairman is not an independent Director, the Company is required to have at least half of the Board comprising independent Directors.

The Board consists of nine members, five of whom are independent Directors. Profiles of the Directors are set out in the "Board of Directors" section in the Annual Report.

The directorships in other listed companies, real estate investment trusts and/or business trusts (as applicable) (collectively, the Listed Entities) held by the Directors currently and in the preceding three years are as follows:

NAME	PRESENT DIRECTORSHIPS IN OTHER LISTED ENTITIES	PAST DIRECTORSHIPS IN LISTED ENTITIES HELD OVER THE PRECEDING THREE YEARS
Stephen T. H. Ng	Wheelock and Company Limited The Wharf (Holdings) Limited Wharf Real Estate Investment Company Limited Harbour Centre Development Limited Joyce Boutique Holdings Limited Hotel Properties Limited	Greentown China Holdings Limited i-CABLE Communications Limited
Horace W. C. Lee	Nil	Nil
Frank Y. C. Yung	Nil	Nil
Greg F. H. Seow	Nil	PartnerRe Limited
Colm M. McCarthy	Nil	Nil
David T. E. Lim	Nil	Ascendas Property Fund Trustee Pte Ltd
Kevin K. Kwok	Singapore Exchange Limited Mapletree Greater China Commercial Trust Management Ltd	Nil
Tan Bee Kim	Nil	Nil
Tan Zing Yan	Nil	Nil

The independence of each Director is reviewed annually by the NC, and as and when circumstances require. Each independent Director is required to complete a Director's independence Checklist annually to confirm his independence based on the guidelines as recommended by the Code. Each Director must also confirm in the Checklist whether he considers himself to be independent despite not having any relationship identified in the Code. Messrs. Frank Y. C. Yung, Greg F. H. Seow and Colm M. McCarthy have served on the Board for more than nine years. In subjecting the independence of Mr Yung, Mr Seow and Mr McCarthy to particularly rigorous review and taking into account the need for progressive refreshing of the Board, the NC placed emphasis on whether these Directors have demonstrated strong independence in character and judgement in discharging their responsibilities as Directors of the Company and whether they are free from any interest, business or other relationship which could reasonably be perceived to interfere with the exercise of their independent judgement with a view to the best interests of the Company. The review extends beyond the submission of confirmation of independence and, involved self-assessment and peer-assessment by the NC members.

After due consideration and careful assessment, the NC and the Board noted that the independence of Mr Yung, Mr Seow and

Mr McCarthy as Directors are not affected as they continue to exercise independent judgement and demonstrate objectivity in their deliberations in the interest of the shareholders and the Company. Each of Mr Yung, Mr Seow and Mr McCarthy did not take part in the review of his own independence. The NC is satisfied as to the independence of Messrs. Frank Y. C. Yung, Greg F. H. Seow, Colm M. McCarthy, David T. E. Lim and Kevin K. Kwok, all of whom do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interests of the Company.

Members of the Board are professionals from diverse backgrounds with varied experience from accounting, finance, business, management, property to banking among others. The NC is satisfied that the Board and its Board Committees comprise directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender, knowledge of the Group and the necessary core competencies as recommended in the Code, required for the Board to be effective. The Company considers diversity when identifying director nominees as it believes that diversity in the Board's composition contributes to the quality of its decision-making. In FY2017, the Board consists of one female Director out of a total of nine Directors, representing 11% of the entire Board.

The Board considers its current size appropriate based on the Company's present circumstances and taking into account the nature and scope of the Group's businesses and operations. In examining the Board size, the Board also took into account the requirement of the Group's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board also considers that its Directors possess the necessary competencies to lead and govern the Company effectively.

The Board will review its board composition from time to time to ensure that it has an appropriate mix of Directors and to ensure good corporate governance.

Non-executive Directors are encouraged to, and do, constructively challenge and help in the development (where applicable) of proposals on strategy and review the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. Non-executive independent Directors, led by the Lead Independent Director (Lead ID), met during the year without the presence of Management to facilitate an effective check on Management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Stephen T. H. Ng serves as the executive Chairman of the Company. The Chairman bears primary responsibility for the workings of the Board by, *inter alia*, ensuring effectiveness in all aspects of its role, exercising control over the quality, quantity and timeliness of information flow between the Board and Management and encouraging constructive relations within the Board and between the Board and Management, setting the agenda and ensuring that adequate time is available for the discussion of all items therein, in particular strategic issues. He promotes a culture of openness and debate at the Board, ensuring that the Directors receive complete, adequate and timely information, ensuring effective communication with shareholders, facilitating the effective contribution of non-executive Directors, overseeing the Group's corporate governance and conduct, and promoting high standards in respect thereof. He also approves meeting schedules of the Board, agenda for Board meetings and is advised of the meetings of the Board Committees. The Executive Directors have full executive responsibilities in the business directions and operational efficiency of the Group and are accountable to the Chairman.

The Company does not have a separate chief executive officer. Although it is a deviation from the Code which provides that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business, the Board considers the current leadership structure to be efficient taking into account, *inter alia*, the current needs of the Company. The Board notes that the Chairman plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. It is satisfied that he is able to effectively discharge the duties of both positions. Additionally, there is a balance of power and authority given the composition of the Board which comprises experienced individuals of high-calibre with more than half of the Board comprising independent non-executive Directors.

Further, with the establishment of various Board Committees with power and authority to perform key functions, and the putting in place of various internal controls to allow for effective Board oversight, the Board is of the view that there are adequate accountability safeguards to enable the Board to exercise objective independent decision-making and to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

Corporate Governance Report

Lead Independent Director

In view that the Chairman is not an independent Director, the Board has appointed Mr Frank Y. C. Yung as Lead ID to serve as a sounding board for the Chairman and also as an intermediary between the non-executive Directors and the Chairman. The Lead ID is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman or Executive Directors has failed to resolve or is inappropriate. Due to the seniority and extensive experience of Mr Yung, the Board is of the view that he is qualified to perform the role of the Lead ID, notwithstanding that he is presently not a member of the NC.

On an annual basis, the Lead ID leads the independent Directors to meet without the presence of other Directors but with internal and external auditors and provides feedback to the Chairman and Board accordingly.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to the following committees:

Nominating Committee

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises four Directors, namely, Messrs. Greg F. H. Seow, Chairman of the NC, Colm M. McCarthy, David T. E. Lim and Tan Bee Kim, the majority of whom are independent. The Chairman of the NC is an independent non-executive Director and is not associated with any substantial shareholder.

The principal functions of the NC are to review and make recommendations to the Board on all appointments, re-appointment and re-election of Directors, to develop processes to evaluate the effectiveness and performance of the Board, its Committees and each individual Director (including alternate directors, where applicable), to review the training and professional development programs for the Board, to review board succession plans for Directors, including the Chairman, and to review the independence of each Director annually (bearing in mind the circumstances set out in Guidelines 2.3 and 2.4 of the Code and any other salient factors). Where relevant, the NC is guided by the recommendations of the Nominating Committee Guide and its written Terms of Reference which clearly set out its authority and duties.

The NC works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as its individual members. The search and nomination process for new Directors, if any, will be through contacts and recommendations that go through the normal selection process to cast its net as wide as possible for the right candidate. When the need for a new Director arises, the NC, in consultation with the Board, determines the selection criteria taking into account board diversity and identifies candidates with the appropriate expertise and experience. The NC then meets the shortlisted potential candidates before recommending the most suitable candidate to the Board for appointment as Director. The criteria used to assess new appointments are integrity, core competencies to meet the Group's needs and complement the skills and competencies of existing Directors, an independent mindset and ability to commit time. The NC also considers the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director.

A newly appointed Director is required by the Company's Constitution to stand for election at the AGM immediately following his appointment.

Annually, the NC reviews the Directors who are due to retire in accordance with the Company's Constitution and makes relevant recommendations on their re-election. All Directors are subject to re-election at regular intervals of at least once every three years. At each AGM, at least one-third of the Directors are required to retire and submit themselves for re-election.

The Board recognises the contribution of its independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide valuable contribution to the Group. As such, the Board has not set a fixed term of office for each of its independent Directors so as to be able to retain the services of the Directors as necessary.

Internal guidelines have been established to address the competing time commitments faced by Directors due to multiple board representations. All Directors are required to declare their board representation. The NC has reviewed the abilities of each Director and is satisfied that each Director is able to devote adequate time and attention to the affairs of the Company to fulfil his duties as a Director of the Company. The Directors' attendance at Board and Board Committee meetings are set out on page 21 of this Report. The NC conducts a review of the time commitment of each Director on an ongoing basis, taking into consideration the Director's number of listed company board representations and

other principal commitments, and contribution to the Company which can be assessed in their level of attendance and participation at Board and Board Committee meetings. The Board believes that each Director should personally determine the demands of his competing directorships and obligations, and assess how much time is available to serve on the Board effectively. Accordingly, the Board has reviewed and is satisfied with the time commitment of the Directors and has not made a determination of the maximum number of board representations a Director may hold. Currently, no alternate Directors have been appointed in respect of any of the Directors.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC has an established appraisal process to assess the performance and effectiveness of the Board as a whole, its Board Committees as well as to assess the contribution of each individual Director including the Chairman to the effectiveness of the Board. No external facilitator has been engaged as the NC is satisfied with the current robust approach and oversight process in reviewing Board effectiveness. Some of the assessment criteria determined by the NC and approved by the Board for assessing the Board's collective performance include size and composition of the Board, access to information, processes and accountability, objective performance criteria which allows comparison with the Company's peers, as well as consideration of the Code and enhancement of long-term shareholder value. Assessment criteria for individual Directors aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role, including factors such as Director's attendance, participation and contribution at Board and Board Committee meetings, analytical skills, foresight and preparedness for Board and Board Committee meetings. The performance criteria remain unchanged from the previous year, and where circumstances deem it necessary for any of the criteria to be changed, the onus is on the Board to justify this decision. These factors are also taken into consideration in deciding on the capacity of Directors.

On an annual basis, the Board undertakes an assessment of its performance and those of its Committees and Directors. To aid this assessment, all Directors are required to complete a Board Evaluation Questionnaire to assess the effectiveness and performance of the Board as a whole, its Board Committees, his own and fellow Directors' performance based on the assessment parameters adopted by the Board. The results of the evaluation process are reviewed and used by the NC, to make recommendations to the Chairman of the Company, to effect continuous improvements to the effectiveness of the Board. The Chairman will act on the results of the performance evaluation and, in consultation with the NC propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors. Following the review, the NC is of the view that the Board has met its performance objectives and the Board and its Board Committees are operating effectively.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management provides the Board with relevant, accurate and adequate information in a timely manner to enable Directors to make informed decisions to discharge their duties and responsibilities. Management also provides additional information to the Board upon the Board's request, in a timely manner, to enable the Board to receive the complete information as needed by the Board to make informed decisions.

In order to ensure that the Board is able to fulfil its responsibilities, the Management provides the Board with board papers and related materials, background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, forecasts/budgets, monthly internal financial statements and other relevant information of the Group. Explanatory information may also be in the form of briefings made by Management. In respect of budgets, material variance between the projections and actual results, if any, are also disclosed and explained.

The Board has separate and independent access to Management and the Company Secretary at all times. Directors in the furtherance of their duties may obtain independent professional advice if required and such cost will be borne by the Company.

The Company Secretary, whose appointment and removal are subject to the Board's approval, attends all Board and Board Committee meetings and ensures that Board procedures are followed. The Company Secretary, together with the Management, are responsible for ensuring the Company's compliance with the regulations of the Companies Act, SGX-ST Listing Rules and all other rules, regulations and governance matters which are applicable to the Group.

Corporate Governance Report

The Company Secretary ensures good information flows within the Board and its Board Committees and between Management and non-executive Directors, advises the Board on all governance matters, and facilitates orientation and assists with professional development as required.

REMUNERATION MATTERS

Remuneration Committee

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The RC comprises three Directors, all of whom are independent non-executive Directors. The RC members are Messrs. Colm M. McCarthy, Chairman of the RC, Frank Y. C. Yung and Greg F. H. Seow.

The Chairman of the RC has many years of experience in senior management positions in leading banks and has indirect experience in the field of executive compensation, and is well qualified to chair the RC. The members of the RC collectively have strong management experience and expertise on remuneration issues. The RC has access to appropriate advice from the Head of Human Resource, who attends the RC meetings. The RC may seek external expert advice from remuneration consultants if and when required and shall ensure that existing relationships (if any) between the Company and the consultants will not affect the independence and objectivity of the consultants. No remuneration consultant has been engaged for the financial year under review as the Board notes that it currently has sufficient insights and expertise on the market and relevant parameters.

The function of the RC is to consider and determine, within its Terms of Reference, matters concerning remuneration for Directors and key management personnel. The RC also reviews and recommends the general remuneration framework for each Director and, where relevant, key management personnel, and specific remuneration packages for the Executive Directors and, where relevant, key management personnel, in consultation with the Chairman on behalf of the Board. The RC's recommendations cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind (as applicable). In the process, the RC takes into account the performance of the Group, as well as individual Directors and key executives, aligning their interest with those of shareholders and linking rewards to corporate and individual performance. In its deliberations, the RC takes into account industry practices and norms in compensation. The remuneration packages of non-executive Directors are reviewed separately by the Board as members of the RC are all non-executive Directors. No Director is involved in deciding his own remuneration.

The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors and, where relevant, key management personnel, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC also aims to be fair and avoids rewarding poor performance.

Directors' fees paid to independent non-executive Directors are set in accordance with a remuneration framework comprising basic fees and fees for involvement in Board Committees as follows:

FEE STRUCTURE	FY2017
Basic Fee	$38,000
Lead Independent Director	$10,000
Audit & Risk Management Committee Chairman	$33,600
Audit & Risk Management Committee Member	$22,050
Other Committee Chairman	$5,250
Other Committee Member	$4,200

Pursuant to the Constitution of the Company, fees paid to non-executive Directors are a fixed sum and not by a commission on or a percentage of profits or turnover. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors

without being excessive and thereby maximising shareholders' return and promoting the long-term success of the Company. Directors' fees are reviewed periodically and benchmarked against other listed companies of comparable size in similar industry, and taking into consideration the level of contribution, effort, time spent, and the additional responsibilities of the Directors. The Company believes that the current remuneration of independent Directors is appropriate and at a level that will not compromise the independence of the Directors. All Directors' fees are approved by shareholders at the AGM of the Company before they are paid.

The Company advocates a performance-based remuneration system that is aligned to the interests of shareholders, is flexible and responsive to the market and the performance of the Company and individual employees. The Company seeks to ensure that the level and mix of remuneration is competitive and relevant. The performance-based remuneration takes into account the risk policies of the Company, is symmetric with risk outcomes and is sensitive to the time horizon of risks.

The compensation package for the Executive Directors comprises salary, bonus and benefits-in-kind. The variable bonus element is based on the Company's and individual performance that is designed to incentivise good performance, leading to value creation of the Company.

There are appropriate and meaningful measures to assess the performance of Executive Directors and where relevant, key management personnel. Annual review of the compensation is carried out by the RC to ensure that the remuneration of the Executive Directors and, where relevant, key management personnel, commensurate with their performance and that of the Company, having regard to the financial and commercial health and business needs of the Group including market trends.

The Company presently has no employee share scheme or any short/long-term incentive scheme in place. The guideline on long-term incentive schemes for Executive Directors is noted.

The Company does not at present have any contractual provisions to allow the Company to reclaim incentive from Executive Directors in exceptional cases of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

A breakdown, showing the level and mix of the Directors' remuneration for the financial year ended 31 December 2017, is set out below:

NAME	DIRECTORS' FEE	BASE / FIXED SALARY*	VARIABLE OR PERFORMANCE RELATED INCOME / BONUS*	OTHER BENEFITS	TOTAL REMUNERATION $'000
Stephen T. H. Ng	100%	-	-	-	3
Horace W. C. Lee	100%	-	-	-	3
Frank Y. C. Yung	100%	-	-	-	78
Greg F. H. Seow	100%	-	-	-	70
Colm M. McCarthy	97%	-	-	3%^	72
David T. E. Lim	96%	-	-	4%^	67
Kevin K. Kwok	97%	-	-	3%^	70
Tan Bee Kim	1%	45%	53%	1%@	955
Tan Zing Yan	1%	54%	44%	1%@	711

* CPF contributions are included.

^ For season parking.

@ Includes company-owned vehicle, season parking, health screening, memberships/subscriptions, flexi-benefits etc.

Corporate Governance Report

The Code requires the remuneration of at least the top five key management personnel who are not also Directors to be disclosed within bands of $250,000. The Company has two key management personnel who are also Directors of the Company as at the date of this Report. There are no other key management personnel who are relevant to this requirement.

The Company does not employ any immediate family member of any Director.

During the year, there were no termination, retirement or post-employment benefits granted to any Director or key management personnel.

As the matters that are required for disclosure have been disclosed in this Report, the Board is of the opinion that a separate annual remuneration report is not necessary.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to interim and other price-sensitive public reports, and reports to regulators (if required) including all financial results, price-sensitive information, annual reports, material corporate developments and announcements in line with obligations of continuing disclosure under the Listing Manual of the SGX-ST.

The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the listing rules of the securities exchange, by establishing written policies and procedures where appropriate.

The Board provides shareholders with quarterly and full year results and these are released through announcements via SGXNET and the Company's website. Results for the first three quarters are released to shareholders within 45 days of the end of each quarter whilst annual results are released within 60 days from the financial year end. For the quarterly financial statements, the Board provides a statement of negative assurance to shareholders, in line with the SGX-ST Listing Rules. For the financial year under review, the Executive Directors have provided assurance to the Board on the integrity of the financial statements for the Group as set out on page 30 of this Report. In presenting our quarterly and full year financial results to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's financial position and prospects.

Management provides the Board with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties and make a balanced and informed assessment of the Company's performance, position and prospects. On a monthly basis, Board members are provided with financial reports (including management accounts and such explanation) and other information on the Group's performance for effective monitoring and decision-making.

Audit & Risk Management Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The ARMC comprises five Directors, all of whom are independent non-executive Directors. The members of the ARMC are Messrs. Kevin K. Kwok, Chairman of the ARMC, Frank Y. C. Yung, Greg F. H. Seow, Colm M. McCarthy and David T. E. Lim. The Board considers that Mr Kevin K. Kwok, who has extensive experience in accounting and financial management, is very well qualified to chair the ARMC.

Members of the ARMC are professionals with recent, relevant and extensive experience in accounting, banking, business, investment and finance industries, and possess the requisite accounting and related financial management expertise to discharge the ARMC's responsibilities. The ARMC is guided by its Terms of Reference, which clearly sets out its authority, functions and responsibilities.

Management is responsible for ensuring that the Group maintains a sound system of internal control to safeguard shareholders' investments and assets of the Group and the financial reporting processes. The ARMC reviews and reports to the Board for their review on the Company's levels of risk tolerance, adequacy of such controls, including internal, financial, operational, compliance and information technology controls, risk related policies and systems established by Management. The ARMC, on behalf of the Board, also oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

The ARMC meets on a quarterly basis and whenever required to review the quarterly and audited annual financial statements, announcements relating to the Company's financial performance, significant financial reporting issues and judgements so as to

ensure the integrity of the financial statements of the Company, and all related disclosures to shareholders before submission to the Board for approval. In the process, the ARMC reviews the key areas of Management's judgement applied for adequate provisioning and disclosures, critical accounting policies and any significant legal or regulatory changes that would have an impact on the financial statements.

The external auditors are responsible for performing an independent audit of the Group's financial statements prepared in accordance with the Singapore Financial Reporting Standards, and for issuing a report thereon. The ARMC's responsibility is to monitor these processes.

The other functions of the ARMC includes reviewing interested person transactions to ensure compliance with the SGX-ST Listing Rules; reviewing with the external auditors the audit plan and evaluation of the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls and reporting to the Board at least annually; reviewing with the internal auditors the adequacy and effectiveness of the internal audit function at least annually and evaluation of major internal controls; reviewing the scope and results of the external audit, the independence and objectivity of the external auditors and making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors; approving the remuneration and terms of engagement of the external auditors; and reviewing findings of internal investigations into suspected fraud, irregularity or infringement of any relevant laws, rules and regulations that is likely to have a material impact on the Group's results. The ARMC also monitors proposed changes in accounting policies and reviews accounting implications of major transactions including significant financial reporting issues.

The external auditors provide periodic updates to the ARMC on changes to the accounting standards to enable members of the ARMC to keep abreast of such changes and its corresponding impact on the financial statements, if any, and these are discussed at the ARMC meetings.

None of the ARMC members were previous partners or directors of the existing auditing firm within the previous 12 months and none of the ARMC members hold any financial interest in the auditing firm.

In performing its functions, the ARMC meets regularly with the external auditors and the internal auditors to discuss and evaluate the risk management and internal control systems of the Group (including financial, operational, compliance and information technology controls) and review the overall scope and results of both internal and external audit. At least once a year and on an as and when required basis, the ARMC meets with the external auditors and internal auditors, without the presence of Management, to review any matters that might be raised privately.

The ARMC, from time to time, considers the appropriateness of continuing with the existing external auditors or appointment of new external auditors and factors taken into consideration include performance of the auditors, the technical competence of the audit team and the audit firm, ability to communicate issues and concerns to the ARMC, ability to meet deadlines and ability to work with Management while maintaining independence and objectivity. The Board and the ARMC consider it appropriate to continue with the incumbent auditors.

The Group's external auditors, KPMG LLP, is an accounting firm registered with ACRA. The ARMC is satisfied that KPMG LLP and the audit engagement partner assigned to the audit have adequate resources and experience to meet its audit obligations. In this connection, the Company has complied with SGX-ST Listing Rules 712, and 715 read with 716.

The ARMC reviews the independence of the external auditors annually. Details of the aggregate amount of fees paid to the external auditors and the breakdown of fees in respect of audit and non-audit services are disclosed in Note 24 of the Notes to the Financial Statements. The external auditors have provided confirmation of their independence to the ARMC. The ARMC has reviewed the volume and nature of non-audit services provided by the external auditors during the year under review and is satisfied that their independence and objectivity has not been impaired by the provision of those services. The ARMC also reviewed the Audit Quality Indicators data submitted by the external auditors and is satisfied with the quality of work performed by KPMG LLP. The ARMC recommends to the Board, the re-appointment of KPMG LLP as external auditors.

The ARMC is empowered to investigate any matters within its Terms of Reference and has full access to, and the co-operation of Management. It has resources to enable it to discharge its function properly and full discretion to invite any Director or executive to attend its meetings. Where relevant, the ARMC is guided by the recommended best practices for audit committee as set out in the Guidebook for Audit Committees in Singapore issued by the Singapore's Audit Committee Guidance Committee. The minutes of the ARMC are regularly submitted to the Board.

Corporate Governance Report

The Company has in place a Whistleblowing Policy which serves to encourage and provide a channel to employees and parties who have dealings with the Group to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the Chairman of the ARMC. Upon receipt of a complaint, the ARMC Chairman, in consultation with the Chairman of the Company, will identify a suitable person to carry out the investigation, according to the nature of the issue. Once the investigation is completed, a detailed report will be submitted to the ARMC Chairman and Chairman of the Company to determine the remedial, disciplinary or other action to be taken and for reporting to the ARMC and Board. The objective of such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The Company will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Further, the Company does not disregard anonymous complaints but will give such complaints appropriate weight.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Company has instituted a system of internal controls for the Group. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained, and financial information used within the business and for publication is reliable. In designing these controls, Management has had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them. The Company seeks to improve internal control and risk management on an ongoing basis to ensure that they remain sound and relevant.

The Board determines the Company's levels of risk tolerance and risk policies. The Board has in place a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. Approval sub-limits are also provided at management and committee levels to facilitate operational efficiency.

The ARMC assists the Board in overseeing the Company's risk management framework and policies with the assistance of the internal auditors. Having considered the Company's business and operations as well as its existing internal controls and risk management system, the Board is of the view that a separate risk committee is not required.

The Board, supported by the ARMC, ensures that the Company has a robust risk management system to safeguard shareholders' interests. An Enterprise Risk Management Framework has been established to formalise and document the internal processes to enable key risks within the Group to be identified, assessed, monitored, managed and evaluated. The Company's approach to risk management is set out in the "Risk Management" section on page 44 of the Annual Report.

