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WHEELOCK

PROPERTIES

ANNUAL REPORT 2014

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PRESTIGE HAS A
NEW ADDRESS

ARDMORE THREE

CHAIRMAN'S STATEMENT

Singapore's GDP growth slowed to 2.9% in 2014. It is expected to languish at a similar level over the next few years amid a volatile global economic outlook.

At this level of growth, which is typical of developed countries, the real estate market is expected to maintain a cautious outlook, barring any changes to the various property cooling measures.

BUSINESS PERFORMANCE

In Singapore, the volume of sales in the private residential market continued to decline due to credit control on property loans, tightened manpower policies, surplus new homes, weak rental market and the rise in interest rates. The overall number of new home sales for 2014 was about half of that for 2013, and the lowest since 2008, as reported by the Urban Redevelopment Authority.

In 2014, we launched The Panorama, located at the Upper Thomson/Ang Mo Kio neighbourhood and which comprises 698 units. As at 31 December 2014, 45% of the units were sold at an average price of \$1,267 psf.

Ardmore Three, an 84-unit luxury apartment development along Ardmore Park, received its Temporary Occupation Permit in December 2014. Two showflats and a sales office have been fitted out on site and are ready for launch.

Scotts Square, located along Scotts Road and completed in 2011, remains at 79% sold (268 out of 338 units). From the remaining stock, a total of 36 one-bedroom apartments have been leased to generate recurring income.

In China, construction under Phase 1 of our Fuyang project, 雍景山, is underway. The showflats and sales office are completed and are ready for launch.

For our Investment Properties, the overall occupancy for Wheelock Place was 99.6%, at a blended rent of above \$13.50 psf per month as at 31 December 2014. The office tower continues to enjoy full occupancy, while the

retail podium is 99% leased. We have enhanced our advertising and promotion programs to