The ARMC, on behalf of the Board, reviewed the adequacy and effectiveness of the Company's risk management and material internal controls, including financial, operational, compliance and information technology controls with the assistance of the internal and external auditors and the Management. The ARMC conducts such review on a half-yearly basis. Any material non-compliance and recommendation for improvement are reported to the ARMC. The ARMC, on behalf of the Board, also reviewed the effectiveness of the Group's system of internal controls in light of key business and financial risks affecting its businesses, through discussion with Management and the auditors. The Board reviewed and assessed the assurance from the Senior Executive Director and the Executive Director (in place of the chief executive officer and chief financial officer) that, for the financial year under review, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and that the Company maintains an effective risk management and internal control system. Based on the work performed by the internal auditors during the financial year, the statutory audit by the external auditors, the written assurance from the Executive Directors and the various controls put in place by Management, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls and risk management processes addressing financial, operational, compliance and information technology risks were adequate and effective as at 31 December 2017. The Board however notes that no system of internal control can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Group has established an Internal Audit (IA) function reporting directly to the ARMC Chairman and administratively to the Executive Directors. The IA activities are outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. (PwC), an international auditing firm. The audit approach adopted by PwC is consistent with the Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors. The ARMC approves the hiring, removal, evaluation and compensation of the internal auditor.

The Group's IA is further supported by the Internal Audit and Project Cost Audit (PCA) of certain subsidiaries of The Wharf (Holdings) Limited. The Wharf (Holdings) Limited is a subsidiary of our ultimate holding company, Wheelock and Company Limited. Members of the Internal Audit and PCA are qualified and experienced personnel.

The audit work performed by PCA includes tender and contract audit, project cost audit and project procedure audit in the Group and identifies issues for corrective actions by the Management. In addition, PCA prepares, on a quarterly basis, reports on the results of its audit of the Group's projects for review and evaluation by the ARMC. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the ARMC. The ARMC and the internal auditors have access to PCA on project matters relating to the Group.

The internal audit schedules and scope of internal audit work each year are determined in consultation with, but independent of, Management and are submitted to the ARMC for approval. The internal auditors report their audit findings to the ARMC and Management. The ARMC reviews and discusses with Management the significant internal audit observations and Management's response thereto. The ARMC and the Board evaluate the internal audit function annually to ensure that it remains adequate and effective.

The ARMC met with the external auditors and the internal auditors without the presence of Management during the year.

The ARMC is satisfied that the internal auditors have adequate resources to perform its functions satisfactorily and have appropriate standing within the Company.

Commentaries on Key Audit Matters

Below are the ARMC's commentaries on the key audit matters in the Independent Auditors' Report on page 74 of the Annual Report:

KEY AUDIT MATTERS	HOW THE ARMC ADDRESSED THESE KEY AUDIT MATTERS
Valuation of Development Properties	
Development Properties are stated at the lower of their cost and their net realisable values. The estimation of net realisable values of Development Properties involves Management's projection on future selling prices of the Development Properties.	The ARMC considered Management's judgement and estimation of projected selling prices of the Development Properties with recent transactions and concurred.
Valuation of Investment Properties	
Investment Properties are accounted for at their fair values determined by independent external valuers. In estimating the fair market values, valuers rely on various methods of valuation and includes assumptions such as the capitalisation rate, projected rental income and vacancy.	The ARMC reviewed and is satisfied with the methodologies of the valuation models and various assumptions applied to arrive at the fair market values.

Corporate Governance Report

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARMC and that the transactions are on an arm's length basis. All interested person transactions are subject to review by the ARMC to ensure compliance with established procedures.

Particulars of interested person transactions for the year under review which are disclosed under Rule 907 of the SGX-ST Listing Manual are as follows:

NAME OF INTERESTED PERSON	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN $100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN $100,000)
The Wharf (Holdings) Limited and its group of companies	$2,527,000	N.A.

The transactions were mainly for services relating to the Group's project in China.

Material Contracts

Except as disclosed in the financial statements, there were no material contracts entered into by the Company and its subsidiaries for the benefit of any Director or controlling shareholder, either still subsisting or entered into since the end of the previous financial year.

COMMUNICATION WITH SHAREHOLDERS

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow the opportunity to communicate their views on various matters affecting the company.

The Company recognises the importance of facilitating the exercise of ownership rights by all shareholders. In line with continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Rules and the Companies Act, it is the Board's policy that shareholders be informed promptly of all major developments that impact the Group, including changes in the Group or its business which would be likely to materially affect the price or value of the Company's shares.

The Company has in place investor relations guidelines to promote regular, effective and fair communications with its shareholders. The Company does not practise selective disclosure of material information. Information is communicated to shareholders on a timely basis through SGXNET. Communication is also made through annual reports that are issued to all shareholders within the mandatory period, quarterly and full year financial statements, notice of and explanatory memoranda for annual general meetings and extraordinary general meetings and announcements through SGXNET. As testament to the Company's commitment to be environmentally responsible, the annual report and addendum are primarily available in electronic form on the corporate website or upon request.

The Company maintains a corporate website at www.wheelockproperties.com.sg with an investor relations section through which shareholders are able to access up-to-date information on the Group. The website provides corporate announcements, annual reports, and profiles of the Group, the Board and Board Committees. The latest annual report, financial results and announcements are posted on the website following their release to the market, to ensure fair and equal dissemination to shareholders. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible. A dedicated investor relations email is maintained for the investing community to reach out to the Company for queries, enabling the Board to establish and maintain regular dialogue with shareholders, to gather views or inputs, and address shareholders' concerns.

The Constitution of the Company currently allows a shareholder of the Company to appoint up to two proxies to attend and vote in his stead at general meetings, and shareholders who are a "relevant intermediary" (as defined under Section 181 of the Companies Act), including corporations which provide nominee or custodial services which fall under the definition of "relevant intermediary", may also appoint multiple proxies pursuant to the Companies Act. The Company encourages shareholder participation at general meetings. Information on shareholder meeting is disseminated through notice in the annual reports or circular sent to shareholders. The notices are also released through SGXNET and published in The Business Times, as well as posted on the Company's website.

General meetings of the Company represent the principal forum for dialogue and interaction with all shareholders, and for the Company to solicit and understand the views of the shareholders. At each AGM, the Board presents the progress and performance of the Group's businesses and every matter requiring approval is proposed as a separate resolution. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. The Directors, chairpersons of the Board Committees and the Company's external auditors are present to address shareholders' questions.

All resolutions are put to vote by poll. The Company conducts electronic poll voting to ensure greater transparency and efficiency in the voting process and results. All polls are conducted in the presence of independent scrutineers. Voting procedures are disclosed at the general meetings. Votes cast, for or against, and the respective percentages on each resolution are tallied and instantaneously displayed live-on-screen at the meeting and announced via SGXNET on the same day of the general meeting. Voting in absentia and by email, which are currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised and legislative changes are effected to recognise remote voting. All minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management are available to shareholders for inspection upon requests.

The issue of payment of dividend is deliberated by the Board annually having regard to various factors that include the Group's profit level, cash position and future cash needs.

DEALINGS IN SECURITIES

The Group has also adopted a code of conduct, in line with SGX-ST Listing Rule 1207(19), to provide guidance to Directors and employees dealing in the Company's shares. The code of conduct relates, *inter alia*, to insider trading prohibition under the Securities and Futures Act, Chapter 289 (SFA), the disclosure requirements of the SGX-ST Listing Rules and the prohibition of Directors and employees and their connected persons from dealing in the Company's securities for a period of one month before the announcement of the Company's quarterly and full year results, or if they are in possession of unpublished price-sensitive information of the Group. They are also discouraged from dealing in the Company's shares on short-term consideration.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and the latter will make the necessary announcements in accordance with the requirements of the SGX-ST Listing Rules and the SFA.

CODE OF CONDUCT

The Company has an Employee Code of Conduct that sets the standards and ethical conduct expected of employees. The Employee Code of Conduct provides guidance on issues such as conflict of interest, the Company's stance against fraud and bribery, and safeguarding of Company's assets, proprietary information and intellectual property. Employees are required to observe and maintain high standards of integrity, as well as to comply with laws and regulations, and company policies.

The Company has in place practices covering data protection and workplace health and safety, and clear guidelines on how to handle workplace harassment and grievances. The Employee Code of Conduct, policies and guidelines are published on the Company's internal website, which is accessible by all employees.

Disclosure on Compliance with the Code of Corporate Governance

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
General		
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	The Company has substantially complied with the principles and guidelines of the Code. The specific deviations and alternative practices adopted by the Company are as follows: **Number of Board Representation and Fixed Term** The Board has not: (i) made a determination of the maximum number of board representations a Director may hold; and (ii) set a fixed term of office for each of its independent Directors. The Board believes that each director should personally determine the demands of his competing directorships and obligations and assess how much time is available to serve on the Board effectively. The Nominating Committee (NC) and the Board have reviewed and are satisfied with the time commitment of the Directors. As such, the Board has not made a determination of the maximum number of board representations a Director may hold. Further, the Board recognises the contribution of its independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide valuable contribution to the Group. As such, the Board has not set a fixed term of office for each of its independent Directors so as to be able to retain the services of the Directors as necessary. **Absentia Voting** Voting in absentia and by email, which are currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised and legislative changes are effected to recognise remote voting.

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
General *(cont'd)*		
General *(cont'd)*	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	**No Separate Chief Executive Officer** The Company does not have a separate chief executive officer. Although it is a deviation from the Code which provides that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business, the Board considers the current leadership structure to be efficient taking into account, *inter alia*, the current needs of the Company. The Board notes that the Chairman plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. It is satisfied that he is able to effectively discharge the duties of both positions. Additionally, there is a balance of power and authority given the composition of the Board which comprises experienced individuals of high-calibre with more than half of the Board comprising independent non-executive Directors. **Lead Independent Director not a member of the Nominating Committee** In view that the Chairman is not an independent Director, the Board has appointed Mr Frank Y. C. Yung as Lead Independent Director (Lead ID) to serve as a sounding board for the Chairman and also as an intermediary between the non-executive Directors and the Chairman. The Lead ID is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman or Executive Directors has failed to resolve or is inappropriate. Due to the seniority and extensive experience of Mr Yung, the Board is of the view that he is qualified to perform the role of the Lead ID, notwithstanding that he is presently not a member of the NC. **Review of Remuneration Packages** The Remuneration Committee (RC) reviews and recommends the general remuneration framework for each Director and, where relevant, key management personnel, and specific remuneration packages for the Executive Directors and, where relevant, key management personnel, in consultation with the Chairman on behalf of the Board. The remuneration packages of non-executive Directors are reviewed separately by the Board as members of the RC are all non-executive Directors. The other specific deviations and alternative practices of the Company are further disclosed in the table below.

Disclosure on Compliance with the Code of Corporate Governance

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	The Board reviews and approves major investment and divestment proposals, material acquisitions, disposals and funding decisions, major commitments relating to the Group's operations, major policies on key areas of operations, bank facilities, annual budget and the release of the Group's quarterly and full year results. The Board has delegated indirect investments to the Indirect Investments Committee within levels of authority approved by the Board.
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	(a) The NC works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as its individual members. When the need for a new Director arises, the NC, in consultation with the Board, determines the selection criteria taking into account board diversity and identifies candidates with the appropriate expertise and experience.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	(b) The Board consists of one female Director out of a total of nine Directors, representing 11% of the entire Board. Members of the Board are professionals from diverse backgrounds with varied experience from accounting, finance, business, management, property to banking among others.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	(c) The Company considers diversity when identifying director nominees as it believes that diversity in the Board's composition contributes to the quality of its decision-making. The NC is satisfied that the Board and its Board Committees comprise directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender, knowledge of the Group and the necessary core competencies as recommended in the Code, required for the Board to be effective. The Board considers its current size appropriate based on the Company's present circumstances and taking into account the nature and scope of the Group's businesses and operations. In examining the Board size, the Board also took into account the requirement of the Group's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board also considers that its Directors possess the necessary competencies to lead and govern the Company effectively.

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Members of the Board *(cont'd)*		
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	(i) The Company has not appointed directors in the last financial year. (ii) Annually, the Board undertakes an assessment of its performance and those of its Committees and Directors. In addition, the NC reviews the Directors who are due to retire in accordance with the Company's Constitution and makes relevant recommendations on their re-election. All Directors are subject to re-election at regular intervals of at least once every three years.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why. (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	(a) Appropriate external training in areas such as financial, accounting, legal and industry-specific knowledge is arranged for new directors, where necessary. (b) Upon appointment, each Director is briefed on the Group's businesses, directions and governance policies, and provided with a formal letter setting out his duties and obligations, and how to discharge those duties and obligations. Directors are also provided with materials containing essential information about the Group, its governance practices and relevant laws and regulations. Appropriate external training in areas such as financial, accounting, legal and industry-specific knowledge is arranged where necessary. Directors are encouraged to attend training and seminars funded by the Company particularly on relevant new laws, governance practices, changing commercial risks and updates/developments in regulatory framework including those organised by the Singapore Institute of Directors (SID), Singapore Exchange Limited and PricewaterhouseCoopers LLP. During the year, Directors attended in-house training on cybersecurity risks conducted by KPMG Services Pte Ltd, corporate governance updates conducted by Messrs. Lee & Lee, briefing by Auditors on changes to the Financial Reporting Standards and seminars organised by the SID.
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	(a) The Board has not made a determination of the maximum number of board representations a Director may hold.

Disclosure on Compliance with the Code of Corporate Governance

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Members of the Board *(cont'd)*		
Guideline 4.4 *(cont'd)*	(b) If a maximum number has not been determined, what are the reasons?	(b) The Board believes that each Director should personally determine the demands of his competing directorships and obligations, and assess how much time is available to serve on the Board effectively. The NC and the Board have reviewed and are satisfied with the time commitment of its Directors.
	(c) What are the specific considerations in deciding on the capacity of directors?	(c) The factors taken into consideration in deciding on the capacity of Directors include Directors' attendance, participation and contribution at Board and Board Committee meetings and preparedness for Board and Board Committee meetings, etc.
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	(a) On an annual basis, the Board undertakes an assessment of its performance and those of its Committees and Directors. To aid this assessment, all Directors are required to complete a Board Evaluation Questionnaire to assess the effectiveness and performance of the Board as a whole, its Board Committees, his own and fellow Directors' performance based on the assessment parameters adopted by the Board. The results of the evaluation process are reviewed and used by the NC, to make recommendations to the Chairman of the Company, to effect continuous improvements to the effectiveness of the Board. The Chairman will act on the results of the performance evaluation and, in consultation with the NC propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors. Some of the assessment criteria determined by the NC and approved by the Board for assessing the Board's collective performance include size and composition of the Board, access to information, processes and accountability, objective performance criteria, which allows comparison with the Company's peers, as well as consideration of the Code and enhancement of long-term shareholder value. Assessment criteria for individual Directors aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role, including factors such as Director's attendance, participation and contribution at Board and Board Committee meetings, analytical skills, foresight and preparedness for Board and Board Committee meetings.

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Board Evaluation *(cont'd)*		
Guideline 5.1 *(cont'd)*	(b) Has the Board met its performance objectives?	(b) The Board has met its performance objectives and the Board and its Board Committees are operating effectively.
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	The Board comprises more than 50% of independent non-executive directors. The Company is in compliance with the recommendation of the Code.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	All our Independent Directors do not have any relationships as stated in the Code.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Messrs. Frank Y. C. Yung, Greg F. H. Seow and Colm M. McCarthy have served on the Board for more than nine years. After due consideration and careful assessment, the NC and the Board noted that the independence of Mr Yung, Mr Seow and Mr McCarthy as Directors are not affected as they continue to exercise independent judgement and demonstrate objectivity in their deliberations in the interest of the shareholders and the Company. Each of Mr Yung, Mr Seow and Mr McCarthy did not take part in the review of his own independence. The NC is satisfied as to the independence of Messrs. Frank Y. C. Yung, Greg F. H. Seow and Colm M. McCarthy, all of whom do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interests of the Company.

Disclosure on Compliance with the Code of Corporate Governance

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The Directors' remuneration are disclosed on page 27 of the Annual Report.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of $250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	The Company has two key management personnel who are also Directors of the Company and their remuneration has been disclosed on page 27 of the Annual Report. There are no other key management personnel who are relevant to this requirement.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds $50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	The Company does not have any employee who is an immediate family member of a Director.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria. (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes? (c) Were all of these performance conditions met? If not, what were the reasons?	(a) The compensation package for the Executive Directors comprises salary, bonus and benefits-in-kind. The variable bonus element is based on the Company's and individual performance that is designed to incentivise good performance, leading to value creation of the Company. (b) The Company has no employee share scheme or any short/ long-term incentive scheme in place. (c) The Company has no employee share scheme or any short/ long-term incentive scheme in place.

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	The Board is updated regularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards by the Auditors, Management and Company Secretary. In order to ensure that the Board is able to fulfil its responsibilities, the Management provides the Board with board papers and related materials, background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, forecasts/budgets, monthly internal financial statements and other relevant information of the Group. Explanatory information may also be in the form of briefings made by Management. In respect of budgets, material variance between the projections and actual results, if any, are also disclosed and explained.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	The Group has established an Internal Audit function reporting directly to the Audit & Risk Management Committee (ARMC) Chairman and administratively to the Executive Directors. The Internal Audit activities are outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd., an international auditing firm. The Group's Internal Audit is further supported by the Internal Audit and Project Cost Audit (PCA) of certain subsidiaries of The Wharf (Holdings) Limited. The Wharf (Holdings) Limited is a subsidiary of our ultimate holding company, Wheelock and Company Limited. Members of the Internal Audit and PCA are qualified and experienced personnel.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	(a) Based on the work performed by the internal auditors during the financial year, the statutory audit by the external auditors, the written assurance from the Executive Directors and the various controls put in place by Management, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls and risk management processes addressing financial, operational, compliance and information technology risks were adequate and effective as at 31 December 2017.

Disclosure on Compliance with the Code of Corporate Governance

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Risk Management and Internal Controls *(cont'd)*		
Guideline 11.3 *(cont'd)*	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	(b) Assurance has been received from the Senior Executive Director and the Executive Director (in place of the chief executive officer and chief financial officer) that, for the financial year under review, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and that the Company maintains an effective risk management and internal control system.
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	(a) Details of the aggregate amount of fees paid to the external auditors and the breakdown of fees in respect of audit and non-audit services are disclosed in Note 24 of the Notes to the Financial Statements.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	(b) The ARMC has reviewed the volume and nature of non-audit services provided by the external auditors during the year under review and is satisfied that their independence and objectivity has not been impaired by the provision of those services.

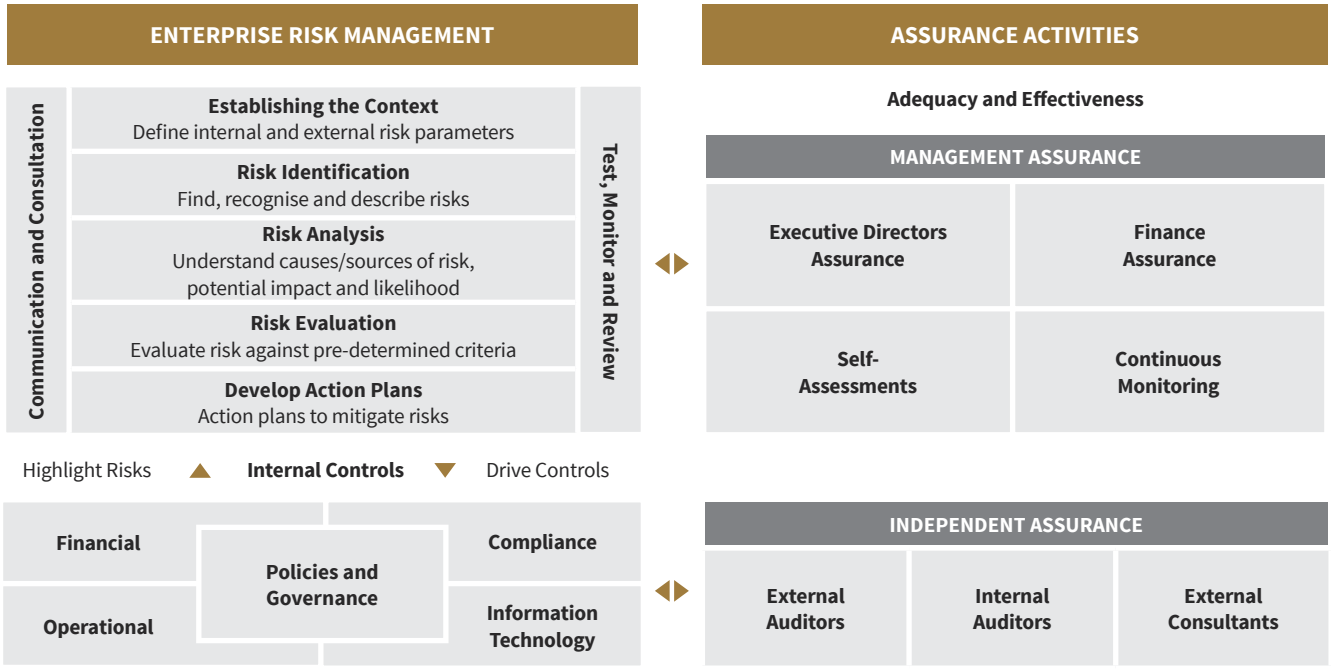
GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	(a) Information is communicated to shareholders on a timely basis through SGXNET. Communication is also made through annual reports that are issued to all shareholders within the mandatory period, quarterly and full year financial statements, notice of and explanatory memoranda for annual general meetings and extraordinary general meetings and announcements through SGXNET. General meetings of the Company represent the principal forum for dialogue and interaction with all shareholders, and for the Company to solicit and understand the views of the shareholders. A dedicated investor relations email is maintained for the investing community to reach out to the Company for queries, enabling the Board to establish and maintain regular dialogue with shareholders, to gather views or inputs, and address shareholders' concerns.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	(b) Our Executive Director, Mr Tan Zing Yan, is responsible for Investor Relations in addition to other responsibilities.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	(c) Apart from SGXNET announcements and annual report, shareholders are informed of corporate developments through press releases and annual general meetings which represent the principal forum for dialogue with all shareholders.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	The Directors have recommended a first and final tax exempt (one-tier) dividend of 6 cents per share for the financial year ended 31 December 2017.

Risk Management

The Board of Directors is responsible for the governance of risks and it recognises the importance of sound internal controls and risk management practices as part of good corporate governance that safeguards shareholders' interests and the Group's assets. Assisted by the Audit & Risk Management Committee (ARMC), the Board supervises and provides valuable advice to Management in formulating and applying risk policies and guidelines.

BOARD ASSURANCE FRAMEWORK

The following is an overview of the framework by which the Board obtains assurance on the adequacy and effectiveness of the Group's risk management and internal controls which include, but are not limited to, financial, operational, compliance and information technology controls.



ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Company has in place an Enterprise Risk Management (ERM) Framework to enable the Group to manage risks in an integrated, systematic and consistent manner. The procedures and processes within the framework allow the Group to regularly review the significance of its key risks, and to consider the effectiveness and adequacy of the Group's system of internal controls to limit, mitigate and monitor identified risks. The risk management process in place covers, *inter alia*, financial, operational, information technology and compliance risks faced by the Group.

Risk Assessment workshops facilitated by PricewaterhouseCoopers Risk Services Pte. Ltd. were conducted yearly. Following each workshop, key risks of the Group are deliberated by Management and reported to the ARMC.

Complementing the ERM Framework is a Group-wide system of internal controls, which includes policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes.

To ensure that internal controls and risk management processes are adequate and effective, the ARMC is assisted by various professional service providers. External auditors provide assurance over the risk of material misstatements in the Group's financial statements. The Group's internal auditors provide assurance that controls over the key risks faced by the Group are adequate and effective.

Risk management is an integral part of strategic, operational and financial decision-making processes at all levels of the Group. Despite best efforts, the Group recognises that risks can never be entirely eliminated, especially in an evolving landscape of uncertainties and vulnerabilities.

At the end of each financial year, the Executive Directors provide assurance to the ARMC and Board regarding adequacy and effectiveness of the Company's risk management system and internal controls. The assurance is disclosed on page 30 of the Annual Report.

Key risks faced by the Group are as follows:

Business / Strategic Risks

In the course of its activities, the Group is exposed to business risks relating to business factors such as macro economic conditions, competition and the changing regulatory environment. It is the Group's primary consideration to evaluate such risks to enhance overall corporate growth.

Each investment proposal is evaluated according to the corporate strategies and investment objectives and is subject to investment risk assessment which encompasses due diligence, feasibility studies and sensitivity analysis of key investment assumption and variables.

Close monitoring of the changes in the business, economic, political, regulatory and competitive landscape in the countries where the Group operates gives the Management better insights into impending developments.

Financial Risks

The Group is exposed to a variety of financial risks, including interest rates, foreign currency, credit and liquidity risks. The management of financial risks is outlined under Note 31 of the Notes to the Financial Statements.

Operational Risks

The Group's Development and Investment Properties are subject to operational risks that are common to the industries and to the particular countries in which the projects are situated. It is recognised that operational risks cannot be eliminated completely and the Group must always weigh the cost and benefit in managing such risks. The Group therefore adopts a risk-based approach to managing operational risks. Key functions in the Group are guided by standard operating procedures, limits on authority and reporting frameworks.

Project Management Risks

The Group adopts a project management process to manage project management risks to ensure that project cost, quality and time objectives are met. There are stringent pre-qualification procedures to appoint well-qualified vendors for projects where key criteria such as vendors' relevant track records and financial performance are assessed. Project Managers are regularly on-site to monitor projects' progress to manage potential risks of delays, poor workmanship and cost overruns.

Compliance Risks

The Group ensures that compliance risks are adequately addressed as part of the risk management framework. Management is kept apprised of relevant changes to the law and regulations and takes adequate steps to ensure continuing compliance. When necessary, external expertise is sought. The Group also maintains close working relationships with business associates and regulators to keep abreast of changes in the regulatory framework and business environment.

Personal Data Protection Risks

In accordance with the Personal Data Protection Act, the Group recognises the rights of individuals to protect their personal data. The Group will only collect, use or disclose the data with the individual's consent and for legitimate purposes.

Fraud & Corruption Risks

The Group is committed to the highest standards of integrity and has no tolerance for any fraud, corruption and bribery in the conduct of its business activities. Consistent with this commitment, the Group has in place the Employee Code of Conduct, Insider Trading and Whistleblowing Policies and financial authority limits to mitigate the risk of fraud, corruption and misconduct by staff.

Information Technology (IT) Risks

As IT risks are potentially disruptive to the Group's businesses, the operating and maintenance of the Group's IT system and software have been identified as part of the Group's essential operations and processes. To safeguard the IT system from any critical failures, the Group has engaged an external IT specialist to conduct periodic reviews and testing. Policies that govern end-user computing and the safeguarding of information are also implemented and enforced company-wide.

PROACTIVE RISK MANAGEMENT

The Group will continue to review its risk management methodology, system and processes to ensure that its risk management system remains adequate and effective.

The Panorama

Sustainability Report

Sustainability Report

Wheelock Properties (Singapore) Limited demonstrates its continuous commitment to sustainability by presenting its 2nd Sustainability Report. Through this Report, we seek to keep our stakeholders, including our employees, investors, business partners and community members abreast of our social, environment and governance-related developments.

OUR ACTIONS

About This Report

The scope of this report covers operations and initiatives within Singapore where the Group is based. The Report covers the Group's fiscal year from 1 January 2017 to 31 December 2017. It focuses on the Group's sustainability strategies and practices whilst highlighting the material economic, environmental, social and governance aspects of its activities and developments. The Report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainable areas. We aim to expand the scope in the future to include our Development Property in the People's Republic of China.

The Report is based on the principles and requirements in the Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited (SGX-ST), and has been prepared in accordance with the GRI Standards: Core option of the Global Reporting Initiative with additions from the Construction and Real Estate Sector Disclosures (CRESD). Our Sustainability Reports are published on an annual basis, with the previous report published in April 2017.

Wherever possible, we have shared five-year historical information to provide a meaningful basis for measurement and comparison. The Group has set out in the Report the targets for our key material topics. We seek to get independent external assurance for our Sustainability Reports in the future.

As your feedback is valuable to our continuous improvement, please send your queries or comments regarding sustainability matters to us at corpcomms@wheelockproperties.com.sg.

2017 PERFORMANCE SUMMARY

Energy savings
22.5%
since base year 2012

Wheelock Place renewed its
Green Mark Gold Certification
by the Building & Construction Authority

101
Employees

Total staff turnover rate
13%

1,240
Training hours

KEY MATERIAL TOPICS, BOUNDARIES AND TARGETS

SUSTAINABILITY DEVELOPMENT GOALS	MATERIAL TOPICS	TARGETS	WHERE THE IMPACT OCCURS AND THE GROUP'S INVOLVEMENT	BOUNDARIES ACROSS THE VALUE CHAIN: ACQUISITION	DESIGN	CONSTRUCTION	DEVELOPMENT AND INVESTMENT PROPERTIES	SALES AND PROPERTY MANAGEMENT
13 CLIMATE ACTION	Climate Change, Energy & Water Consumption and Greenhouse Gas (GHG) Emissions ●	Reduce total energy intensity by 22% by 2020 from base year 2012 Reduce total water intensity by 5% by 2020 from base year 2012	Environmental impacts such as GHG emissions, energy & water use occur internally within the Group's operations and buildings and are caused by our business activities and tenants' consumption. We contribute to these impacts externally from consumption by contractors at our construction sites in Singapore. The impacts also occur at our sites in China, which is outside the scope of this Report. Efforts to minimise negative impacts through energy and water conservation, and reductions in GHG emissions are implemented throughout our operations.	✓	✓	✓	✓	✓
11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Product Quality ●	Green Mark Gold Award or better certification for new developments Universal Design certification for new developments	The Group is responsible for asserting a positive impact on its buildings in Singapore by striving for Green Mark Awards and Universal Design certifications for our Investment and Development Properties. We recognise the importance of sourcing responsibly and have put in place guidelines for sustainable procurement.	✓	✓	✓	✓	✓
3 GOOD HEALTH AND WELL-BEING	Health & Safety ●	OHSAS 18001 certification for main contractors of new development properties	Effective measures to prevent incidences to employees or workers, caused by the Group or contributed through our contractors, are implemented across the whole organisation. All our main contractors in Singapore are OHSAS 18001 certified.		✓	✓	✓	✓

Material topic boundary: ● Internal & External ● Internal

Sustainability Report

KEY MATERIAL TOPICS, BOUNDARIES AND TARGETS *(cont'd)*

SUSTAINABILITY DEVELOPMENT GOALS	MATERIAL TOPICS	TARGETS	WHERE THE IMPACT OCCURS AND THE GROUP'S INVOLVEMENT	BOUNDARIES ACROSS THE VALUE CHAIN				
				ACQUISITION	DESIGN	CONSTRUCTION	DEVELOPMENT AND INVESTMENT PROPERTIES	SALES AND PROPERTY MANAGEMENT
8 DECENT WORK AND ECONOMIC GROWTH	Economic Performance ●	Continuous commitment to sustainable value-add and growth for our stakeholders	The Group continues to navigate challenging times in the real estate market in Singapore with a healthy balance sheet and prudent capital management.	✓	✓	✓	✓	✓
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Compliance ●	Full compliance	The Group strives to continuously maintain its high standard of corporate governance and ensure compliance with legislative and regulatory requirements in Singapore. The Audit & Risk Management Committee is responsible for reviewing findings of internal investigations into suspected fraud, irregularity or infringement of any relevant laws, rules and regulations within the organisation that is likely to have a material impact on the Group's results.	✓	✓	✓	✓	✓
5 GENDER EQUALITY	Talent Retention & Development ●	Average of 24 training hours per employee by 2020	As part of our human resource policy and targets that cuts across all levels and departments, we aspire to have a positive impact on our employees' development and job satisfaction through coaching, on-the-job training, in-house and external training sessions, as well as equal career opportunities for male and female employees.		✓	✓	✓	✓

Material topic boundary: ● Internal & External ● Internal

PERFORMANCE OVERVIEW

The Group has put in place a robust data management system since 2015 to provide clear information on our sustainability metrics, and to enable us to measure and track performance on a quarterly basis. The objective is to achieve our set targets for the key material topics and meet the key sustainability performance indicators within the timeline.

ENVIRONMENTAL

	2013	2014	2015	2016	2017
ENERGY CONSUMPTION					
Investment Properties (MWh)	19,863	19,318	17,465	17,784	17,068
Development Projects (MWh)	1,833	453	1,545	1,408	946
Total (MWh)	21,696	19,771	19,011	19,193	18,013
BUILDING ENERGY INTENSITY					
Investment Properties (kWh/m^2)	358.3	348.4	315.0	320.8	307.9
Development Projects (kWh/hrs)	12.2	0.6	1.5	0.7	1.0
BUILDING GHG EMISSIONS					
Investment Properties (tonnes CO_2e)	8,716	8,262	7,377	7,547	7,243
Development Projects (tonnes CO_2e)	524	180	428	391	340
Total (tonnes CO_2e)	9,240	8,443	7,805	7,938	7,583
BUILDING GHG INTENSITY					
Investment Properties, per gross floor area (kg CO_2e/m^2)	157.2	149.0	133.1	136.1	130.6
Development Projects, per man-hours (kg CO_2e/hrs)	3.5	0.2	0.4	0.2	0.4
BUILDING WATER CONSUMPTION					
Investment Properties ('000 m^3)	92.6	88.5	94.3	85.5	95.1
Development Projects ('000 m^3)	14.4	17.9	34.0	39.1	33.8
Total ('000 m^3)	107.0	106.3	128.3	124.6	129.0
BUILDING WATER INTENSITY					
Investment Properties, per gross floor area (m^3/m^2)	1.7	1.6	1.7	1.5	1.7
Development Projects, per man-hours (m^3/hrs)	0.10	0.02	0.03	0.02	0.04

SOCIAL

	2013	2014	2015	2016	2017
SAFETY PERFORMANCE					
Accident Frequency Rate (Development Projects)	20.0	0	3.9	1.5	0
Accident Severity Rate (Development Projects)	173.3	0	30.4	21.8	0
Number of workplace fatalities	0	0	0	0	0
Number of non-fatal workplace injuries (Development Projects)	3	0	4	3	0
Number of injuries (Investment Properties)	0	0	0	1	0
TRAINING HOURS					
Overall average of training hours	5.0	6.9	5.2	20.6	12.3
Total number of training hours	535	716	541	2,166	1,240

Note:
Numbers may not add up due to rounding.

Sustainability Report

OUR APPROACH

Sustainability Governance

At Wheelock Properties, our long-term vision is to create higher value for our stakeholders by integrating considerations for economic, environmental, social and governance impacts in our business. We will continue to strengthen our group-wide sustainability governance and will continuously monitor our performance against set targets to help advance our sustainability agenda.

Our Board of Directors considers sustainability factors as part of its strategic formulation and has determined the key material topics relating to the Group's environmental, social and governance impacts, and oversees the monitoring of these material topics. The Board has ultimate responsibility for the Sustainability Report, including its due compliance with the SGX-ST guidelines on corporate governance and sustainability reporting. Apart from determining the material topics as set out on pages 49 and 50 of this Report, the Board also determines the Group's response to the attendant risks and opportunities. The Board is updated half-yearly on the Group's sustainability performance.

The Sustainability Steering Committee, headed by our Senior Executive Director, is driving sustainability efforts within the Group through reviewing sustainability trends and industry practices. The Steering Committee comprises management executives from various functions. It is supported by a Working Committee with representatives from the key departments who gather and verify the performance data, as well as introduce initiatives to drive the management of our material topics. The Working Committee reports twice a year to the Steering Committee.

Materiality & Stakeholders

Our main focus is on six key material topics determined through a materiality assessment process in 2015, which involved our Management and was facilitated by an experienced independent sustainability consultant. Input and guidance provided by the Board of Directors were also duly observed. We conduct an annual review of our material topics to assess whether they remain relevant to our business and stakeholders. The Group has reviewed its material topics in the context of the value chain.

From the materiality assessment, representatives from Management and departments have prioritised significant economic, environmental, social and governance impacts deemed highly relevant for the Group and its stakeholders. Risks and opportunities were considered in identifying these material topics. In November 2016, the Board and Management determined six material topics to be of highest priority to the Group's sustainability risks and opportunities.

Alongside the materiality assessment, we also mapped out our stakeholders to better understand and improve our relationship with these groups. Stakeholders of the Group are individuals or groups who either have an interest or concern in the Group, or are affected by the Group's operations. A list of our stakeholders and how we engage with them can be found on page 53.

The Group is satisfied with the relevance of the selected topics to its business strategy and outcomes, having used risk ranking and prioritisation to distill the material factors. In 2017, we engaged our employees, consultants, business partners and tenants specifically to review our material topics to give us better understanding on the matters of most concern to our stakeholders. After the engagement exercise, we confirm that our six material topics are still applicable and we continue to manage and report on these topics.

The six key material topics are Climate Change, Energy & Water Consumption and GHG Emissions; Product Quality; Health & Safety; Economic Performance; Compliance; and Talent Retention & Development. The Group will continue to strengthen its policies, practices and performance around these six material topics.

Overview of Our Stakeholder Engagement

STAKEHOLDERS	HOW WE ENGAGE	MAIN CONCERNS AND EXPECTATIONS	HOW WE RESPOND
Consultants and Contractors	• Regular meetings • Visits • Emails • Tender process	• Integrity and effectiveness of the tender process • Workplace safety and health • Energy-efficient fittings and products with Green Labels • Product and technology updates • Performance reviews	By establishing policies and guidelines that ensure a fair selection and procurement process, and ethical business practices
Community	• Phone and email channels • Media relations • Volunteering activities	• Contribution to communities • Environmental performance of properties	By raising awareness through sustainable business practices and high quality products
Employees	• Meetings • Training and development • Teambuilding activities • Annual performance appraisals • Recreational activities • Long-service awards • Annual dinners	• Department updates • Training and career development opportunities • Engaging and retaining employees	By adopting sound human resource policies and practices that promote fair treatment, safe working conditions, rewards and recognition for performance, work-life balance and career growth
Regulators	• Meetings and briefings • Participation in initiatives and events	• Prompt and accurate regulatory disclosures • Prompt resolution of issues • Green-certified buildings • Universal Design certification • Productivity and safety • Fair employment practices	By complying with applicable laws and putting in place policies and procedures
Investors	• Annual General Meetings • SGXNET • Annual Reports • Quarterly financial results announcements • Press releases • Company website	• Economic performance of the Group • Compliance with laws and regulations • Corporate governance • Transparency and timely information on all major developments that impact the Group	By endeavouring to continuously uphold high standards of corporate governance, transparency and disclosure as well as sustainable and long-term business growth. We have implemented sustainability reporting since 2016, in accordance with the SGX-ST requirements
Customers – Home Buyers, Tenants and Shoppers	• Home buyers - dedicated customer service team to liaise with rectification issues • Tenants - networking sessions • Shoppers - customer service counter and mall website • Email and phone feedback channels	• Design, product quality and workmanship • Facilities management • Customer experience	By creating sustainable developments that benefit diverse community groups

Sustainability Report

Corporate Memberships

Partnerships with other organisations as platforms for exchanges, industrial relations and promoting common interests, are also important to us. The Group is a member of the Real Estate Developers' Association of Singapore, Singapore Business Federation, Singapore International Chamber of Commerce, Singapore Institute of Directors, Singapore National Employers Federation and Orchard Road Business Association.

HOW WE MANAGE SUSTAINABILITY

The Group is committed to conducting its business in a socially responsible and sustainable manner. With a strong focus on economic viability, environmental protection and social responsibility, the Group is steadfast in adopting and implementing sustainable policies, strategies and practices in its day-to-day business operations and corporate activities.

We strive to conduct our business to the highest standards of openness, integrity and accountability at all times. The Group does not tolerate bribery or corruption, and acts professionally, fairly and with integrity in all its business dealings and relationships.

We have policies and systems in place to counter and deter unprofessional conduct, such as the Whistleblowing Policy, which allows employees, contractors and their staff to report improprieties in good faith, without fear of reprisals, and ensure appropriate follow-up action. Further details on our Whistleblowing Policy can be found on page 30 of the Corporate Governance Report. We have also stated on our website the presence of our Whistleblowing Policy and the available communication channels to raise concerns in writing.

Since 2014, we have established an Enterprise Risk Management Framework and have put in place a robust risk management process to safeguard our shareholders' interests. Key risks of operational, financial, compliance and information technology controls have been identified, assessed, managed and evaluated across all business units to enable the Group to manage risks in an integrated, systematic and consistent manner. We value our customers' privacy and have competently managed our customers' data in good faith throughout 2017. Our Data Protection Policy provides processes and practices for compliance of all obligations of the Personal Data Protection Act.

Through effective, accountable and transparent corporate governance, we are committed to safeguarding our shareholders' interests and the Group's assets, so as to drive long-term sustainable growth and augment value creation in our business.

Our approach to sustainability is supported by a set of policies and guidelines which are observed across the Group and are periodically reviewed to address concerns of stakeholders as well as its effectiveness. An overview of our policies can be found on our website at www.wheelockproperties.com.sg.

UN Sustainable Development Goals

The United Nations in 2015, released a set of 17 Sustainable Development Goals (SDGs) and specific targets with the aim to transform the world's biggest sustainable development challenges by 2030.

At Wheelock Properties, we have reviewed and identified seven goals as most relevant to our business operations and material topics, both in terms of the Group's potential impact on and contribution to these goals. The seven goals are listed in the table on pages 49 and 50.

OUR PERFORMANCE

Climate Change, Energy & Water Consumption and GHG Emissions

The core business of the Group involves the construction of new developments and management of commercial and residential buildings. We recognise our obligations to minimise our environmental impact as we develop and manage buildings. Our key environmental impacts and concerns relate to energy use, water use and GHG emissions. We aim to contribute to the pool of better performing buildings in Singapore by improving our properties' sustainability performance towards our set targets. Our Environmental Policy provides guiding principles to minimise the environmental impacts, as well as to promote environmental conservation amongst our staff and society at large. We adhere to the Precautionary Principle in our approach to environmental impacts from our business activities.

The Group gauges the energy performance of its Investment Properties by benchmarking against national intensity figures from the Singapore Building & Construction Authority (BCA).

Development Properties

We build buildings and environment that satisfy all codes and regulations in Singapore. We work closely with our stakeholders to provide sustainable properties that are energy- and water-efficient to our customers.

Key energy- and water-efficient features in our Development Properties include the use of solar reflective paint for high-performance heat insulation to external walls, sun control film with UV protection on glass panels in common areas, the use of water-efficient sanitary fittings and the use of water sub-meters to monitor higher water usage facilities such as swimming pools and other water features. We also maximise green spaces to compensate for as much carbon footprint where possible and provide quality living in a high-density environment.

Our recently completed residential project, The Panorama, fully complied with the required building codes and regulations. From the design and preliminary stages, we worked with our stakeholders to adopt sustainable construction methods such as using energy-efficient materials and equipment, as well as recycled-material products. We adopted Prefabricated Bathroom Unit and precast construction methods, where possible, a voluntary effort to our sustainability commitments. This yields both time and manpower savings, and reduces wastage of materials.

We systematically review the main contractors' environmental performance for our Development Projects and we have tracked the environmental performance for our two Development Projects, Ardmore Three and The Panorama.

We regularly monitor our business activities by ensuring we are compliant with all published environmental requirements and regulations. We seek to implement good sustainability practices and initiatives to support the global collective efforts to protect our environment. There were no stop work orders in 2017.

In 2017, GHG emissions per man-hours worked at our Development Projects was 0.4 kg CO_2e/hrs, a reduction of 98.3% since 2012. The table below shows the environmental performance of our Development Projects over a five-year period.

ENVIRONMENTAL PERFORMANCE OF DEVELOPMENT PROJECTS*

	2013	2014	2015	2016	2017
Total energy consumption (in GJ)	6,597	1,630	5,563	5,070	3,404
Diesel consumption (in GJ)	5,863	298	5,197	4,712	1,401
Electricity consumption (in GJ)	734	1,332	366	358	2,003
Total GHG emissions (in tonnes CO_2e)	524	180	428	391	340
Scope 1 emissions from fuel (in tonnes CO_2e)	435	22	385	349	104
Scope 2 emissions from electricity (in tonnes CO_2e)	89	158	43	42	236
Emissions intensity by number of man-hours worked (kg CO_2e/hrs)	3.5	0.2	0.4	0.2	0.4
Total water consumption (in '000 m^3)	14.4	17.9	34.0	39.1	33.8
Water intensity by number of man-hours worked (m^3/hrs)	0.10	0.02	0.03	0.02	0.04
Total number of man-hours worked	150,042	806,738	1,019,807	2,068,188	907,120

* Development projects include The Panorama (2014-3Q2017) and Ardmore Three (2012-2015).

Sustainability Report

Investment Properties

Our commercial and retail properties undergo regular efficiency reviews with both our internal and external stakeholders.

We have undertaken energy-efficient measures, such as replacing less efficient chillers and air-conditioning systems, as well as switching to energy-efficient lightings.

We are implementing conscientious water consumption practices, such as retrofitting Water Efficiency Labelling Standards (WELS) sanitary fixtures and fittings, and providing water sub-meters to monitor facilities requiring higher water usage.

We will continue to encourage our retail tenants to join us in sustainable activities and implement energy-saving measures, such as using energy-efficient lighting and timers to manage energy usage, and the use of recycled and sustainable materials, as well as low volatile organic compound (VOC) paints. These are communicated to the tenants through their preliminary drawing submissions prior to their fitting out and re-instatement works.

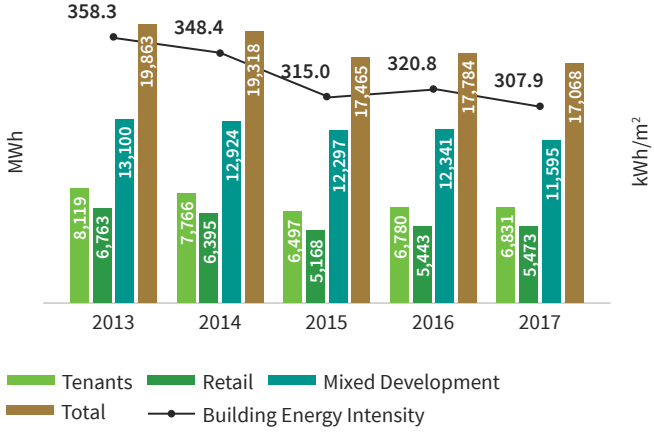
Building energy consumption at our Investment Properties was 17,068 MWh in 2017, a decrease of 4.0% from 2016. The overall building energy intensity reduced by 22.5% to 307.9 kWh/m^2 in 2017 from our base year 2012, hence we have achieved our target of 22% reduction by 2020 from 2012. GHG emissions was 7,243 tonnes CO_2e in 2017, a reduction of 4.0% from 2016. We have reduced our total GHG emissions intensity by 31.1% to 130.6 kg CO_2e/m^2 from base year 2012. For Investment Properties, energy and emission intensity ratios stem primarily from common areas and tenants' electricity consumption, and marginal proportion from diesel fuel consumption. Total gross floor area is used as the denominator to calculate the intensity ratios.

In 2017, water consumption at our Investment Properties was 95,140 m^3, an increase of 11.3% from 2016. This was due to waste pipes flushing operations, higher tenant occupancy and increased footfall at the malls. Building water intensity increased by 13.2% to 1.7 m^3/m^2 in 2017 from base year 2012.

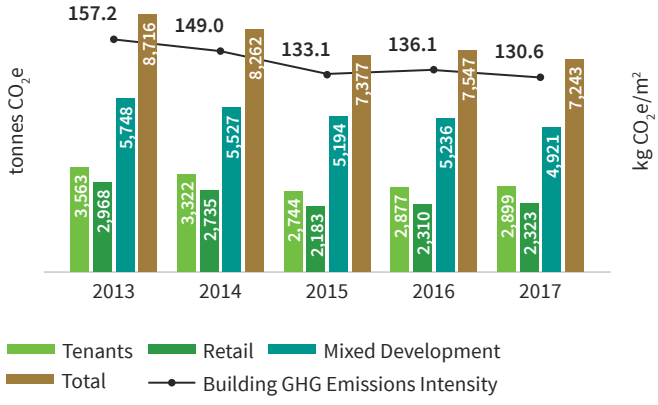
We are progressing towards our target of reducing building water intensity by 5% for our Investment Properties by 2020 from base year 2012.

We will continue to implement energy optimisation and water conservation measures in all our business activities.

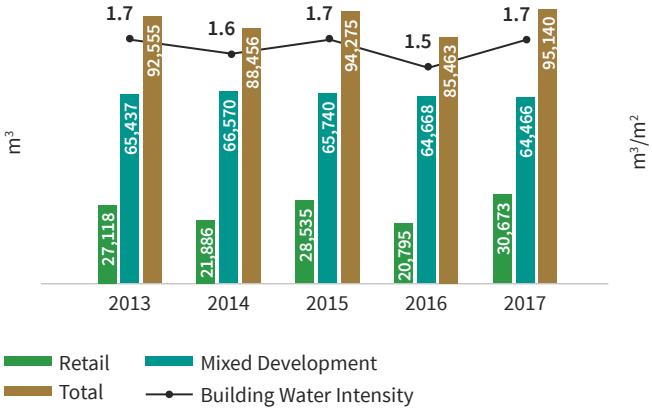
BUILDING ENERGY USE



BUILDING GHG EMISSIONS



BUILDING WATER USE



Notes:
Electricity grid emission factors are from Singapore Energy Statistics 2016 and for diesel conversions, the Greenhouse Gas Protocol Emission Factors from Cross Sector Tools, March 2017 were used. Electricity Grid Emission Factors for 2013 - 2016 were slightly revised by the Energy Market Authority in 2017 to take into account additional information on heat generation by co-generation plants.

In alignment with BCA's benchmarking, the building energy intensities and GHG intensities presented in this Report include tenants' consumption.

Total gross floor area (GFA) or man-hours worked were used as the denominators for the intensities of Investment Properties and Development Projects, respectively.

For Scotts Square Retail, the GFA has been adjusted from 12,159 m^2 to 12,161 m^2 for 2014 and 2015. The restated intensity values can be found in the table on page 65.

Water consumption for 2013 is estimated.

Corporate Office

During the year, we implemented energy-saving measures to reduce our energy consumption in the corporate office. Aside from using energy-efficient lightings, all staff must turn off the office lights during lunch hour and at the end of the day.

We have since 2016 progressively converted our work processes to be made available online to avoid paper consumption and increase overall efficiency. We have also systematically implemented various paper reduction strategies such as encouraging staff to digitally store files and set all copier machines to print with default duplex, black and white settings.

Recycling bins are conveniently located in the office to encourage employees to recycle used paper. Additionally, we have converted to using Forest Stewardship Council (FSC)-certified or recycled paper for our corporate stationary, business cards and printing paper. Our Annual Reports are posted on the website with minimal printing of hardcopies on FSC-paper.

In April, we expanded our Go Green recycling campaign in Wheelock Place and Scotts Square Retail beyond waste paper management to include plastics waste to the regular recycling schedule. The retail and office tenants at Wheelock Place and Scotts Square Retail are encouraged to participate in the Go Green programme.

We will continue to implement energy-saving and waste management measures in our office and managed properties to raise greater awareness of green practices for employees and tenants to reduce our overall environmental impact.

Energy consumption at our corporate office was 97.5 MWh in 2017, a reduction of 7% from 2016. Since 2012, we have reduced our GHG emissions by 10,937 kg CO_2e at our corporate office.

PRODUCT QUALITY

Building Excellence

At Wheelock Properties, we are committed to do our part in implementing mitigation measures for the environmental impacts on the built environment in Singapore. Therefore Product Quality is intrinsically one of our key material topics. Our principle aim is to develop buildings responsibly and minimise negative impacts on the environment. Our latest Development Properties, Ardmore Three and The Panorama, are Green Mark Platinum and Green Mark Gold certified respectively.

On Investment Properties, the Green Mark Gold certification for Wheelock Place was renewed in October 2017. We aim to achieve Green Mark certification for Scotts Square Retail in the next few years.

We strive to incorporate more Universal Design (UD) features into our developments to cater to the needs of all age groups and users with diverse physical and mental abilities, and better appeal to all users. The BCA UD Mark is a voluntary certification scheme to raise the bar on UD adoption in the built environment in Singapore. The Panorama is our first UD certified development.

All new buildings by the Group are expected to attain BCA Green Mark Gold or higher certification and to be UD certified.

We recognise the importance of sourcing responsibly and have put in place guidelines for sustainable procurement. Reconstituted and recycled materials or products are used whenever possible within the projects to good levels of finish and quality.

Sustainability Report

UNIVERSAL DESIGN MARK CERTIFICATION FOR THE PANORAMA

The Panorama, our 698-unit development was certified with the Universal Design Mark from the BCA in 2016, and received Gold Awards for the 2015 BCA Green Mark Awards and 2015 BCA Building Information Modelling (BIM) Awards.

The modern architectural design of the six residential blocks with a 2-storey clubhouse and the lush tropical garden environment formed the composition of lifestyle living for residents of all ages and diverse needs.

Easy-to-understand graphical signages

Casement windows with horizontal handles

Key Features in Common Areas

The communal spaces were consciously designed to maximise residents' community living in a safe and all-inclusive environment. Some of the key features include:

- Weather-protected drop-off area with seats
- Communal facilities are located on the elevated landscape deck and roof terraces, separated from vehicular traffic to provide safer and conducive communal spaces
- Strategically positioned signages with conceived graphics for easy way-finding and understanding
- Gentle sloping ramps, where possible, to provide easy access for the elderly and wheelchair users
- Specially designed outdoor seats to cater to different age groups, with provision of grab bars for the elderly
- Outdoor and indoor facilities for the young and young-at-heart include the BBQ and grill stations, toddlers' and children's pools, playgrounds, chess garden with life-sized chess set, a 500m jogging loop, indoor function rooms, screening and games rooms

Key Features within Apartments

The design of the apartments allows for residents' enhanced accessibility and adaptability. Some of the key features include:

- Wide double-leaf entrance doorways for greater accessibility
- Full height bedroom windows for optimal natural daylight and ventilation
- All casement windows in the living room, dining room and bedrooms are fitted with restrictors to enhance safety
- All casement windows are fitted with horizontal handles to allow a person of smaller stature to access the windows safely
- All units have one bathroom with provisions to retrofit to support ageing requirements
- Lightweight partition walls to facilitate future adaptation, where possible

HEALTH & SAFETY

Health & Safety is a key material topic for the Group as the safety and well-being of our employees are of utmost importance, and it is our responsibility to provide a safe and healthy environment for our employees at all times. Particularly as we operate in an industry where developing high-rise buildings require constant vigilance in an environment prone to accidents. As a responsible developer, we are committed to keep our workforce safe. Our Workplace Safety and Health (WSH) Policy provides guiding principles to operate responsibly, adopt good health and safety practices, and provide a safe and injury-free work environment for all employees, contractors, suppliers, consultants, tenants, customers and members of the public towards creating a safe and healthy environment.

For our Development Projects, contractors are selected based on our assessments and the recommendations of independent third parties. The criteria of historical safety records, performance records and financial standings are important points of consideration when we select contractors. Our main contractors are also required to submit their safety procedures. The Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) for ongoing projects are monitored on a quarterly basis.

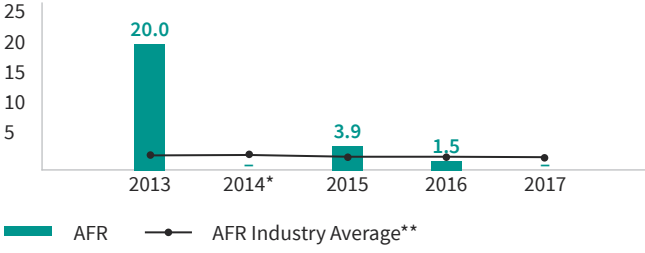
Project managers regularly perform site visits to assess and ensure safety practices are in place. Bi-weekly progress meetings are conducted to discuss on-site issues and safety, amongst others. For new Development Projects, we aim to appoint main contractors who are OHSAS 18001 certified or equivalent.

For our Investment Properties, the Asset Management team conduct bi-weekly progress meetings where safety issues are discussed. A round-up review of the full-year operational safety incidences and preventive measures taken is also conducted annually. The AFR and ASR for employees were 8.3 and 33.6 respectively. Our occupational disease rate was zero in 2017. We had zero incidences involving members of the public, shoppers and contractors at our properties.

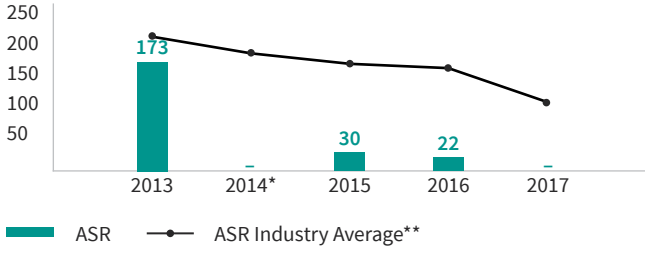
Management is informed, should any significant safety incidence occur. To instil good safety habits and practices at the workplace, we conduct bi-annual in-house WSH training to equip all Heads of Department and employees with knowledge of the WSH Act.

In 2017, AFR and ASR were both zero for our Development Projects.

ACCIDENT FREQUENCY RATE



ACCIDENT SEVERITY RATE



SAFETY PERFORMANCE	2013	2014	2015	2016	2017
Development Projects					
Number of workplace fatalities	0	0	0	0	0
Number of non-fatal workplace injuries	3	0	4	3	0
Number of minor first-aid injuries	0	0	0	0	0
Number of lost days	26	0	31	45	0
Number of man-hours worked (1,000 hrs)	150.0	806.7	1,019.8	2,068.2	911.5
Investment Properties					
Number of injuries***	0	0	0	1	0

* There were no construction projects in the year 2014. Ardmore Three was completed in December 2015 and The Panorama in September 2017. All reported incidences were for male workers and there were no reported incidences for female workers at our Development Projects from 2013 to 2017.

** Source: Workplace Safety and Health Report (2013-2017), Workplace Safety and Health Institute.

*** Reported incidents were for members of the public at our Investment Properties.

Sustainability Report

It is imperative to continue to maintain zero fatalities, and minimise incidences and lost workdays. We believe that a strong focus on safety, engaging with our contractors and raising awareness are key to maintaining our good safety track record. We will continue to implement group-wide safety measures, train staff to manage safety procedures and avoid accidents at the workplace and at the work sites.

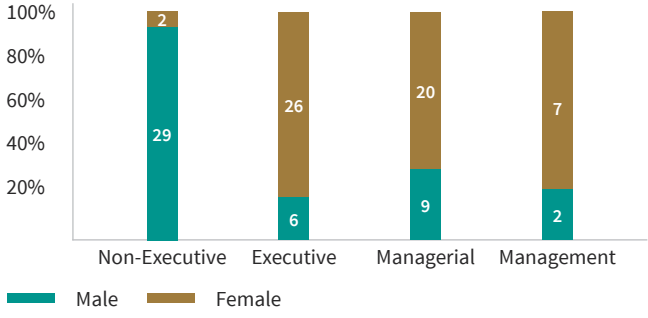
TALENT RETENTION & DEVELOPMENT

Workforce Development, Retention & Diversity

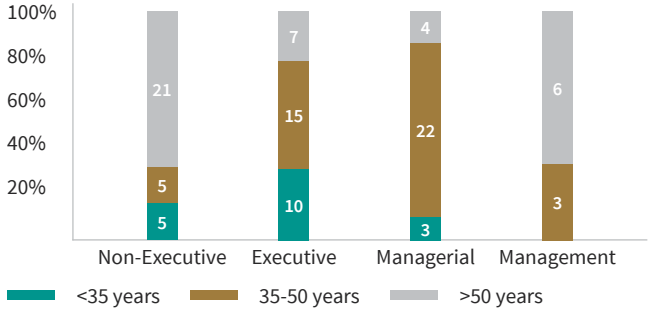
At Wheelock Properties, we are committed to developing a competent, diverse and engaged workforce that will deliver product quality and service excellence. Our human resource policies reinforces the Group's commitment to employment practices that are fair, merit-based and non-discriminatory. We are geared towards establishing a conducive workplace where our employees can thrive and find job satisfaction. All our employees receive performance appraisals and career development reviews annually.

We recognise that the health and safety of our employees are associated with their productivity and well-being at work. Opportunities are created by nurturing their skills and drive. We have increased our emphasis on talent retention and development, which is a key material topic for the Group.

EMPLOYEE GENDER



EMPLOYEE AGE



We are satisfied that our turnover rate in 2017 was a low 13% compared against the national industry average of 33.6%, benchmarked by the Ministry of Manpower. We have very good staff retention rate with the average length of service being nine years. By engaging our employees, we seek to maintain low turnover rates in the future. We are cognisant that employees' health and well-being is important for work satisfaction and productivity. In 2017, our absenteeism rate was 3%. The return-to-work rate after parental leave was 100% in 2017 for both new parents. We also tracked retention rate and all employees who returned to work after taking parental leave in 2016 were still employed with us 12 months after.

TURNOVER AND NEW HIRES IN 2017

	EMPLOYEE TURNOVER	TURNOVER RATE	NEW HIRES	RATE OF NEW HIRES
Gender				
Male	7	15%	5	11%
Female	6	11%	4	7%
Age				
< 35 years	3	17%	4	22%
35-50 years	8	18%	2	4%
> 50 years	2	5%	3	8%
Total	13	13%*	9	9%
Total (for MOM benchmarking)	12	12%**		

* Voluntary and non-voluntary turnover rate.
** Voluntary turnover rate.

RETURN TO WORK AND RETENTION RATES IN 2017

	MALE	FEMALE
Total number of employees:		
Entitled to parental leave	1	1
Took parental leave	1	1
Still employed 12 months after their return to work after parental leave	1	3
Return to work rate	**100%**	**100%**
Retention rate	**100%**	**100%**

Note:
Calculation of retention rate for 2017 is based on employees who returned to work after taking parental leave in 2016. Our workforce is not subject to seasonal variations.

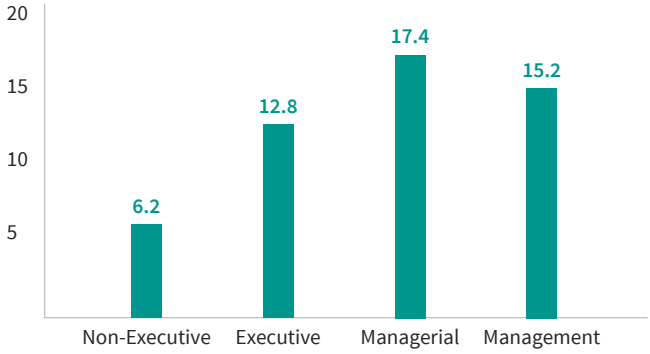
In demonstrating our commitment to diversity and inclusion, we have endorsed the Employers' Pledge of Fair Employment Practices with tripartite partners - the Ministry of Manpower, the National Trades Union Congress and the Singapore National Employers Federation since August 2016. Diversity is examined through broad levels of staff and in the Board, and diversity in the Board is addressed in greater detail in the Corporate Governance Report. As at 31 December 2017, we have 101 employees, where 54% are female. The Board also consists of one female Director out of a total of nine Directors, representing 11% of the entire Board. We are committed to achieving gender equality through equal remuneration for either female or male employees and a zero tolerance policy to workplace discrimination, violence and harassment. There were no reported incidents of discrimination by employees in 2017.

We emphasise the importance of an inclusive and sustainable economic growth through employment and decent work for all. New hires are recruited and selected based on merit, and we reward employees fairly based on performance, abilility, contribution and experience. We also provide student internships to nurture talents of the future.

Our employees receive regular or ad-hoc training, depending on the skills enhancement that is required. Training conducted during the year included handling of counter-terrorism activities, update on the Personal Data Protection Act, amongst others. All new staff are required to attend an orientation programme that provides guidance on our policies and practices. Coaching holds a central part in our on-the-job training of junior employees.

Our employees received a total of 1,240 training hours in 2017, an average of 14.7 training hours for females and 9.3 training hours for males. Our target of 10% increase in average training hours per employee for FY2017 has not been achieved. We are committed to deliver progress towards our long-term target of an average of 24 training hours per employee by 2020.

AVERAGE TRAINING HOURS FOR 2017



Keeping Focus On Sustainability Across The Value Chain

For our Development Projects, we engage consultants and contractors who demonstrate commitment towards safety and environmental issues. They go through a rigorous selection process, which takes into account, amongst others, their safety track records and their commitment to environmental objectives. Contractors and other suppliers are predominantly hired locally with products from global leading brands. Our Supplier Code of Conduct has clear guidelines to ensure no forced or child labour. The Group will favour suppliers of goods and services who share our commitment to honesty and integrity in all areas of their business. We actively seek to select and work with suppliers who integrate social, environmental and sustainable policies in their business processes.

Teambuilding laser tag at Laser Ops

Sustainability Report

Visit to River Safari with KKH beneficiaries and staff volunteers

COMMUNITY

We are actively involved in socially responsible initiatives to positively impact communities where the Group conducts its operations, contribute back to society and foster greater care for our community. We value opportunities for staff to participate in community-focused activities outside the office.

In 2017, the Group adopted two voluntary welfare organisations to offer support and give back to the community. The first is Star Shelter, a temporary refuge for women and their children who are victims of family violence, and the KK Women's and Children's Hospital Medical Social Work Department which provides support to patients from disadvantaged families suffering from chronic illnesses and are receiving long-term medical treatment.

Our first event for 2017 had 26 staff volunteers chaperon 20 Star Shelter residents to a terrarium-making workshop, jointly supported by Plantae nursery in March. Through this event, the Group desired to support these abused women to rebuild their lives and regain confidence through their creative works. The families worked together with our staff to create their own terrariums, under the guidance of the horticulturist from Plantae. A fundraising benefit sale for the 25 creatively crafted terrariums was then held a week later at our Wheelock Place lift lobby, where many supportive tenants and staff gave generously. All the 25 terrariums were sold within three hours and full proceeds went to the Star Shelter residents.

The second event with Star Shelter was another success with 34 staff volunteers and 30 Star Shelter residents visiting the Gardens by the Bay in July. A first-time visit for many of the Star Shelter residents and their children, they enjoyed the beautiful blooms in the Flower Dome and hike in the Cloud Forest conservatory. Many who were fearless with heights took on the elevated OCBC Skyway at the Supertree Grove and enjoyed panoramic views along the 128 metre aerial walkway.

Our excursion with the patients of KK Women's and Children's Hospital was held in May at River Safari with 25 staff volunteers and eight families. Our staff took the families on the Amazon River Quest adventure ride and the children were thrilled with the appearances of the giant pandas, Kai Kai and Jia Jia. The Group helped these eight families foster greater family bonding time with fun activities and a sumptuous buffet lunch.

In 2017, our employees jointly accumulated over 529 volunteer service hours. We will continue to push forward for better achievements in the years to come.

Terrarium-making at Plantae Nursery

REDUCING OUR CARBON FOOTPRINT

The Group rolled out the year with "Veggie Friday", a meat-free potluck lunch initiative held in March, where all staff were encouraged to reduce their carbon footprint by cutting back their meat consumption for a meal. 47 staff put on their chef hats and brought delectable non-meat dishes and local favourites for lunch. It created awareness amongst staff to appreciate greening efforts in reducing their carbon footprint through healthy eating.

In addition, our shopping malls, Wheelock Place and Scotts Square Retail, showed their support for the Earth Hour global initiative with the aim to raise greater awareness on climate change through the reduction of energy consumption, by voluntarily turning off non-essential lights for an hour on 25 March 2017.

"Veggie Friday" meat-free potluck lunch

"FASHION MEETS ART" – BAZAAR SINGAPORE ART PRIZE 2016 AT SCOTTS SQUARE

The Group continues to support art outreach in the community, which saw the Group collaborating with fashion magazine Harper's BAZAAR Singapore for the BAZAAR Singapore Art Prize 2016 held at Scotts Square shopping mall.

With the theme "Fashion Meets Art", the competition saw over 120 entries submitted by aspiring and emerging artists from all walks of life. Works of the top 12 finalists' were put on display at the BAZAAR Art Prize exhibition at Scotts Square Retail from 16 February to 12 March 2017.

A 21-year old artist won the overall prize with his piece "Gunny Stack". The work portrayed clothes put together like a newspaper stack, alluding that fashion, similar to newspapers, is attention-grabbing and mass produced, but ephemeral. The winner received a cash prize of $10,000.

Ms Mo Loke (General Manager, Architecture & Design, Wheelock Properties), Mr Yom Bo Sung (Winner of Bazaar Singapore Art Prize 2016) and Mr Kenneth Goh (Editor-in-Chief, Harper's Bazaar Singapore)

Sustainability Report

BLOOD DONATION DRIVE

The Group together with the Singapore Red Cross (SRC) held its first blood donation drive at Wheelock Place in support of the National Blood Donor Programme. We sought support from staff, tenants and business partners for the event, where 29 staff and over 140 tenants and business partners responded, far exceeding the SRC's expectations.

In the week prior to the donation drive, large posters were put up at entrances to Wheelock Place and our staff volunteers donned the adorable mascot and nurse costumes to heighten the awareness of the donation drive from shoppers and tenants at both Wheelock Place and Scotts Square Retail.

Our first blood donation drive materialised on 15 September 2017, where 29 staff volunteers worked alongside Health Sciences Authority staff throughout the 8-hour donation drive, guiding them from the pre-screening, registration, medical screening, haemoglobin testing, and blood donation and refreshment stations. Successful donors each received an appreciation gift from the Group for their support.

Promoting publicity and awareness for the Blood Donation Drive

The event saw an overwhelming support from tenants, business partners, shoppers and staff with 116 bags of blood collected, out of which 72 were first-time donors which contributed an amazing 62% of the total donation.

The overall result was a great encouragement to all who had participated in this meaningful cause to help save lives. With such a resounding success, the Group hopes to conduct a blood donation drive annually.

2017 Blood Donation Drive at Wheelock Place

RESTATEMENTS

REASONS FOR RESTATEMENT	
A	Electricity Grid Emission Factors for 2013 - 2016 were slightly revised by the Energy Market Authority (EMA) in 2017 to take into account additional information on heat generation by co-generation plants. Due to this, past year emission data for 2013 to 2016 was restated based on figures from EMA, which had a slight (<2%) difference from figures used previously.
B	Fuel consumption has been included
C	GFA figures corrected
D	Incorrect formula
E	Revised figures

DESCRIPTION	YEAR	SR2016	SR2017	REASON
ENERGY CONSUMPTION (MWh)				
Properties, Total	2016	17,777	17,784	B
	2015	17,461	17,465	B
Mixed Development	2016	12,334	12,341	B
	2015	12,293	12,297	B
BUILDING ENERGY INTENSITY (kWh/m²)				
Properties, Total	2016	320.7	320.8	B
	2014	348.5	348.4	C
GHG EMISSIONS (tonnes CO_2e)				
Properties, Total	2016	7,667	7,547	A
	2015	7,531	7,377	A
	2014	8,349	8,262	A
	2013	8,936	8,716	A
Mixed Development	2016	5,320	5,236	A
	2015	5,302	5,194	A
	2014	5,586	5,527	A
	2013	5,894	5,748	A
Retail	2016	2,348	2,310	A
	2015	2,229	2,183	A
	2014	2,764	2,735	A
	2013	3,043	2,968	A
Tenants	2016	2,924	2,877	A
	2015	2,802	2,744	A
	2014	3,356	3,322	A
	2013	3,653	3,563	A

DESCRIPTION	YEAR	SR2016	SR2017	REASON
GHG EMISSIONS (tonnes CO_2e)				
Development Projects	2016	3,547	391	A, D
	2015	3,908	428	A, D
	2014	382	180	A, D
	2013	4,451	524	A, D
GHG EMISSIONS INTENSITY (kg CO_2e/m²)				
Properties, Total	2016	138.3	136.1	A
	2015	135.9	133.1	A
	2014	150.6	149.0	A
	2013	161.2	157.2	A
GHG EMISSIONS INTENSITY (kg CO_2e/hrs)				
Development Projects	2016	0.7	0.2	A, D
	2015	1.5	0.4	A, D
	2014	0.6	0.2	A, D
	2013	12.2	3.5	A, D
GHG EMISSIONS SAVINGS FOR CORPORATE OFFICE (kg CO_2e)				
From 2015	2016	525.3	723.2	A
From 2012	2016	8,765	8,018	A
WATER CONSUMPTION (m³)				
Properties, Total	2016	85,402	85,463	E
	2014	88,455	88,456	E
WATER CONSUMPTION (m³)				
Retail	2016	20,735	20,795	E
	2014	21,885	21,886	E

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE / RESPONSE
GENERAL DISCLOSURES			
ORGANISATIONAL PROFILE			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	20, 83
	102-2	Activities, brands, products, and services	6-10
	102-3	Location of headquarters	14
	102-4	Location of operations	6-10
	102-5	Ownership and legal form	146-147
	102-6	Markets served	103-106
	102-7	Scale of the organisation	48, 61 *Wheelock Properties (Singapore) consists of one operation in Singapore.*
	102-8	Information on employees and other workers	61 *All employees were on full time contracts and one employee was on a temporary contract in 2017.*
	102-9	Supply chain	49, 61
	102-10	Significant changes to the organisation and its supply chain	*There were no significant changes to our organisational profile or in our supply chain during the reporting period.*
	102-11	Precautionary principle or approach	54
	102-12	External initiatives	49-50, 54, 57-61
	102-13	Membership of associations	54
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GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	2
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GRI 102: General Disclosures 2016	102-18	Governance structure	20-33, 52
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GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	53
	102-41	Collective bargaining agreements	*Nil*
	102-42	Identifying and selecting stakeholders	52
	102-43	Approach to stakeholder engagement	52-54
	102-44	Key topics and concerns raised	53

GRI STANDARD		DISCLOSURE	PAGE / RESPONSE
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ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 54
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	103-3	Evaluation of the management approach	50, 54
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	12-13
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 61
	103-2	The management approach and its components	52, 54-57, 61
	103-3	Evaluation of the management approach	54, 61
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	51, 56-57
	302-2	Energy consumption outside of the organisation	51, 55
	302-3	Energy intensity	51, 55-57
	302-4	Reduction of energy consumption	51, 55-57
WATER			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 61
	103-2	The management approach and its components	52, 54-57, 61
	103-3	Evaluation of the management approach	54, 61
GRI 303: Water 2016	303-1	Water withdrawal by source	55-57
EMISSIONS			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 61
	103-2	The management approach and its components	52, 54-57, 61
	103-3	Evaluation of the management approach	54, 61
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	51, 55
	305-2	Energy indirect (Scope 2) GHG emissions	51, 55, 56
	305-4	GHG emissions intensity	51, 55-57
	305-5	Reduction of GHG emissions	51, 55-57

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GRI STANDARD		DISCLOSURE	PAGE / RESPONSE
ENVIRONMENTAL COMPLIANCE			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 61
	103-2	The management approach and its components	52, 54-55, 61
	103-3	Evaluation of the management approach	54, 61
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	55 *There were no incidences of non-compliance with environmental laws and regulations in 2017.*
EMPLOYMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50
	103-2	The management approach and its components	52, 60-61
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GRI 401: Employment 2016	401-1	New employee hires and employee turnover	60
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OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 59-61
	103-2	The management approach and its components	52, 59-61
	103-3	Evaluation of the management approach	59-61
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	59-60 *In 2017, there was an incident whereby a female employee suffered a knee fracture from a fall.*
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 60-61
	103-2	The management approach and its components	52, 60-61
	103-3	Evaluation of the management approach	60-61
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	51, 61
	404-3	Percentage of employees receiving regular performance and career development reviews	*100%*
NON-DISCRIMINATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 60-61
	103-2	The management approach and its components	52, 60-61
	103-3	Evaluation of the management approach	60-61
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	61
SOCIOECONOMIC COMPLIANCE			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	49-50, 54
	103-2	The management approach and its components	52, 54
	103-3	Evaluation of the management approach	54
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	54 *There were no incidences of non-compliance with laws and regulations in 2017.*

Financial Reports

Directors' Statement

Year ended 31 December 2017

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2017.

In our opinion:

(a) the financial statements set out on pages 78 to 145 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

We authorised these financial statements for issue on the date of this statement.

DIRECTORS

The directors in office at the date of this statement are as follows:

Stephen Tin Hoi Ng
Horace Wai Chung Lee
Frank Yung-Cheng Yung
Greg Fook Hin Seow
Colm Martin McCarthy
David Tik En Lim
Kevin Khien Kwok
Tan Bee Kim
Tan Zing Yan

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

NAME OF DIRECTOR AND CORPORATION IN WHICH INTERESTS ARE HELD	HOLDINGS AT BEGINNING OF THE FINANCIAL YEAR	HOLDINGS AT END OF THE FINANCIAL YEAR
Wheelock Properties (Singapore) Limited		
- ordinary shares		
Tan Bee Kim		
- direct interest	30,000	30,000
Frank Yung-Cheng Yung		
- direct interest	80,000	80,000

DIRECTORS' INTERESTS *(cont'd)*

NAME OF DIRECTOR AND CORPORATION IN WHICH INTERESTS ARE HELD	HOLDINGS AT BEGINNING OF THE FINANCIAL YEAR	HOLDINGS AT END OF THE FINANCIAL YEAR
Wheelock Properties (Singapore) Limited		
- ordinary shares		
David Tik En Lim		
- direct interest	–	20,000
The ultimate holding company		
Wheelock and Company Limited		
- ordinary shares of HK$0.50 each		
Stephen Tin Hoi Ng		
- direct interest	300,000	176,000
Related Corporations		
i-CABLE Communications Limited		
- ordinary shares of HK$1.00 each		
Stephen Tin Hoi Ng		
- direct interest	1,265,005	–^
The Wharf (Holdings) Limited		
- ordinary shares of HK$1.00 each		
Stephen Tin Hoi Ng		
- direct interest	4,445	9,445
Wharf Real Estate Investment Company Limited		
- ordinary shares of HK$1.00 each		
Stephen Tin Hoi Ng		
- direct interest	–	1,009,445

Options to acquire ordinary shares of HK$1.00 each in The Wharf (Holdings) Limited

	AT BEGINNING OF THE FINANCIAL YEAR	AT END OF THE FINANCIAL YEAR	EXERCISE PERIOD	SUBSCRIPTION PRICE PER SHARE HK$
Stephen Tin Hoi Ng	2,000,000*	1,000,000	06.06.2013 to 05.06.2018	23.83***
	5,000,000**	4,000,000	08.07.2016 to 07.07.2021	15.92***

^ i-CABLE Communications Limited has ceased to be an associated company of Wheelock and Company Limited on 11 September 2017.

* The share options were/will be vested in 5 tranches within a period of 5 years, with each tranche covering one-fifth of the relevant options (i.e., exercisable to the extent of one-fifth of the relevant total number of The Wharf (Holdings) Limited's shares) and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 6th of June in the years 2013, 2014, 2015, 2016 and 2017 respectively.

Directors' Statement

Year ended 31 December 2017

DIRECTORS' INTERESTS *(cont'd)*

** The share options were/will be vested in 5 tranches within a period of 5 years, with each tranche covering one-fifth of the relevant options (i.e., exercisable to the extent of one-fifth of the relevant total number of The Wharf (Holdings) Limited's shares) and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 8th of July in the years 2016, 2017, 2018, 2019 and 2020 respectively.

*** Exercise prices of share option have been adjusted with effect from 30 November 2017 as a result of the spin-off and separate listing of Wharf Real Estate Investment Company Limited.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2018.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit and Risk Management Committee during the year and at the date of this statement are:

- Kevin Khien Kwok (Chairman) (appointed on 1 May 2017)
- Frank Yung-Cheng Yung
- Greg Fook Hin Seow
- Colm Martin McCarthy
- David Tik En Lim

All the members of the Audit and Risk Management Committee are non-executive directors of the Company who are independent of the Group and the Company's management.

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Act, the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual and the Code of Corporate Governance.

The Audit and Risk Management Committee held four meetings since the last directors' statement. In performing its functions, the Audit and Risk Management Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

AUDIT AND RISK MANAGEMENT COMMITTEE *(cont'd)*

The Audit and Risk Management Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption and approval; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Management Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Management Committee has undertaken a review of the nature and extent of non-audit services provided by the external auditors. In the opinion of the Audit and Risk Management Committee, these services would not affect the independence of the external auditors.

Accordingly, the Audit and Risk Management Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The Company is in compliance with Rules 712 and 715 read with 716 of the SGX-ST Listing Manual in respect of the appointment of auditors for the Company and its subsidiaries.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Tan Bee Kim
Director

Kevin Khien Kwok
Director

29 March 2018

Independent Auditors' Report

Members of the Company
Wheelock Properties (Singapore) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Wheelock Properties (Singapore) Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 78 to 145.

In our opinion, the accompanying 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 Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct* and *Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of development properties

(Refer to Note 3.6 and Note 11 to the financial statements)

Risk

The Group has residential development properties in Singapore and China. Development properties are stated at the lower of their cost and their net realisable values. The estimation of net realisable values of development properties involve significant management estimates and judgements on the estimated future selling prices of the development properties.

The uncertain global economic outlook and prevailing government policies might exert downward pressure on residential property prices which could present a risk that the estimated net realisable values of the Group's development properties might exceed future selling prices and losses would have to be recorded when the properties are sold.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Key audit matters *(cont'd)*

Valuation of development properties *(cont'd)*

Our Response

For development projects with slower-than-expected sales or with low or negative margins, we assessed the Group's estimation of the future selling prices of the development properties by comparing them to recent transacted sales prices of the same project and/or prices of comparable properties in the vicinity, and taking into consideration prevailing government measures.

We also considered the adequacy of the disclosures in respect of the allowance for diminution in value for development properties in the financial statements.

Our Findings

The Group makes estimates of future selling prices taking into consideration recent transacted sales prices, macroeconomic and impact of government measures. We found that cautious estimates were made in the determination of selling prices and allowance for diminution in value. We also found the disclosure of allowance for diminution in value to be appropriate.

Valuation of investment properties

(Refer to Note 3.5 and Note 5 to the financial statements)

The Group's investment properties are stated at their fair values. The fair values were determined by independent external valuers engaged by the Group. In estimating the fair values, there is significant judgement in the determination of the appropriate valuation methodologies to be used, and in estimating the assumptions to be applied in deriving the capitalisation rates and estimates of future rental income and vacancy rates.

Our Response

We assessed the objectivity and competency of the valuers engaged and held discussion with the valuers to understand their valuation approach and basis of valuation.

We considered the valuation methodologies used by the valuers by comparing against those applied by others for similar property types. We tested the inputs of the projected rental income and service charges to supporting leases and other documents used in the valuation. We also challenged the key unobservable inputs of capitalisation rates used in the valuation by comparing to historical rates and industry data, taking into consideration comparability and market factors.

We also considered the adequacy of disclosures in the financial statements in describing the inherent degree of subjectivity and key assumptions in the estimates.

Our Findings

The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used by the valuers were in line with generally accepted market practices and the key assumptions used were supportable and within the range of industry data.

We also found the disclosures appropriately described the inherent degree of subjectivity and key assumptions in the estimates.

Independent Auditors' Report

Members of the Company
Wheelock Properties (Singapore) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon, Notice of Annual General Meeting, Proxy Form, and Addendum to the Annual Report.

We obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Auditors' responsibilities for the audit of the financial statements *(cont'd)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Yvonne Chiu Sok Hua.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 March 2018

Statements of Financial Position

As at 31 December 2017

	NOTE	GROUP 2017 $'000	GROUP 2016 $'000	COMPANY 2017 $'000	COMPANY 2016 $'000
Non-current assets					
Property, plant and equipment	4	**2,123**	1,966	**1,801**	1,697
Investment properties	5	**1,092,000**	1,092,000	**216,000**	216,000
Amounts due from subsidiaries	6	**–**	–	**803,835**	1,102,118
Interests in subsidiaries	7	**–**	–	**257,741**	262,744
Interests in associates	8	**584,132**	575,577	**–**	–
Investments	9	**428,639**	204,135	**–**	–
Deferred tax assets	18	**613**	–	**–**	–
Other non-current assets	10	**434**	540	**434**	540
		2,107,941	1,874,218	**1,279,811**	1,583,099
Current assets					
Development properties	11	**295,068**	809,109	**34,425**	55,642
Trade and accrued receivables	12	**165,446**	32,936	**4,587**	873
Amounts due from subsidiaries	6	**–**	–	**124,856**	2,944
Amounts due from related corporations	13	**11**	43	**11**	41
Other receivables	14	**15,372**	12,124	**3,171**	2,668
Cash and cash equivalents	15	**766,229**	471,946	**580,850**	365,649
		1,242,126	1,326,158	**747,900**	427,817
Total assets		**3,350,067**	3,200,376	**2,027,711**	2,010,916
Equity attributable to owners of the Company					
Share capital	16	**1,055,901**	1,055,901	**1,055,901**	1,055,901
Reserves	17	**2,072,209**	1,933,385	**599,759**	633,735
Total equity		**3,128,110**	2,989,286	**1,655,660**	1,689,636
Non-current liability					
Deferred tax liabilities	18	**13,018**	12,533	**2,558**	2,510
		13,018	12,533	**2,558**	2,510
Current liabilities					
Trade payables	19	**77,565**	72,850	**4,278**	4,089
Deferred income and other payables	20	**125,367**	110,074	**8,011**	8,455
Amounts due to subsidiaries	6	**–**	–	**357,192**	305,872
Current tax liabilities		**6,007**	15,633	**12**	354
		208,939	198,557	**369,493**	318,770
Total liabilities		**221,957**	211,090	**372,051**	321,280
Total equity and liabilities		**3,350,067**	3,200,376	**2,027,711**	2,010,916

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss

Year ended 31 December 2017

	NOTE	2017 $'000	2016 $'000
Revenue	21	**533,741**	769,673
Cost of sales		**(406,062)**	(656,296)
Gross profit		**127,679**	113,377
Other income	25	**6,370**	10,007
Selling and marketing expenses		**(11,259)**	(12,357)
Administrative and corporate expenses		**(14,936)**	(12,906)
Other operating expenses			
- write-back of diminution in value of a development property	11	**12,125**	8,200
- changes in fair value on investment properties	5	**(917)**	(55,710)
- others	26	**(1,240)**	(321)
		9,968	(47,831)
Finance costs	24(e)	**–**	(2,172)
Share of profit of associates, net of tax	8	**5,599**	12,523
Profit before taxation		**123,421**	60,641
Tax expense	23	**(8,191)**	(2,292)
Profit for the year	24	**115,230**	58,349
Earnings per share			
Basic earnings per share (cents)	27	**9.63**	4.88
Diluted earnings per share (cents)	27	**9.63**	4.88

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 December 2017

	2017 $'000	2016 $'000
Profit for the year	**115,230**	58,349
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, net of tax	**(100)**	(49)
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
- net change in fair value	**99,551**	(18,542)
- fair value reserve transferred to profit or loss on disposal	**(430)**	(3,553)
Exchange differences arising on consolidation of foreign subsidiaries	**(6,689)**	(12,328)
Share of other comprehensive income of associates, net of tax	**3,056**	2,625
Other comprehensive income for the year, net of tax	**95,388**	(31,847)
Total comprehensive income for the year	**210,618**	26,502

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2017

	NOTE	ATTRIBUTABLE TO OWNERS OF THE COMPANY			
		SHARE CAPITAL $'000	OTHER RESERVES $'000	RETAINED EARNINGS $'000	TOTAL EQUITY $'000
Group					
At 1 January 2017		**1,055,901**	**14,029**	**1,919,356**	**2,989,286**
Total comprehensive income for the year					
Profit for the year		**–**	**–**	**115,230**	**115,230**
Other comprehensive income					
Available-for-sale financial assets					
- net change in fair value		**–**	**99,551**	**–**	**99,551**
- fair value reserve transferred to profit or loss on disposal		**–**	**(430)**	**–**	**(430)**
Exchange differences arising on consolidation of foreign subsidiaries		**–**	**(6,689)**	**–**	**(6,689)**
Share of other comprehensive income of associates, net of tax		**–**	**2,956**	**–**	**2,956**
Total other comprehensive income, net of tax		**–**	**95,388**	**–**	**95,388**
Total comprehensive income for the year		**–**	**95,388**	**115,230**	**210,618**
Transaction with owners of the Company, recorded directly in equity					
Distribution to owners					
Dividends to owners	28	**–**	**–**	**(71,794)**	**(71,794)**
Total transaction with owners		**–**	**–**	**(71,794)**	**(71,794)**
At 31 December 2017		**1,055,901**	**109,417**	**1,962,792**	**3,128,110**
At 1 January 2016		1,055,901	45,876	1,932,801	3,034,578
Total comprehensive income for the year					
Profit for the year		–	–	58,349	58,349
Other comprehensive income					
Available-for-sale financial assets					
- net change in fair value		–	(18,542)	–	(18,542)
- fair value reserve transferred to profit or loss on disposal		–	(3,553)	–	(3,553)
Exchange differences arising on consolidation of foreign subsidiaries		–	(12,328)	–	(12,328)
Share of other comprehensive income of associates, net of tax		–	2,576	–	2,576
Total other comprehensive income, net of tax		–	(31,847)	–	(31,847)
Total comprehensive income for the year		–	(31,847)	58,349	26,502
Transaction with owners of the Company, recorded directly in equity					
Distribution to owners					
Dividends to owners	28	–	–	(71,794)	(71,794)
Total transaction with owners		–	–	(71,794)	(71,794)
At 31 December 2016		1,055,901	14,029	1,919,356	2,989,286

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2017

	NOTE	2017 $'000	2016 $'000
Operating activities			
Profit for the year		**115,230**	58,349
Adjustments for:			
Tax expense		**8,191**	2,292
Depreciation of property, plant and equipment	4	**208**	226
Net change in fair value of forward exchange contracts		**(686)**	(1,031)
Exchange loss/(gain) (net)		**17,854**	(4,476)
Loss on disposal of property, plant and equipment		**16**	1
Loss on disposal of other assets		**94**	–
Interest income	25(a)	**(3,851)**	(4,201)
Interest income from investments	21	**(5,992)**	(9,325)
Finance costs	24(e)	**–**	2,172
Fixtures, plant and equipment included in investment property written off	5	**–**	43
Write-back of diminution in value of a development property		**(12,125)**	(8,200)
Changes in fair value on investment properties	5	**917**	55,710
Gain on disposal of investments		**(430)**	(3,553)
Dividend income from investments	21	**(7,339)**	(3,932)
Share of profit of associates, net of tax		**(5,599)**	(12,523)
		106,488	71,552
Changes in:			
- Development properties		**517,046**	297,478
- Trade and accrued receivables		**(132,510)**	(755)
- Amounts due from related corporations		**32**	(30)
- Other receivables		**(4,364)**	(6,266)
- Trade payables		**5,173**	(887)
- Deferred income and other payables		**17,574**	52,676
Cash generated from operations		**509,439**	413,768
Interest received		**4,723**	4,952
Income tax paid		**(14,848)**	(10,946)
Dividends paid	28	**(71,794)**	(71,794)
Cash flows from operating activities		**427,520**	335,980
Investing activities			
Proceeds from sale of property, plant and equipment		**5**	1
Proceeds from sale of investments		**97,606**	130,863
Proceeds from sale of other assets		**12**	–
Purchase of property, plant and equipment		**(401)**	(132)
Expenditure on investment properties		**(917)**	(1,753)
Acquisition of investments		**(241,378)**	(97,950)
Dividends received		**5,175**	3,847
Interest received		**8,015**	10,954
Cash flows from investing activities		**(131,883)**	45,830
Financing activities			
Repayment of bank loans		**–**	(531,208)
Drawdown of bank loan		**–**	16,545
Finance costs		**–**	(6,711)
Deposit pledged		**–**	(18,000)
Cash flows from financing activities		**–**	(539,374)
Net increase/(decrease) in cash and cash equivalents		**295,637**	(157,564)
Cash and cash equivalents at beginning of the year		**453,946**	611,565
Effect of exchange rate changes on balances held in foreign currencies		**(1,354)**	(55)
Cash and cash equivalents at end of the year	15	**748,229**	453,946

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 December 2017

These notes form an integral part of the financial statements.

1 DOMICILE AND ACTIVITIES

Wheelock Properties (Singapore) Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 501 Orchard Road #11-01, Wheelock Place, Singapore 238880.

The principal activities of the Group and the Company are those relating to property owners, developers, property managers and investment holding. The Company also acts as a holding company and provides management services to its subsidiaries.

The immediate holding company is Star Attraction Limited, incorporated in the British Virgin Islands. The intermediate holding company is Wheelock Investments Limited and the ultimate holding company is Wheelock and Company Limited, both of which are incorporated in Hong Kong.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (FRSs).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Available-for-sale financial assets are measured at fair value;
- Investment properties are measured at fair value; and
- Derivative financial instruments are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the Financial Statements

Year ended 31 December 2017

2 BASIS OF PREPARATION *(cont'd)*

2.4 Use of estimates and judgements *(cont'd)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 5 Valuation of investment properties; and
- Note 11 Estimation of allowance for diminution in value of development properties.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurements, including Level 3 fair value.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Management Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 5 – investment properties.

2 BASIS OF PREPARATION *(cont'd)*

2.5 Changes in accounting policies

The Group has applied the following amendments for the first time for the annual period beginning on 1 January 2017:

- *Disclosure Initiative (Amendments to FRS 7)*;
- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 12)*; and
- *Clarification of the scope of FRS 112 (Improvements to FRSs 2016).*

The adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Notes to the Financial Statements

Year ended 31 December 2017

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investment in associates is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

The Group applied the cost approach for the step acquisition for associates reclassified from available-for-sale financial assets to interest in associates. Under the cost approach, the fair value reserve relating to available-for-sale financial asset is transferred directly to retained earnings when the available-for-sale financial assets become an associate.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries in the separate financial statement

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of:

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such monetary items that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

Notes to the Financial Statements

Year ended 31 December 2017

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and accrued receivables, other receivables, amounts due from subsidiaries and related corporations.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits that are subject to an insignificant risk of changes in their fair values. For the purpose of the statement of cash flows, pledged deposits are excluded in cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments and foreign currency differences on available-for-sale equity instruments designated as hedged item in hedge accounting, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.3 Financial instruments *(cont'd)*

(ii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, trade payables, other payables (excluding income received in advance) and amounts due to subsidiaries.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(iv) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 to 125%.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and all changes in its fair value are recognised immediately in profit or loss.

Notes to the Financial Statements

Year ended 31 December 2017

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.3 Financial instruments *(cont'd)*

(iv) Derivative financial instruments, including hedge accounting *(cont'd)*

Fair value hedges

Changes in fair value of a derivative hedging instrument designated as a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect change in value in respect of the risk being hedged with any gain or loss being recognised in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not recognised in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

(iii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.4 Property, plant and equipment *(cont'd)*

(iv) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss or capitalised into development properties as appropriate, on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Plant and equipment	10% to 33⅓%
Furniture and fixtures	10% to 20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any changes therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

Notes to the Financial Statements

Year ended 31 December 2017

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Cost also includes an appropriate share of development overheads allocated based on normal capacity.

Borrowing costs that are directly attributable to the acquisition and development of the development property are capitalised as part of development property during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

Properties under development, the sales of which are recognised using the percentage of completion method

The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statement of financial position. If progress billings exceed costs incurred plus recognised profits, the balance is presented as deferred income.

Other properties under development

The aggregated costs incurred are presented as development properties while progress billings are presented separately as deferred income in the statement of financial position.

3.7 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity and debt securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in equity securities, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.7 Impairment *(cont'd)*

(i) Non-derivative financial assets *(cont'd)*

Loans and receivables

The Group considers evidence of impairment for loans and receivables at the specific asset level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Associates

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.7(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties, investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Notes to the Financial Statements

Year ended 31 December 2017

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.7 Impairment *(cont'd)*

(ii) Non-financial assets *(cont'd)*

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.8 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.9 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income or where it relates to net surplus for properties earmarked for redevelopment, in which case it is capitalised as part of the development costs.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the presumption that the carrying amount of the investment properties will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether the additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

3.10 Finance costs

Interest expense and similar charges are expensed in profit or loss in the period in which they are incurred using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Notes to the Financial Statements

Year ended 31 December 2017

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.11 Revenue

(i) Sale of development properties

For development properties under progressive payment scheme in Singapore, revenue from sales of properties under development is recognised by reference to the stage of completion using the percentage of completion method when the Group determines that (a) control and the significant risks and rewards of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses, (b) the sales price is fixed and collectible, (c) the percentage of completion can be measured reliably, (d) there is no significant uncertainty as to the ability of the Group to complete the development, and (e) costs incurred or to be incurred can be measured reliably.

The percentage of completion is measured by reference to the survey of work performed, based on the ratio of construction costs incurred to date to the estimated total constructions costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

In all other instances, revenue from sales of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the purchasers. This generally coincides with the point in time when the development unit is delivered to the purchasers, except for those sold under deferred payment scheme. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

Payments received under deferred payment scheme are initially recognised as deferred income and then recognised in profit or loss upon payment of the full price consideration by the purchasers.

(ii) Rental income

Rental income from investment properties are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Dividend

Dividend income is recognised in profit or loss when the Group's right to receive payment is established, which in the case of quoted equity securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.12 Inter-company interest-free loans

In the Company's financial statements, interest-free loans to subsidiaries are stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

Interest-free loans, where settlement is neither planned nor likely to occur in the foreseeable future, are in substance, part of the Company's net investment in the entities and are stated at cost less accumulated impairment losses.

Such balances are eliminated in full in the Group's consolidated financial statements.

3.13 Lease payments

Payments made under the operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are charged to profit or loss in the accounting period in which they are incurred.

3.14 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, corporate expense and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and investment properties.

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4 PROPERTY, PLANT AND EQUIPMENT

	PLANT AND EQUIPMENT $'000	FURNITURE AND FIXTURES $'000	MOTOR VEHICLES $'000	TOTAL $'000
Group				
Cost				
At 1 January 2016	1,453	2,895	457	4,805
Additions	87	45	–	132
Disposals	(70)	(2)	–	(72)
Effect of movements in exchange rates	(4)	(1)	(7)	(12)
At 31 December 2016 and 1 January 2017	**1,466**	**2,937**	**450**	**4,853**
Additions	**399**	**2**	**–**	**401**
Disposals	**(185)**	**(19)**	**–**	**(204)**
Effect of movements in exchange rates	**(2)**	**(1)**	**(4)**	**(7)**
At 31 December 2017	**1,678**	**2,919**	**446**	**5,043**
Accumulated depreciation				
At 1 January 2016	1,013	1,304	387	2,704
Depreciation	186	51	22	259
Disposals	(69)	(1)	–	(70)
Effect of movements in exchange rates	(2)	(1)	(3)	(6)
At 31 December 2016 and 1 January 2017	**1,128**	**1,353**	**406**	**2,887**
Depreciation	**179**	**31**	**11**	**221**
Disposals	**(166)**	**(17)**	**–**	**(183)**
Effect of movements in exchange rates	**(2)**	**(1)**	**(2)**	**(5)**
At 31 December 2017	**1,139**	**1,366**	**415**	**2,920**
Carrying amounts				
At 1 January 2016	440	1,591	70	2,101
At 31 December 2016 and 1 January 2017	**338**	**1,584**	**44**	**1,966**
At 31 December 2017	**539**	**1,553**	**31**	**2,123**

4 PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	PLANT AND EQUIPMENT $'000	FURNITURE AND FIXTURES $'000	MOTOR VEHICLES $'000	TOTAL $'000
Company				
Cost				
At 1 January 2016	666	2,721	313	3,700
Additions	80	44	–	124
Disposals	(46)	(2)	–	(48)
At 31 December 2016 and 1 January 2017	**700**	**2,763**	**313**	**3,776**
Additions	**205**	**1**	**–**	**206**
Disposals	**(85)**	**(18)**	**–**	**(103)**
At 31 December 2017	**820**	**2,746**	**313**	**3,879**
Accumulated depreciation				
At 1 January 2016	540	1,153	313	2,006
Depreciation	76	44	–	120
Disposals	(46)	(1)	–	(47)
At 31 December 2016 and 1 January 2017	**570**	**1,196**	**313**	**2,079**
Depreciation	**75**	**26**	**–**	**101**
Disposals	**(85)**	**(17)**	**–**	**(102)**
At 31 December 2017	**560**	**1,205**	**313**	**2,078**
Carrying amounts				
At 1 January 2016	126	1,568	–	1,694
At 31 December 2016 and 1 January 2017	**130**	**1,567**	**–**	**1,697**
At 31 December 2017	**260**	**1,541**	**–**	**1,801**

The depreciation charge for the year is included in the financial statements as follows:

	NOTE	GROUP 2017 $'000	GROUP 2016 $'000
Charged to profit or loss	22	**208**	226
Capitalised to development properties		**13**	33
		221	259

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Year ended 31 December 2017

5 INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
At 1 January	**1,092,000**	1,146,000	**216,000**	234,000
Additions	**917**	1,753	**101**	368
Fixtures, plant and equipment included in investment property written off	**–**	(43)	**–**	–
Changes in fair value	**(917)**	(55,710)	**(101)**	(18,368)
At 31 December	**1,092,000**	1,092,000	**216,000**	216,000

Details of the properties are:

DESCRIPTION	SITE AREA (SQ. METRE)	TENURE
Wheelock Place, comprising 16-storey office tower, 5-level office and shopping podium, 2-basement levels of shops and car parks situated at 501 Orchard Road.	7,847	99-year lease commencing 15 September 1990
Scotts Square, a residential-cum-retail development situated at 6 Scotts Road. The retail podium comprises 3-storey plus 1-basement level of retail space and a basement car park which form the investment property.	6,609	Freehold

Wheelock Place and Scotts Square Retail are held for rental, mainly to external customers under operating leases. Each of the leases contains an initial non-cancellable period of 2 to 5 years. Subsequent renewals are negotiated with the lessees.

Contingent rentals, representing income based on certain sales achieved by the tenants, recognised in profit or loss amounted to $1,649,000 (2016: $2,366,000).

Measurement of fair value

Fair value hierarchy

The investment properties are revalued as at 31 December 2017 by a firm of independent professional valuers that has appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The valuers have used the Income Capitalisation Method and Direct Comparison Method in arriving at the current open market values of the two properties.

The Income Capitalisation Method involves the conversion of the net rent of the property into a capital sum at a suitable rate of return which reflects the quality of the investment.

The Direct Comparison Method involves the analysis and study of recent sales evidence of similar properties in comparable developments in the subject/comparable vicinities.

The management has reviewed both methods of valuation and the assumptions therein and are satisfied with the appropriateness of the methodology and values.

5 INVESTMENT PROPERTIES *(cont'd)*

Measurement of fair value *(cont'd)*

Fair value hierarchy *(cont'd)*

The fair value measurement for investment properties has been categorised as Level 3 fair value based on inputs to valuation techniques used (see note 2.4).

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property as well as the significant unobservable inputs used**.**

TYPE	VALUATION TECHNIQUE	UNOBSERVABLE INPUT	INTER-RELATIONSHIP BETWEEN KEY UNOBSERVABLE INPUTS AND FAIR VALUE MEASUREMENT
Investment properties	Income Capitalisation Method	Capitalisation rate (4.25% to 5.25% (2016: 4.25% to 5.25%))	An increase in capitalisation rate in isolation would result in a lower fair value measurement.
	Direct Comparison Method	Price per square foot ($2,050 to $3,300 (2016: $2,150 to $3,345))	A higher comparable price would result in a higher fair value measurement.

6 AMOUNTS DUE FROM/TO SUBSIDIARIES

Amounts due from subsidiaries

	COMPANY	
	2017 $'000	2016 $'000
Non-current		
Interest-free inter-company loans	**919,369**	1,361,221
Impairment loss	**(115,534)**	(259,103)
	803,835	1,102,118
Current		
Interest-free inter-company loans	**220,921**	3,041
Impairment loss	**(96,065)**	(97)
	124,856	2,944

The amounts due from subsidiaries are non-trade, interest-free, unsecured and not past due.

Included in the non-current interest-free inter-company loans are loans of $343,165,000 (2016: $914,042,000) which are repayable in December 2020 (2016: repayable between December 2017 and December 2020). The remaining loans form part of the Company's net investment in subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future.

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6 AMOUNTS DUE FROM/TO SUBSIDIARIES *(cont'd)*

Impairment loss

The change in impairment loss in respect of amounts due from subsidiaries during the year is as follows:

	COMPANY	
	2017	2016
	$'000	$'000
At 1 January	**259,200**	264,364
(Write-back)/Recognition of impairment loss (net)	**(47,499)**	27,090
Amounts written off	**(102)**	(32,254)
At 31 December	**211,599**	259,200

For subsidiaries with available-for-sale financial assets, the Company assessed the recoverable amount of the amounts due from the subsidiaries using the net asset value of those subsidiaries, which included management's estimate of the fair value of the underlying available-for-sale financial assets with reference to the quoted bid price in an active market. For other subsidiaries, the Company assessed their recoverable amounts using the fair value approach, when there is a loss event. Based on this assessment, the Company made a net reversal of impairment loss of $47,499,000 (2016: net impairment loss of $27,090,000) on the amounts due from the subsidiaries.

Amounts due to subsidiaries

The non-trade amounts due to subsidiaries are interest-free, unsecured and repayable on demand.

7 INTERESTS IN SUBSIDIARIES

	COMPANY	
	2017	2016
	$'000	$'000
Investment in subsidiaries	**162,100**	162,100
Discount implicit in interest-free inter-company loans	**95,641**	100,644
	257,741	262,744

7 INTERESTS IN SUBSIDIARIES *(cont'd)*

The following are the Company's subsidiaries:

COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP 2017 %	2016 %
(i) Direct subsidiaries				
[7] Belmont Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100
[1] Botanica Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Caldecote Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Campden Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Everbilt Developers Pte Ltd	Property owner and developer	Singapore	**100**	100
[1] Glarus Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Glinka Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[6] Mer Vue Developments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Palm Valley Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Pinehill Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Preston Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[4] Springfield Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100
[1] Wheelock Properties (Japan) Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] WPJ Services Pte. Ltd.	Provision of real estate advisory services	Singapore	**100**	100
[1] WPS Capital Pte. Ltd.	Investment holding	Singapore	**100**	100

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Year ended 31 December 2017

7 INTERESTS IN SUBSIDIARIES *(cont'd)*

COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP 2017 %	2016 %
(ii) Indirect subsidiaries				
Subsidiary of Palm Valley Properties Pte. Ltd.				
[2] Gold Unicorn Holdings Limited	Investment holding	Hong Kong	**100**	100
Subsidiary of Gold Unicorn Holdings Limited				
[2] 富汇房地产开发(富阳)有限公司	Residential development, construction and property management	People's Republic of China	**100**	100
Subsidiaries of Preston Properties Pte. Ltd.				
[1] Coleman Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[3] Wheelock Properties (UK) Limited	Property owner, developer, property management and investment holding	United Kingdom	**100**	100
Subsidiary of Coleman Properties Pte. Ltd.				
[8] Wheelock Properties (Jersey) Limited	Property owner, developer, property management and investment holding	Jersey	**100**	100
Subsidiaries of WPS Capital Pte. Ltd.				
[1] Besvale Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[4] Cairnhill Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100
[1] Colonnade Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[7] Cone Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100
[4] Crag Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100
[4] Croft Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100

7 INTERESTS IN SUBSIDIARIES *(cont'd)*

COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP 2017 %	2016 %
(ii) Indirect subsidiaries *(cont'd)*				
Subsidiaries of WPS Capital Pte. Ltd. *(cont'd)*				
[1] Cymbal Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Dike Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[7] Dormer Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100
[5] Ginger Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**–**	100
[1] Grandville Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Harrington Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Joaquim Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Kilburn Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Lever Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	–
[1] Lintel Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Lisle Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	–
[1] Locus Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	–
[1] Lorca Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Manuka Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	–
[1] Nassim Developments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Orchard Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Pinedale Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Ridgeway Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
[1] Rochester Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100

[1] Audited by KPMG LLP, Singapore.
[2] Audited by other member firms of KPMG International.
[3] No audit required.
[4] These subsidiaries were struck off during the year.
[5] This subsidiary is in the process of striking off.
[6] This subsidiary is in the process of liquidation.
[7] These subsidiaries were struck off on 8 March 2018.
[8] This subsidiary was liquidated on 13 March 2018.

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Year ended 31 December 2017

8 INTERESTS IN ASSOCIATES

	GROUP	
	2017 $'000	2016 $'000
Investment in associates	**584,132**	575,577

Interests in associates include a loan of $360,318,000 (2016: $360,318,000) to an associate, 68 Holdings Pte. Ltd., which represents the Group's net investment in the associate for which settlement is neither planned nor likely to occur in the foreseeable future.

Details of associates are as follows:

NAME OF ASSOCIATE	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP	
			2017 %	2016 %
[1] 68 Holdings Pte. Ltd.	Investment holding	Singapore	**40**	40
[2] Hotel Properties Limited held by 68 Holdings Pte. Ltd.	Hotelier and investment holding	Singapore	**22.55**	22.56

[1] Audited by KPMG LLP, Singapore.

[2] Listed on the Singapore Exchange and audited by Deloitte & Touche LLP, Singapore.

The following table summarises the financial information of the Group's material associate based on its (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

8 INTERESTS IN ASSOCIATES *(cont'd)*

	68 HOLDINGS GROUP $'000
2017	
Non-current assets	**3,838,293**
Current assets	**489,818**
Non-current liabilities	**(967,317)**
Current liabilities	**(393,816)**
Net assets	**2,966,978**
Attributable to non-controlling interests	**1,506,885**
Attributable to investee's shareholders	**1,460,093**
Group's share of net assets of investee at beginning of the year	**575,482**
Group's share of:	
- profit for the year	**5,599**
- other comprehensive income	**2,956**
- total comprehensive income	**8,555**
Group's share of net assets of investee at end of the year	**584,037**
Transaction cost capitalised	**95**
Carrying amount of interests in investees at end of the year	**584,132**
Revenue	**659,160**
Profit for the year	**41,621**
Other comprehensive income	**10,197**
Total comprehensive income	**51,818**
Attributable to non-controlling interests	**30,430**
Attributable to investee's shareholders	**21,388**
Group's share of total comprehensive income	**8,555**
Add: Other comprehensive income	**(2,956)**
Group's share of profit of investees, net of tax	**5,599**

Notes to the Financial Statements

Year ended 31 December 2017

8 INTERESTS IN ASSOCIATES *(cont'd)*

	68 HOLDINGS GROUP $'000
2016	
Non-current assets	3,773,953
Current assets	512,215
Non-current liabilities	(924,714)
Current liabilities	(426,703)
Net assets	2,934,751
Attributable to non-controlling interests	1,496,047
Attributable to investee's shareholders	1,438,704
Group's share of net assets of investee at beginning of the year	560,383
Group's share of:	
- profit for the year	12,523
- other comprehensive income	2,576
- total comprehensive income	15,099
Group's share of net assets of investee at end of the year	575,482
Transaction cost capitalised	95
Carrying amount of interests in investees at end of the year	575,577
Revenue	577,616
Profit for the year	74,033
Other comprehensive income	13,492
Total comprehensive income	87,525
Attributable to non-controlling interests	49,778
Attributable to investee's shareholders	37,747
Group's share of total comprehensive income	15,099
Add: Other comprehensive income	(2,576)
Group's share of profit of investees, net of tax	12,523

9 INVESTMENTS

	GROUP	
	2017 $'000	2016 $'000
Non-current investments		
Quoted available-for-sale financial assets:		
- Equity securities	**325,269**	96,128
- Debt securities	**103,370**	108,007
	428,639	204,135

The quoted equity securities and debt securities are classified as available-for-sale investments of the Group. The fair value of the available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date.

10 OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Club memberships	**434**	540	**434**	540

11 DEVELOPMENT PROPERTIES

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Properties under development, revenue is recognised using percentage of completion method for sold units:				
- Costs incurred and attributable profits	**–**	847,138	**–**	–
- Progress billings	**–**	(420,183)	**–**	–
- Allowance for diminution in value	**–**	(95,800)	**–**	–
	–	331,155	**–**	–
Other properties under development:				
- Costs incurred and attributable profit	**232,084**	249,758	**–**	–
- Allowance for diminution in value	**(65,800)**	(59,343)	**–**	–
	166,284	190,415	**–**	–
Completed properties, at cost:	**128,829**	296,690	**34,425**	55,642
- Allowance for diminution in value	**(45)**	(9,151)	**–**	–
	128,784	287,539	**34,425**	55,642
Total development properties	**295,068**	809,109	**34,425**	55,642
Finance costs capitalised into development properties:				
- Interest on borrowings paid and payable to banks	**–**	4,690	**–**	–
- Other financing costs	**–**	1,260	**–**	–
Interest income capitalised into development properties	**(1,181)**	(691)	**–**	–
	(1,181)	5,259	**–**	–

As at 31 December 2017, development property amounting to $47,052,000 (2016: Nil) was pledged as security to obtain bank facility.

The Group recognises profit on sale of development properties in Singapore using the percentage of completion method. The stage of completion is measured by reference to the survey of work performed, based on the quantity surveyor/architect's certification of the estimated construction costs incurred to-date to the estimated total construction costs for each project.

For the Group's project in the People's Republic of China (PRC), profit on the sale of the development property is recognised on delivery of development property units to the purchasers.

Notes to the Financial Statements

Year ended 31 December 2017

11 DEVELOPMENT PROPERTIES *(cont'd)*

In estimating the total construction costs for each project, management relied on historical experience, contractual agreements with contractors/suppliers and the work of professionals such as quantity surveyors/architects. Any change in the estimates of the construction costs, variations, omissions or the effect of a change in the estimate of the outcome of a contractual agreement could impact the computation of the percentage of completion and the amount of revenue and expenses recognised in profit or loss in the period in which the change is made and in subsequent periods.

The allowance for diminution in value is estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent transacted selling prices for development project and/or selling prices of comparable projects and taking into consideration prevailing government measures. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance for diminution in value is included in "other operating expenses".

Movement in allowance for diminution in value in respect of development properties for sale were as follows:

	GROUP	
	2017	2016
	$'000	$'000
At 1 January	**(164,294)**	(181,155)
Reversal of allowance during the year	**12,125**	8,200
Utilisation of allowance during the year	**84,544**	5,228
Translation differences	**1,780**	3,433
At 31 December	**(65,845)**	(164,294)

During the year, the Group has assessed the net realisable value of its development properties. Following the completion of one of its projects, The Panorama, an amount of $12,125,000 (2016: $8,200,000) of the allowance for diminution in value was reversed.

12 TRADE AND ACCRUED RECEIVABLES

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade receivables	**107,973**	27,496	**4,227**	406
Accrued receivables	**57,473**	5,440	**360**	467
	165,446	32,936	**4,587**	873

Accrued receivables mainly represent the remaining balance of sales consideration to be billed. In accordance with the Group's accounting policy, income is recognised on the progress of the construction work for development properties for sale. Upon receipt of the Temporary Occupation Permit/Architect's Certificate of Completion, the balance of sales consideration to be billed is included as accrued receivables.

12 TRADE AND ACCRUED RECEIVABLES *(cont'd)*

The maximum exposure to credit risk for trade and accrued receivables at the reporting date by type of customer is:

	GROUP		COMPANY	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Residential	**164,762**	31,995	**4,057**	61
Commercial	**25**	51	**–**	–
Retail	**659**	890	**530**	812
	165,446	32,936	**4,587**	873

The ageing of trade receivables at the reporting date is:

	GROUP		COMPANY	
	GROSS 2017 $'000	GROSS 2016 $'000	GROSS 2017 $'000	GROSS 2016 $'000
Not past due	**101,132**	26,215	**4,057**	–
Past due 1 – 30 days	**6,832**	1,267	**166**	403
Past due 31 – 60 days	**8**	4	**4**	1
Past due 61 – 90 days	**1**	1	**–**	1
Past due 91 – 120 days	**–**	7	**–**	–
Past due 121 – 150 days	**–**	1	**–**	–
Past due more than 150 days	**–**	874	**–**	874
	107,973	28,369	**4,227**	1,279

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	GROUP AND COMPANY	
	2017 $'000	2016 $'000
At 1 January	**873**	953
Write-back of impairment loss	**(49)**	(80)
Amounts written off	**(824)**	–
At 31 December	**–**	873

The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Management believes that no additional credit risk beyond the amounts provided for impairment loss is inherent in the Group's trade receivables.

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13 AMOUNTS DUE FROM RELATED CORPORATIONS

The non-trade amounts due from related corporations are interest-free, unsecured, repayable on demand and not past due. There is no allowance for doubtful debts arising from the outstanding balances.

14 OTHER RECEIVABLES

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Accrued income	**2,893**	1,966	**1,161**	905
Deposits	**704**	680	**37**	43
Dividend receivables	**2,116**	–	**–**	–
Forward exchange contracts	**875**	189	**–**	–
Interest receivables	**2,484**	3,186	**363**	44
Prepaid expenses	**5,177**	5,251	**1,571**	1,604
Others	**1,123**	852	**39**	72
	15,372	12,124	**3,171**	2,668

15 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Amounts held under the "Project Account Rules – 1997 Ed", withdrawals from which are restricted to payments for expenditure incurred on projects	**23,693**	27,854	**–**	–
Fixed deposits at banks	**253,102**	83,182	**235,103**	65,183
Cash at banks and in hand	**489,434**	360,910	**345,747**	300,466
Cash and cash equivalents	**766,229**	471,946	**580,850**	365,649
Deposit pledged	**(18,000)**	(18,000)	**–**	–
Cash and cash equivalents in the statement of cash flows	**748,229**	453,946	**580,850**	365,649

The weighted average effective interest rates relating to cash and cash equivalents at the reporting date for the Group and the Company are 1.11% (2016: 0.89%) and 1.12% (2016: 0.96%) per annum respectively.

Interest rates are repriced at intervals of within one day to three months.

The deposit pledged represents fixed deposit of a subsidiary pledged as security to obtain credit facility from a bank.

16 SHARE CAPITAL

	COMPANY	
	2017 NO. OF SHARES '000	2016 NO. OF SHARES '000
Issued and fully-paid ordinary shares, with no par value:		
At beginning and end of the year	**1,196,560**	1,196,560

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and retained earnings of the Group. The Board of Directors monitors the return on capital, which the Group defines as profit attributable to equity holders of the Company divided by total shareholders' equity. The Board also recommends the level of dividends to shareholders.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

Notes to the Financial Statements

Year ended 31 December 2017

17 RESERVES

	GROUP				
	RETAINED EARNINGS $'000	TRANSLATION RESERVE $'000	FAIR VALUE RESERVE $'000	HEDGING RESERVE $'000	TOTAL $'000
At 1 January 2017	**1,919,356**	**27,504**	**(13,136)**	**(339)**	**1,933,385**
Total comprehensive income for the year					
Profit for the year	**115,230**	**–**	**–**	**–**	**115,230**
Other comprehensive income					
Available-for-sale financial assets:					
- net change in fair value	**–**	**–**	**99,551**	**–**	**99,551**
- fair value reserve transferred to profit or loss on disposal	**–**	**–**	**(430)**	**–**	**(430)**
Exchange differences arising on consolidation of foreign subsidiaries	**–**	**(6,689)**	**–**	**–**	**(6,689)**
Share of other comprehensive income of associates, net of tax	**–**	**(2,068)**	**5,024**	**–**	**2,956**
Total other comprehensive income, net of tax	**–**	**(8,757)**	**104,145**	**–**	**95,388**
Total comprehensive income for the year	**115,230**	**(8,757)**	**104,145**	**–**	**210,618**
Transaction with owners of the Company, recorded directly in equity					
Distribution to owners					
Dividends to owners	**(71,794)**	**–**	**–**	**–**	**(71,794)**
Total transaction with owners	**(71,794)**	**–**	**–**	**–**	**(71,794)**
At 31 December 2017	**1,962,792**	**18,747**	**91,009**	**(339)**	**2,072,209**

17 RESERVES *(cont'd)*

	GROUP				
	RETAINED EARNINGS $'000	TRANSLATION RESERVE $'000	FAIR VALUE RESERVE $'000	HEDGING RESERVE $'000	TOTAL $'000
At 1 January 2016	1,932,801	35,458	10,757	(339)	1,978,677
Total comprehensive income for the year					
Profit for the year	58,349	–	–	–	58,349
Other comprehensive income					
Available-for-sale financial assets:					
- net change in fair value	–	–	(18,542)	–	(18,542)
- fair value reserve transferred to profit or loss on disposal	–	–	(3,553)	–	(3,553)
Exchange differences arising on consolidation of foreign subsidiaries	–	(12,328)	–	–	(12,328)
Share of other comprehensive income of associates, net of tax	–	4,374	(1,798)	–	2,576
Total other comprehensive income, net of tax	–	(7,954)	(23,893)	–	(31,847)
Total comprehensive income for the year	58,349	(7,954)	(23,893)	–	26,502
Transaction with owners of the Company, recorded directly in equity					
Distribution to owners					
Dividends to owners	(71,794)	–	–	–	(71,794)
Total transaction with owners	(71,794)	–	–	–	(71,794)
At 31 December 2016	1,919,356	27,504	(13,136)	(339)	1,933,385

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments held until the investments are derecognised or impaired.

The hedging reserve comprises the fair value changes on the derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be an effective hedge.

The reserves of the Company represent retained earnings.

	COMPANY	
	2017 $'000	2016 $'000
At 1 January	**633,735**	680,231
Profit for the year	**37,818**	25,298
Dividends paid	**(71,794)**	(71,794)
At 31 December	**599,759**	633,735

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Year ended 31 December 2017

18 DEFERRED TAX ASSETS AND LIABILITIES

	ASSETS		LIABILITIES	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Group				
Property, plant and equipment	**–**	–	**87**	48
Investment properties	**–**	–	**11,589**	11,430
Development properties	**(779)**	(92)	**–**	37
Investment	**–**	–	**723**	532
Others	**–**	–	**785**	578
Deferred tax (assets)/liabilities	**(779)**	(92)	**13,184**	12,625
Set off of tax	**166**	92	**(166)**	(92)
Net deferred tax (assets)/liabilities	**(613)**	–	**13,018**	12,533

Movements in deferred tax assets and liabilities during the year are as follows:

	BALANCE AS AT 1 JANUARY 2016 $'000	RECOGNISED IN PROFIT OR LOSS (NOTE 23) $'000	BALANCE AS AT 31 DECEMBER 2016 $'000	RECOGNISED IN PROFIT OR LOSS (NOTE 23) $'000	BALANCE AS AT 31 DECEMBER 2017 $'000
Group					
Deferred tax liabilities/(assets)					
Property, plant and equipment	39	9	48	**39**	**87**
Investment properties	11,401	29	11,430	**159**	**11,589**
Development properties	1,636	(1,691)	(55)	**(724)**	**(779)**
Investments	675	(143)	532	**191**	**723**
Others	248	330	578	**207**	**785**
Total	13,999	(1,466)	12,533	**(128)**	**12,405**
Company					
Deferred tax liabilities/(assets)					
Property, plant and equipment	20	6	26	**26**	**52**
Investment property	2,178	–	2,178	**–**	**2,178**
Development property	(119)	27	(92)	**(73)**	**(165)**
Others	120	278	398	**95**	**493**
Total	2,199	311	2,510	**48**	**2,558**

Deferred tax assets have not been recognised in respect of deductible temporary differences amounting to $79.7 million (2016: $164.3 million) and $3.5 million (2016: $3.5 million) for the Group and the Company respectively. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of the deductible temporary differences because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

19 TRADE PAYABLES

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Expected cash flows in the next:				
1 – 30 days	**5,818**	19,501	**322**	165
31 – 60 days	**2,398**	12,042	**161**	129
61 – 90 days	**7,565**	2,040	**548**	542
More than 90 days, but less than 1 year	**61,784**	39,267	**3,247**	3,253
	77,565	72,850	**4,278**	4,089

Trade payables of the Group and the Company comprise mainly amounts owing to contractors for the construction of/additions to the development properties/investment properties. Included in trade payables is $731,000 (2016: $2,100,000) which relates to amounts due to related corporations.

20 DEFERRED INCOME AND OTHER PAYABLES

	GROUP		COMPANY	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Accrued expenses	**8,361**	8,885	**3,173**	3,375
Deposits	**17,264**	18,952	**3,159**	3,500
Deposits from related companies	**479**	352	**479**	352
Income received in advance	**88,182**	74,611	**97**	127
Others	**11,081**	7,274	**1,103**	1,101
	125,367	110,074	**8,011**	8,455

Included in the income received in advance is $76,115,000 (2016: $74,003,000) which relates to the sales consideration billed to purchasers of the properties under development where revenue is to be recognised on delivery of development property units to the purchasers.

21 REVENUE

	GROUP	
	2017	2016
	$'000	$'000
Properties held for sale:		
- Recognised on completion of contract method	**109,294**	67,696
- Recognised on percentage of completion method	**350,842**	626,319
	460,136	694,015
Rental income	**60,274**	62,401
Dividend income from investments	**7,339**	3,932
Interest income from investments	**5,992**	9,325
	533,741	769,673

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22 OPERATING SEGMENTS

Business Segments

The Group has three reportable segments as described below. For each of the reportable segment, the Group's chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

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 equity and debt securities.

Other operations include investment holding company and provision of management services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	PROPERTY DEVELOPMENT $'000	PROPERTY INVESTMENT $'000	INVESTMENTS $'000	OTHER OPERATIONS $'000	INTER-SEGMENT ELIMINATIONS $'000	TOTAL $'000
2017						
External revenue*	**460,136**	**60,274**	**13,331**	**–**	**–**	**533,741**
Inter-segment revenue	**–**	**1,909**	**–**	**4,452**	**(6,361)**	**–**
Interest income	**3,829**	**22**	**–**	**16,202**	**(16,202)**	**3,851**
Interest expense	**(7,153)**	**–**	**–**	**(5,639)**	**12,792**	**–**
Depreciation	**(22)**	**(105)**	**–**	**(81)**	**–**	**(208)**
Reportable segment profit before taxation	**50,406**	**39,819**	**11,382**	**8,116**	**8,099**	**117,822**
Share of profit of associates	**–**	**–**	**–**	**–**	**–**	**5,599**
Other material non-cash item:						
- Write-back of diminution in value of a development property	**12,125**	**–**	**–**	**–**	**–**	**12,125**
Reportable segment assets	**1,571,118**	**1,315,510**	**497,045**	**1,015,898**	**(1,634,249)**	**2,765,322**
Interests in associates	**–**	**–**	**–**	**–**	**–**	**584,132**
Capital expenditure**	**–**	**1,116**	**–**	**202**	**–**	**1,318**
Reportable segment liabilities	**398,104**	**77,811**	**347,321**	**622,097**	**(1,242,401)**	**202,932**

22 OPERATING SEGMENTS *(cont'd)*

Business Segments *(cont'd)*

	PROPERTY DEVELOPMENT $'000	PROPERTY INVESTMENT $'000	INVESTMENTS $'000	OTHER OPERATIONS $'000	INTER-SEGMENT ELIMINATIONS $'000	TOTAL $'000
2016						
External revenue*	694,015	62,401	13,257	–	–	769,673
Inter-segment revenue	–	2,070	–	8,399	(10,469)	–
Interest income	4,179	22	–	11,491	(11,491)	4,201
Interest expense	(4,613)	–	–	(5,651)	8,394	(1,870)
Depreciation	(24)	(105)	–	(97)	–	(226)
Reportable segment profit/(loss) before taxation	22,509	(15,611)	16,799	5,223	19,198	48,118
Share of profit of associates	–	–	–	–	–	12,523
Other material non-cash item:						
- Write-back of diminution in value of a development property	8,200	–	–	–	–	8,200
Reportable segment assets	1,650,105	1,270,775	312,914	1,196,890	(1,805,885)	2,624,799
Interests in associates	–	–	–	–	–	575,577
Capital expenditure**	2	1,762	–	121	–	1,885
Reportable segment liabilities	704,864	78,879	219,451	602,961	(1,423,231)	182,924

* External revenue from property development relates to revenue recognised on development property sold using the percentage of completion method and completion of contract method.

** Comprises property, plant and equipment of $401,000 (2016: $132,000) and expenditure on investment properties of $917,000 (2016: $1,753,000).

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Year ended 31 December 2017

22 OPERATING SEGMENTS *(cont'd)*

Business Segments *(cont'd)*

Reconciliation of reportable segments

	GROUP	
	2017 $'000	2016 $'000
Profit before taxation		
Total profit before taxation for reportable segments	**117,822**	48,118
Share of profit of associates	**5,599**	12,523
Consolidated profit before taxation	**123,421**	60,641
Assets		
Total assets for reportable segments	**2,765,322**	2,624,799
Interests in associates	**584,132**	575,577
Unallocated deferred tax assets	**613**	–
Consolidated total assets	**3,350,067**	3,200,376
Liabilities		
Total liabilities for reportable segments	**202,932**	182,924
Unallocated current and deferred tax liabilities	**19,025**	28,166
Consolidated total liabilities	**221,957**	211,090

Geographical Segments

The operations of the Group are principally located in Singapore and People's Republic of China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of revenue sources. Segment assets are based on the geographical location of the assets.

	SINGAPORE $'000	PEOPLE'S REPUBLIC OF CHINA $'000	OTHER COUNTRIES $'000	TOTAL $'000
2017				
Revenue	**411,341**	**122,400**	**–**	**533,741**
Non-current assets #	**1,678,640**	**49**	**–**	**1,678,689**
Reportable segment assets	**2,113,998**	**651,302**	**22**	**2,765,322**
2016				
Revenue	688,720	80,953	–	769,673
Non-current assets #	1,670,003	80	–	1,670,083
Reportable segment assets	2,049,391	575,383	25	2,624,799

Include investment properties, property, plant and equipment, interests in associates and club memberships.

22 OPERATING SEGMENTS *(cont'd)*

Major customers

There are no major customers which solely account for 10% or more of the Group's revenue.

23 TAX EXPENSE

	GROUP	
	2017	2016
	$'000	$'000
Current tax expense		
Current year	**5,591**	14,662
Over provision in respect of prior years	**(369)**	(12,536)
	5,222	2,126
Deferred tax expense		
Origination and reversal of temporary differences	**(169)**	(555)
Under/(Over) provision in respect of prior years	**41**	(911)
	(128)	(1,466)
Land appreciation tax		
Current year	**3,097**	1,632
	8,191	2,292

	GROUP	
	2017	2016
	$'000	$'000
Reconciliation of effective tax rate		
Profit before taxation	**123,421**	60,641
Share of profit of associates, net of tax	**(5,599)**	(12,523)
	117,822	48,118
Tax using Singapore tax rate of 17% (2016: 17%)	**20,030**	8,180
Deferred tax assets not recognised	**2,537**	611
Effect of tax rates in foreign jurisdictions	**443**	(151)
Non-deductible expenses	**640**	12,484
Tax exempt income	**(412)**	(1,888)
Over provision in respect of prior years	**(328)**	(13,447)
Utilisation of deferred tax assets previously not recognised	**(17,225)**	(3,698)
Tax incentives	**(221)**	(247)
Land appreciation tax	**3,097**	1,632
Others	**(370)**	(1,184)
	8,191	2,292

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for tax and deferred tax provisions in the period in which such determination is made.

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23 TAX EXPENSE *(cont'd)*

Land appreciation tax

Under the Provisional Regulations on Land Appreciation Tax (LAT), all gains arising from transfer of real estate property in PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds on sales of properties less deductible expenditure including cost of land use rights, borrowing costs and all property development expenditure.

24 PROFIT FOR THE YEAR

The following items have been charged/(credited) in arriving at profit for the year:

	NOTE	GROUP 2017 $'000	2016 $'000
Audit fees paid to:			
- Auditors of the Company	24(a)	**405**	359
- Other auditors of the Company		**1**	5
Non-audit fees paid to auditors of the Company	24(b)	**168**	285
Direct operating costs for income-generating investment properties		**14,889**	16,855
Staff costs	24(c)	**12,283**	11,743
(a) Audit fees paid to auditors of the Company:		**415**	373
- capitalised into development properties		**(10)**	(14)
- charged to profit or loss		**405**	359
(b) Non-audit fees paid to auditors of the Company:		**175**	294
- capitalised into development properties		**(7)**	(9)
- charged to profit or loss		**168**	285
(c) Staff costs:			
- wages, salaries and benefits-in-kind		**12,477**	12,453
- contributions to defined contribution plans		**1,254**	1,283
		13,731	13,736
- capitalised into development properties		**(1,448)**	(1,993)
- charged to profit or loss		**12,283**	11,743
(d) Directors' remuneration:			
- charged to profit or loss		**2,024**	2,066
(e) Finance costs:			
- interest on borrowings paid and payable to banks		**–**	6,560
- other financing costs		**–**	1,562
		–	8,122
- interest on borrowings paid and payable to banks capitalised into development properties		**–**	(4,690)
- other financing costs capitalised into development properties		**–**	(1,260)
- charged to profit or loss		**–**	2,172

25 OTHER INCOME

	NOTE	GROUP 2017 $'000	GROUP 2016 $'000
Interest income	25(a)	**3,851**	4,201
Gain on disposal of investments		**430**	3,553
Others		**2,089**	2,253
		6,370	10,007
(a) Interest income:			
- cash balances		**4,999**	4,824
- others		**33**	68
		5,032	4,892
- capitalised into development properties		**(1,181)**	(691)
- credited to profit or loss		**3,851**	4,201

26 OTHER OPERATING EXPENSES

	GROUP 2017 $'000	GROUP 2016 $'000
Exchange loss/(gain):		
- effective portion of changes in fair value of fair value hedges	**8,995**	(2,705)
- net change in fair value of forward exchange contracts	**(686)**	(1,031)
- realised forward exchange contracts (net)	**(7,622)**	3,640
- others	**297**	301
	984	205
Loss on disposal of property, plant and equipment	**16**	1
Loss on disposal of other assets	**94**	–
Fixtures, plant and equipment included in investment property written off (refer to note 5)	**–**	43
Write-back of impairment loss on trade receivables (refer to note 12)	**(49)**	(80)
Irrecoverable GST expense	**195**	152
	1,240	321

27 EARNINGS PER SHARE

	GROUP 2017 $'000	GROUP 2016 $'000
Basic and diluted earnings per share are based on:		
(i) Net profit attributable to ordinary shareholders	**115,230**	58,349
	'000	**'000**
(ii) Issued ordinary shares at beginning and end of the year	**1,196,560**	1,196,560

Notes to the Financial Statements

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28 DIVIDENDS

The following first and final exempt (one-tier) dividends were declared and paid by the Company:

	COMPANY	
	2017 $'000	2016 $'000
6.0 cents per share (2016: 6.0 cents)	**71,794**	71,794

After the reporting date, the following first and final exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for:

	COMPANY	
	2017 $'000	2016 $'000
6.0 cents per share (2016: 6.0 cents)	**71,794**	71,794

29 COMMITMENTS

(i) Operating lease

The Group leases out its investment properties, Wheelock Place and Scotts Square Retail, held under operating leases during the financial year. The future minimum lease payments receivable under non-cancellable leases are as follows:

	GROUP	
	2017 $'000	2016 $'000
Within 1 year	**48,834**	47,221
After 1 year but within 2 years	**34,282**	41,761
After 2 years but within 3 years	**17,487**	25,557
After 3 years but within 4 years	**5,536**	10,474
After 4 years but within 5 years	**1,227**	2,653
	107,366	127,666

The lease typically runs for an initial period from 2 to 5 years. The non-cancellable operating lease receivables have not taken into account the potential new and renewal of leases and revision of rental rates after the expiry of these leases.

(ii) Commitments

	GROUP	
	2017 $'000	2016 $'000
Commitments in respect of:		
- capital expenditure contracted for the additions to the investment property but not provided for	**337**	1,384
- development expenditure contracted for the construction of the development properties but not provided for	**10,869**	47,399
	11,206	48,783

30 RELATED PARTIES

Transactions with key management personnel

Key management personnel compensation comprised:

	GROUP	
	2017 $'000	2016 $'000
Short-term employee benefits	**1,635**	1,660
Contributions to defined contribution plans	**28**	28
Directors fees	**361**	378
	2,024	2,066

Other related party transactions

Other than as disclosed elsewhere in the financial statements, significant related party transactions carried out at terms agreed upon between the Group and its related parties during the financial year are as follows:

	GROUP	
	2017 $'000	2016 $'000
Rental income received from related companies	**304**	469
Brokerage and related fees paid to a related company	**3**	2
Capital expenditure and advertising and promotion expenses paid and payable to related companies	**93**	528
Project consultancy and design service fees paid to related companies	**1,929**	2,333
Maintenance fee paid to a related company	**454**	–
Professional fees paid to a related company	**20**	–
Payroll and other expenses paid on behalf (net)	**156**	179

31 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Notes to the Financial Statements

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31 FINANCIAL INSTRUMENTS *(cont'd)*

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for overseeing the Group's risk management policies. The Audit and Risk Management Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

Credit risk

Credit risk is the risk of financial loss resulting from the failure of customers or other parties to settle their financial and contractual obligations to the Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Monies due from the customers are followed up, reviewed on a regular basis to understand the reasons of non-payment or delay in payment, if any, so that appropriate actions can be implemented promptly.

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables. The main component of this allowance is specific loss that relates to individually significant exposure.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions of significant standing. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities which are placed with a diversity of creditworthy financial institutions.

31 FINANCIAL INSTRUMENTS *(cont'd)*

Credit risk *(cont'd)*

The carrying amounts of financial assets represent the maximum credit exposure. The Group's and the Company's maximum exposure to credit risk at the reporting date was:

		GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
	NOTE	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Amounts due from subsidiaries*	6	**–**	–	**352,487**	657,883
Investments	9	**428,639**	204,135	**–**	–
Trade and accrued receivables	12	**165,446**	32,936	**4,587**	873
Amounts due from related corporations	13	**11**	43	**11**	41
Other receivables**	14	**10,195**	6,873	**1,600**	1,064
Cash and cash equivalents	15	**766,229**	471,946	**580,850**	365,649
		1,370,520	715,933	**939,535**	1,025,510

* Excludes interest-free inter-company loans to subsidiaries of $576,204,000 (2016: $447,179,000) which represent the Company's net investments in the subsidiaries.

** Excludes prepaid expenses of $5,177,000 (2016: $5,251,000) and $1,571,000 (2016: $1,604,000) for the Group and the Company respectively.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. All the properties under development have adequate cash or financing from the Group to ensure availability of funding till project completion.

Notes to the Financial Statements

Year ended 31 December 2017

31 FINANCIAL INSTRUMENTS *(cont'd)*

Liquidity risk *(cont'd)*

The following are the contractual maturity of the Group's and the Company's financial liabilities, including estimated interest payments:

	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	WITHIN 1 YEAR $'000
Group			
2017			
Non-derivative financial liabilities			
Trade payables	**77,565**	**77,565**	**77,565**
Deferred income and other payables*	**37,185**	**37,185**	**37,185**
	114,750	**114,750**	**114,750**
Derivative financial instruments			
Forward exchange contracts (net-settled)	**(875)**	**(875)**	**(875)**
	113,875	**113,875**	**113,875**
2016			
Non-derivative financial liabilities			
Trade payables	72,850	72,850	72,850
Deferred income and other payables*	35,463	35,463	35,463
	108,313	108,313	108,313
Derivative financial instruments			
Forward exchange contracts (net-settled)	(189)	(189)	(189)
	108,124	108,124	108,124

31 FINANCIAL INSTRUMENTS *(cont'd)*

Liquidity risk *(cont'd)*

	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	WITHIN 1 YEAR $'000
Company			
2017			
Non-derivative financial liabilities			
Trade payables	**4,278**	**4,278**	**4,278**
Deferred income and other payables*	**7,914**	**7,914**	**7,914**
Amounts due to subsidiaries	**357,192**	**357,192**	**357,192**
	369,384	**369,384**	**369,384**
2016			
Non-derivative financial liabilities			
Trade payables	4,089	4,089	4,089
Deferred income and other payables*	8,328	8,328	8,328
Amounts due to subsidiaries	305,872	305,872	305,872
	318,289	318,289	318,289

* Excludes income received in advance of $88,182,000 (2016: $74,611,000) and $97,000 (2016: $127,000) for the Group and the Company respectively.

The maturity analysis shows the undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to the Group's cash deposits with financial institutions. Interest rates on cash deposits are determined based on floating market rates. The Group does not use derivative financial instruments to hedge interest rate risk.

Notes to the Financial Statements

Year ended 31 December 2017

31 FINANCIAL INSTRUMENTS *(cont'd)*

Interest rate risk *(cont'd)*

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Variable rate instrument				
Financial assets	**763,480**	465,365	**580,165**	365,122

Sensitivity analysis

A change of 10 basis points (bp) in interest rates at the reporting date would have increased/(decreased) profit before taxation by the amounts shown below. This analysis assumes that all other variables remain constant.

	GROUP PROFIT BEFORE TAXATION		COMPANY PROFIT BEFORE TAXATION	
	10 BP INCREASE $'000	10 BP DECREASE $'000	10 BP INCREASE $'000	10 BP DECREASE $'000
2017				
Variable rate instrument	**763**	**(763)**	**580**	**(580)**
2016				
Variable rate instrument	465	(465)	365	(365)

Currency risk

The Group is exposed to currency risk on investments that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the Hong Kong Dollars (HKD) and the United States Dollars (USD).

In respect of non-monetary and monetary assets held in currency other than Singapore dollars, the Group uses forward exchange contracts to hedge foreign currency risks arising from its HKD denominated equity securities and USD denominated debt securities. Most of the forward exchange contracts would have maturities of less than 3 months after the reporting date. Where necessary, the forward exchange contracts are rolled over at maturity.

The fair value of the forward exchange contract designated as hedging instrument comprises derivative asset of $419,000 (2016: $49,000) as at 31 December 2017.

31 FINANCIAL INSTRUMENTS *(cont'd)*

Currency risk *(cont'd)*

As at 31 December 2017, the Group has 4 (2016: 5) forward exchange contracts amounting to $207,560,000 (2016: $217,818,000).

Exposure to currency risk

Balances are denominated in the following currencies:

	HKD $'000	USD $'000	TOTAL $'000
Group			
2017			
Investments	**175,584**	**103,370**	**278,954**
Other receivables	**2,116**	**2,661**	**4,777**
Cash and cash equivalents	**–**	**270**	**270**
Forward exchange contracts	**(100,627)**	**(106,933)**	**(207,560)**
Net exposure	**77,073**	**(632)**	**76,441**
2016			
Investments	96,128	108,007	204,135
Amounts due from related corporations	1	–	1
Other receivables	–	3,126	3,126
Cash and cash equivalents	–	304	304
Forward exchange contracts	(109,622)	(108,196)	(217,818)
Net exposure	(13,493)	3,241	(10,252)
Company			
2017			
Amounts due from subsidiaries	**102,112**	**450,902**	**553,014**
Cash and cash equivalents	**–**	**170**	**170**
	102,112	**451,072**	**553,184**
2016			
Amounts due from subsidiaries	111,240	474,391	585,631
Cash and cash equivalents	–	195	195
	111,240	474,586	585,826

Notes to the Financial Statements

Year ended 31 December 2017

31 FINANCIAL INSTRUMENTS *(cont'd)*

Currency risk *(cont'd)*

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group entities at the reporting date held by the Group would increase/(decrease) equity and profit before taxation by the amounts shown below. Similarly, a 10% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	GROUP		COMPANY	
	PROFIT BEFORE TAXATION $'000	EQUITY $'000	PROFIT BEFORE TAXATION $'000	EQUITY $'000
2017				
HKD	**(9,851)**	**17,558**	**10,211**	**–**
USD	**(63)**	**–**	**45,107**	**–**
2016				
HKD	(10,962)	9,613	11,124	–
USD	324	–	47,459	–

Equity price risk - Sensitivity analysis

The Group has investment in quoted equity securities. A 10% increase/(decrease) in the underlying equity prices at the reporting dates would increase/(decrease) equity by the following amounts:

	2017 $'000	2016 $'000
Quoted equity investment available-for-sale	**32,527**	9,613

This analysis assumes that all other variables remain constant.

31 FINANCIAL INSTRUMENTS *(cont'd)*

Accounting classification and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		CARRYING AMOUNT					FAIR VALUE			
	NOTE	FAIR VALUE – DERIVATIVE INSTRUMENTS $'000	LOANS AND RECEIVABLES $'000	AVAILABLE-FOR-SALE $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Group										
2017										
Financial assets measured at fair value										
Investments	9	–	–	428,639	–	428,639	428,639	–	–	428,639
Forward exchange contracts	14	875	–	–	–	875	–	875	–	875
		875	–	428,639	–	429,514				
Financial assets not measured at fair value										
Trade and accrued receivables	12	–	165,446	–	–	165,446				
Amounts due from related corporations	13	–	11	–	–	11				
Other receivables*	14	–	9,320	–	–	9,320				
Cash and cash equivalents	15	–	766,229	–	–	766,229				
		–	941,006	–	–	941,006				
Financial liabilities not measured at fair value										
Trade payables	19	–	–	–	77,565	77,565				
Deferred income and other payables**	20	–	–	–	37,185	37,185				
		–	–	–	114,750	114,750				

Notes to the Financial Statements

Year ended 31 December 2017

31 FINANCIAL INSTRUMENTS *(cont'd)*

Accounting classification and fair values *(cont'd)*

		CARRYING AMOUNT					FAIR VALUE			
	NOTE	FAIR VALUE – DERIVATIVE INSTRUMENTS $'000	LOANS AND RECEIVABLES $'000	AVAILABLE-FOR-SALE $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Group										
2016										
Financial assets measured at fair value										
Investments	9	–	–	204,135	–	204,135	204,135	–	–	204,135
Forward exchange contracts	14	189	–	–	–	189	–	189	–	189
		189	–	204,135	–	204,324				
Financial assets not measured at fair value										
Trade and accrued receivables	12	–	32,936	–	–	32,936				
Amounts due from related corporations	13	–	43	–	–	43				
Other receivables*	14	–	6,684	–	–	6,684				
Cash and cash equivalents	15	–	471,946	–	–	471,946				
		–	511,609	–	–	511,609				
Financial liabilities not measured at fair value										
Trade payables	19	–	–	–	72,850	72,850				
Deferred income and other payables**	20	–	–	–	35,463	35,463				
		–	–	–	108,313	108,313				

31 FINANCIAL INSTRUMENTS *(cont'd)*

Accounting classification and fair values *(cont'd)*

		CARRYING AMOUNT					FAIR VALUE			
	NOTE	FAIR VALUE – DERIVATIVE INSTRUMENTS $'000	LOANS AND RECEIVABLES $'000	AVAILABLE-FOR-SALE $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Company										
2017										
Financial assets not measured at fair value										
Amounts due from subsidiaries***	6	–	**352,487**	–	–	**352,487**	–	**342,255**	–	**342,255**
Trade and accrued receivables	12	–	**4,587**	–	–	**4,587**				
Amounts due from related corporations	13	–	**11**	–	–	**11**				
Other receivables*	14	–	**1,600**	–	–	**1,600**				
Cash and cash equivalents	15	–	**580,850**	–	–	**580,850**				
		–	**939,535**	–	–	**939,535**				
Financial liabilities not measured at fair value										
Trade payables	19	–	–	–	**4,278**	**4,278**				
Deferred income and other payables**	20	–	–	–	**7,914**	**7,914**				
Amounts due to subsidiaries	6	–	–	–	**357,192**	**357,192**				
		–	–	–	**369,384**	**369,384**				

Notes to the Financial Statements

Year ended 31 December 2017

31 FINANCIAL INSTRUMENTS *(cont'd)*

Accounting classification and fair values *(cont'd)*

		CARRYING AMOUNT					FAIR VALUE			
	NOTE	FAIR VALUE – DERIVATIVE INSTRUMENTS $'000	LOANS AND RECEIVABLES $'000	AVAILABLE-FOR-SALE $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Company										
2016										
Financial assets not measured at fair value										
Amounts due from subsidiaries***	6	–	657,883	–	–	657,883	–	658,780	–	658,780
Trade and accrued receivables	12	–	873	–	–	873				
Amounts due from related corporations	13	–	41	–	–	41				
Other receivables*	14	–	1,064	–	–	1,064				
Cash and cash equivalents	15	–	365,649	–	–	365,649				
		–	1,025,510	–	–	1,025,510				
Financial liabilities not measured at fair value										
Trade payables	19	–	–	–	4,089	4,089				
Deferred income and other payables**	20	–	–	–	8,328	8,328				
Amounts due to subsidiaries	6	–	–	–	305,872	305,872				
		–	–	–	318,289	318,289				

* Excludes prepaid expenses and forward exchange contracts of $6,052,000 (2016: $5,440,000) and $1,571,000 (2016: $1,604,000) for the Group and the Company respectively.

** Excludes income received in advance of $88,182,000 (2016: $74,611,000) and $97,000 (2016: $127,000) for the Group and the Company respectively.

*** Excludes interest-free inter-company loans to subsidiaries of $576,204,000 (2016: $447,179,000) which represent the Company's net investments in the subsidiaries.

31 FINANCIAL INSTRUMENTS *(cont'd)*

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

TYPE	VALUATION TECHNIQUE
Group	
Derivatives	The fair value of financial derivatives instrument is derived from valuation from the bank, which were based on valuation techniques in which significant inputs were based on observable market data.

Financial instruments not measured at fair value

TYPE	VALUATION TECHNIQUE
Company	
Amounts due from subsidiaries	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS

Applicable to 2018 financial statements

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading on the Singapore Exchange, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

Notes to the Financial Statements

Year ended 31 December 2017

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

Applicable to 2018 financial statements *(cont'd)*

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date:

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and measurement of share-based payment transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of investment property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group and the Company do not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for SFRS(I) 15 and SFRS(I) 9 for the Group.

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The impact of assessment of adopting SFRS(I) is preliminary because accounting policy and transition changes can continue to be made until 31 December 2018. The following reconciliations provide an estimate of the expected impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group's financial position as at 31 December 2017 and 1 January 2018 and the Group's profit or loss and other comprehensive income for the year ended 31 December 2017 except the assessment of the estimated impact from the subsidiary in China and the associate, 68 Holdings Pte. Ltd..

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

Statement of Financial Position for the Group

		31 DECEMBER 2017			1 JANUARY 2018	
	NOTE	CURRENT FRAME-WORK $'000	SFRS(I) 15 $'000	SFRS(I) FRAME-WORK $'000	SFRS(I) 9 $'000	SFRS(I) FRAME-WORK $'000
Assets						
Investments	(iv)	**428,639**	**–**	**428,639**	(1,196)	427,443
Others		**1,679,302**	**–**	**1,679,302**	–	1,679,302
Non-current assets		**2,107,941**	**–**	**2,107,941**	(1,196)	2,106,745
Development properties	(i)	**295,068**	**874**	**295,942**	–	295,942
Trade and accrued receivables		**165,446**	**–**	**165,446**	–	165,446
Others		**781,612**	**–**	**781,612**	–	781,612
Current assets		**1,242,126**	**874**	**1,243,000**	–	1,243,000
Total assets		**3,350,067**	**874**	**3,350,941**	(1,196)	3,349,745
Equity						
Retained earnings		**1,962,792**	**898**	**1,963,690**	(1,196)	1,962,494
Others		**1,165,318**	**(24)**	**1,165,294**	–	1,165,294
Total equity		**3,128,110**	**874**	**3,128,984**	(1,196)	3,127,788
Liabilities						
Deferred tax liabilities		**13,018**	**–**	**13,018**	–	13,018
Non-current liability		**13,018**	**–**	**13,018**	–	13,018
Trade and other payables		**202,932**	**–**	**202,932**	–	202,932
Others		**6,007**	**–**	**6,007**	–	6,007
Current liabilities		**208,939**	**–**	**208,939**	–	208,939
Total liabilities		**221,957**	**–**	**221,957**	–	221,957
Total equity and liabilities		**3,350,067**	**874**	**3,350,941**	(1,196)	3,349,745

Notes to the Financial Statements

Year ended 31 December 2017

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

Consolidated Statement of Profit or Loss

	NOTE	31 DECEMBER 2017 CURRENT FRAME-WORK $'000	SFRS(I) 15 $'000	SFRS(I) FRAME-WORK $'000
Continuing operations				
Revenue		**533,741**	**–**	**533,741**
Cost of sales	(i), (ii)	**(406,062)**	**(15,405)**	**(421,467)**
Gross profit		**127,679**	**(15,405)**	**112,274**
Other income		**6,370**	**–**	**6,370**
Selling and marketing expenses	(i)	**(11,259)**	**59**	**(11,200)**
Administrative and corporate expenses		**(14,936)**	**–**	**(14,936)**
Other operating expenses				
- write-back of diminution in value of a development property		**12,125**	**–**	**12,125**
- change in fair value on investment properties		**(917)**	**–**	**(917)**
- others		**(1,240)**	**–**	**(1,240)**
		9,968	**–**	**9,968**
Share of profit of associates, net of tax		**5,599**	**–**	**5,599**
Profit/(Loss) before taxation		**123,421**	**(15,346)**	**108,075**
Tax expense		**(8,191)**	**–**	**(8,191)**
Profit/(Loss) for the year		**115,230**	**(15,346)**	**99,884**

Consolidated Statement of Comprehensive Income

	NOTE	31 DECEMBER 2017 CURRENT FRAME-WORK $'000	SFRS(I) 15 $'000	SFRS(I) FRAME-WORK $'000
Profit/(Loss) for the year	(i), (ii)	**115,230**	**(15,346)**	**99,884**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Share of other comprehensive income of associate, net of tax		**(100)**	**–**	**(100)**
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income of associate, net of tax		**3,056**	**–**	**3,056**
Others		**92,432**	**–**	**92,432**
Other comprehensive income for the year, net of tax		**95,388**	**–**	**95,388**
Total comprehensive income for the year		**210,618**	**(15,346)**	**195,272**

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

SFRS(I) 1

When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

SFRS(I) 15

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 plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 December 2018, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative period presented in the 2018 financial statements will be restated.

The expected impact upon the adoption of SFRS(I) 15 are described below. The information below reflects the Group's expectations of the implications arising from the changes in accounting treatment. Effects may change when the transition adjustments are finalised.

Development properties sales

(i) Sales commissions paid to sales or marketing agents on the sale of real estate units

The Group pays commissions to property agents on the sale of property and currently recognises such commissions as expense when incurred. Under SFRS(I) 15, the Group will capitalise such commissions as incremental costs to obtain a contract with customer if these costs are recoverable. These costs are amortised to profit or loss as the Group recognises the related revenue.

(ii) Amortisation of contract costs

The Group currently recognises cost of sales based on the estimated total construction costs for its sold units using the developments' percentage of completion. However, under SFRS(I) 15, the Group will recognise the costs of its sold units as expenses when incurred.

Notes to the Financial Statements

Year ended 31 December 2017

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

SFRS(I) 9

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 general hedge accounting requirement.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

- The following assessments have to be made on the basis of facts and circumstances that existed at 1 January 2018.

  - The determination of the business model within which a financial asset is held.

  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI).

  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).

- If an investment in a debt security has low credit risk at 1 January 2018, the Group plans to assume that the credit risk on the asset has not increased significantly since its initial recognition.

- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 *Financial Instruments: Recognition and Measurement* at 31 December 2017 that meet the criteria for hedge accounting under SFRS(I) 9 at 1 January 2018 will be regarded as continuing hedging relationships.

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

SFRS(I) 9 *(cont'd)*

(iii) Classification and measurement: financial assets

The Group has assessed and accounted for its investments through FVOCI.

(iv) Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and any contract assets arising from the application of SFRS(I) 15. The Group and the Company do not expect a significant increase in impairment for trade and other receivables as at 1 January 2018. The Group expects an increase in ECL of $1.2 million (excluding tax impact) for debt securities as at 1 January 2018.

The Group is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon finalisation.

Applicable to financial statements for the year 2019 and thereafter

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)

Notes to the Financial Statements

Year ended 31 December 2017

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

Applicable to financial statements for the year 2019 and thereafter *(cont'd)*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have an impact on the Group, is as described below.

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2019 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 January 2019. Accordingly, existing lease contracts that are still effective on 1 January 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to note 29).

Until 2018, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

(i) The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

32 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS *(cont'd)*

SFRS(I) 16 *(cont'd)*

(ii) The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

Shareholding Statistics

As at 21 March 2018

Issued and Fully Paid-Up Capital	:	$1,055,901,224
Number of Ordinary Shares Issued	:	1,196,559,876
Voting Rights	:	One vote per ordinary share
Number/Percentage of Treasury Shares	:	Nil
Number/Percentage of Subsidiary Holdings*	:	Nil

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

NAME OF SHAREHOLDERS	NO. OF SHARES		%
	DIRECT INTERESTS	DEEMED INTERESTS	
Star Attraction Limited [1]	911,926,746	-	76.21
Wheelock Investments Limited [1] [2]	-	911,926,746	76.21
Wheelock and Company Limited [2]	-	911,926,746	76.21

Notes:

(1) Star Attraction Limited (SAL) is a wholly-owned subsidiary of Wheelock Investments Limited (WIL). Accordingly, pursuant to Section 4 of the Securities and Futures Act, Chapter 289, WIL is deemed to be interested in the 911,926,746 ordinary shares (that SAL has a direct interest in) by virtue of its interest in SAL.

(2) WIL is a wholly-owned subsidiary of Wheelock and Company Limited (WCL). In accordance with Section 4 of the Securities and Futures Act, Chapter 289, WCL, by virtue of its interest in WIL, is deemed to be interested in the 911,926,746 ordinary shares (that SAL has a direct interest in), over which WIL has a deemed interest.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHARES
1 to 99	176	2.00	4,464	0.00
100 to 1,000	1,033	11.73	877,681	0.07
1,001 to 10,000	5,291	60.08	28,036,778	2.34
10,001 to 1,000,000	2,283	25.92	101,658,398	8.50
1,000,001 and above	24	0.27	1,065,982,555	89.09
Total	8,807	100.00	1,196,559,876	100.00

Based on information available to the Company as at 21 March 2018, approximately 23.78% of the issued ordinary shares of the Company is held by the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

* "Subsidiary Holdings" is defined in the Listing Rules to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap. 50.

20 LARGEST SHAREHOLDERS

(as shown in the Register of Members)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1	Star Attraction Limited	907,229,746	75.82
2	Citibank Nominees Singapore Pte Ltd	35,838,681	3.00
3	BPSS Nominees Singapore (Pte.) Ltd.	30,486,500	2.55
4	DBS Nominees Pte Ltd	25,096,332	2.10
5	United Overseas Bank Nominees Pte Ltd	9,480,696	0.79
6	DBS Vickers Securities (Singapore) Pte Ltd	7,339,500	0.61
7	Raffles Nominees (Pte) Ltd	6,800,469	0.57
8	HSBC (Singapore) Nominees Pte Ltd	5,906,469	0.49
9	OCBC Securities Pte Ltd	5,563,919	0.46
10	CGS-CIMB Securities (Singapore) Pte Ltd	4,220,838	0.35
11	Domitian Investment Pte Ltd	3,747,800	0.31
12	UOB Kay Hian Pte Ltd	2,827,400	0.24
13	OCBC Nominees Singapore Pte Ltd	2,648,005	0.22
14	Chong Kah Min	2,540,000	0.21
15	Maybank Kim Eng Securities Pte Ltd	2,526,039	0.21
16	Oversea-Chinese Bank Nominees Pte Ltd	2,454,200	0.21
17	DBSN Services Pte Ltd	2,242,800	0.19
18	Phillip Securities Pte Ltd	1,643,435	0.14
19	Chong Yean Fong	1,480,000	0.12
20	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,321,726	0.11
	Total	1,061,394,555	88.70

Property Summary

PROPERTY NAME/ LOCATION	HELD BY	SITE AREA (SQ. METRE)	TENURE	APPROXIMATE GROSS FLOOR AREA (SQ. METRE)	TOTAL NUMBER OF UNITS	DATE OF COMPLETION	EFFECTIVE GROUP INTEREST (%)
COMMERCIAL							
Wheelock Place comprising 16-storey office tower, 5-level office and shopping podium, 2-basement levels of shops & car parks situated at 501 Orchard Road	Everbilt Developers Pte Ltd	7,847	99 years lease commencing from 15.09.1990	43,280	-	Completed	100
RESIDENTIAL							
Ardmore Three a condominium development situated at 3 Ardmore Park	Botanica Pte. Ltd.	5,108	Freehold	15,826	84	Completed	100
The Panorama a condominium development situated at Ang Mo Kio Ave 2	Pinehill Investments Pte. Ltd.	18,482	99 years lease commencing from 08.04.2013	71,156	698	Completed	100
雍景山 a residential development situated at Fuyang City, Zhejiang, People's Republic of China	富汇房地产开发(富阳)有限公司	298,288	70 years lease commencing from 28.03.2012	338,782	2,500	2021	100
MIXED							
Scotts Square a residential-cum-retail development comprising 2 residential towers with 4-level shopping podium & 4-level of car parks situated at 6 & 8 Scotts Road	Wheelock Properties (Singapore) Limited	6,609	Freehold	30,538 (Residential) 12,161 (Retail)	338 (Residential)	Completed	100

Notice of Annual General Meeting

WHEELOCK PROPERTIES (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 197201797H

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of the Company will be held at Grand Ballroom, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883 on Friday, 27 April 2018 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2017 and the Auditors' Report thereon. **Resolution 1**

2. To approve a first and final dividend of 6 cents tax exempt (one-tier) dividend per share for the financial year ended 31 December 2017. **Resolution 2**

3. To approve the payment of Directors' fees of $361,100 (2016: $361,100) for the financial year ended 31 December 2017. **Resolution 3**

4. To re-elect the following Directors retiring pursuant to Regulation 114 of the Constitution of the Company:

   a) Mr Horace Wai-Chung Lee **Resolution 4**

   b) Mr David Tik En Lim **Resolution 5**

5. To note the retirement of Mr Greg Fook Hin Seow as a Director of the Company pursuant to Regulation 114 of the Constitution of the Company at the conclusion of this Annual General Meeting.

6. To note the retirement of Mr Frank Yung-Cheng Yung as a Director of the Company at the conclusion of this Annual General Meeting.

7. To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration. **Resolution 6**

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

8. That pursuant to Section 161 of the Companies Act, Cap. 50 and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to: **Resolution 7**

(i) issue shares in the capital of the Company ("**shares**"); or

(ii) convertible securities; or

(iii) additional convertible securities issued pursuant to adjustments; or

(iv) shares arising from the conversion of the securities in (ii) and (iii) above,

(whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority or thereafter) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company),

provided that:

1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), provided that the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company ("**Shareholders**") (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed 10% of the total number of Issued Shares;

2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of any convertible securities;

   (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

   (iii) any subsequent bonus issue, consolidation or subdivision of shares;

   and in sub-paragraph (1) and (2) above, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

AS SPECIAL BUSINESS *(cont'd)*

3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

4) (unless revoked or varied by the Company in General Meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval by Shareholders of the Company is given, or the expiration of the period within which the next Annual General Meeting after such date is required by law to be held, whichever is the earlier.

9. That authority be and is hereby given to the Directors of the Company to make purchases from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings as at the date of this Resolution at any price to be determined by the Indirect Investments Committee up to but not exceeding the Maximum Price (as defined in the Addendum dated 12 April 2018 to Shareholders of the Company, being an addendum to the Annual Report of the Company for the year ended 31 December 2017), in accordance with the Guidelines on Share Purchases set out in the Appendix to the Addendum to Shareholders dated 13 April 2017 (the "**Guidelines on Share Purchases**") and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier (the "**Share Purchase Mandate**"). **Resolution 8**

10. To transact any other business as may properly be transacted at an Annual General Meeting.

By Order of The Board

Pearly Oon
Company Secretary

Singapore, 12 April 2018

Notice of Annual General Meeting

Notes:

1. (a) A Member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A Member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. A Member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or under the hand of its duly authorised officer or attorney.

4. Completion and return of the form of proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this form of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 501 Orchard Road #11-01, Wheelock Place, Singapore 238880 not less than 72 hours before the time appointed for the Meeting.

EXPLANATORY NOTES ON ORDINARY BUSINESS TO BE TRANSACTED:

Resolution 4
Mr Horace Wai-Chung Lee is a non-executive Director of the Company. He is also the Director and Group Financial Controller of Wheelock Corporate Services Limited and Wheelock Properties (Hong Kong) Limited, both wholly-owned subsidiaries of Wheelock and Company Limited, the Company's ultimate holding company. There are no other relationships (including immediate family relationships) between Mr Lee and the other Directors, the Company or any 10% shareholder of the Company. The profile of Mr Lee is set out on page 15 of the Annual Report.

Resolution 5
Mr David Tik En Lim, upon re-election, shall remain as member of the Audit & Risk Management and Nominating Committees. Mr Lim is considered by the Board of Directors to be independent and non-executive. There are no relationships (including immediate family relationships) between Mr Lim and the other Directors, the Company or any 10% shareholder of the Company. The profile of Mr Lim is set out on page 17 of the Annual Report.

Retirement of Mr Greg Fook Hin Seow
Mr Greg Fook Hin Seow has indicated his intention to retire at the Annual General Meeting pursuant to Regulation 114 of the Company's Constitution and has decided not to seek re-election. The Company wishes to note the retirement of Mr Seow as a Director of the Company and to place on record our appreciation to Mr Seow for his invaluable contribution. Consequent thereto, Mr Seow will also cease to be the Chairman of the Nominating Committee, and a member of the Audit & Risk Management and Remuneration Committees following the conclusion of the Annual General Meeting.

Retirement of Mr Frank Yung-Cheng Yung
Mr Frank Yung-Cheng Yung has indicated his intention to retire at the Annual General Meeting. The Company wishes to note the retirement of Mr Yung as a Director of the Company and to place on record our appreciation to Mr Yung for his invaluable advice and strong support. Consequent thereto, Mr Yung will also cease to be the Lead Independent Director, and a member of the Audit & Risk Management and Remuneration Committees following the conclusion of the Annual General Meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

Resolution 7
The Ordinary Resolution 7 proposed above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting, to issue shares and/or convertible securities in the capital of the Company and to issue shares in pursuance of such convertible securities, without seeking any further approval from Shareholders in general meeting, up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a pro rata basis to Shareholders.

Resolution 8
The Ordinary Resolution 8 proposed above, if passed, renews the Share Purchase Mandate and will authorise the Directors, from time to time, to purchase shares subject to and in accordance with the Guidelines on Share Purchases, the SGX-ST Listing Rules and such other laws and regulations as may for the time being be applicable.

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance its purchase or acquisition of shares.

An illustration on the financial impact of a purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2017 is set out in Section 5 of the Addendum.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notice of Books Closure and Dividend Payment Date

NOTICE IS HEREBY GIVEN that subject to Shareholders' approval for the proposed first and final dividend of 6 cents tax exempt (one-tier) dividend per share for the financial year ended 31 December 2017, the Register of Transfers and Register of Members will be closed from 8 May 2018 to 9 May 2018, both days inclusive, for the purpose of determining Shareholders' entitlement to the proposed dividend.

Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited of 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 7 May 2018 will be registered to determine Shareholders' entitlement to the proposed dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with the shares as at 7 May 2018 will be entitled to the proposed dividend.

The proposed dividend, if approved by Shareholders at the Annual General Meeting to be held on 27 April 2018, will be paid on 14 May 2018.

Proxy Form

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy Wheelock Properties (Singapore) Limited shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy/proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2018.

WHEELOCK PROPERTIES (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 197201797H

I/We, _____ (Name) _____ (NRIC/Passport No.)

of _____

being a *member/members of WHEELOCK PROPERTIES (SINGAPORE) LIMITED (the "Company"), hereby appoint:

NAME	ADDRESS	NRIC / PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS (%)

and/or (delete as appropriate)

as *my/our *proxy/proxies, to attend and to vote for *me/us on *my/our behalf at the 45th Annual General Meeting ("AGM") of the Company to be held at Grand Ballroom, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883 on Friday, 27 April 2018 at 2.00 p.m. and at any adjournment thereof in the following manner as specified below. If no specific direction as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they may on any other matter arising at the AGM and at any adjournment thereof.

NO.	RESOLUTIONS	FOR#	AGAINST#
1	To receive and adopt the Directors' Statement, Audited Financial Statements and Auditors' Report thereon		
2	To approve First and Final Dividend		
3	To approve Directors' fees		
4	To re-elect Mr Horace Wai-Chung Lee as Director		
5	To re-elect Mr David Tik En Lim as Director		
6	To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration		
7	To authorise the Directors to issue shares		
8	To approve the renewal of the Share Purchase Mandate		

* Delete accordingly.

\# Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✔) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2018.

SHARES HELD IN:	NUMBER OF SHARES
CDP Register	
Register of Members	

_____

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

1st fold here

PROXY FORM

Please Affix
Postage
Stamp Here

THE COMPANY SECRETARY
WHEELOCK PROPERTIES (SINGAPORE) LIMITED
501 ORCHARD ROAD #11-01
WHEELOCK PLACE
SINGAPORE 238880

2nd fold here

3rd fold here

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instruction appointing a proxy or proxies shall be deemed to relate to all Shares held by you.
2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at a meeting of the Company. A member appointing more than one proxy shall specify the percentage of Shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing the proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 501 Orchard Road #11-01, Wheelock Place, Singapore 238880 not less than 72 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which, the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Cap. 50.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Please refer to the notes set out in the Notice of Annual General Meeting dated 12 April 2018.

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FSC
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MIX
Paper from
responsible sources
FSC™ C124277

Wheelock Properties (Singapore) Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 197201797H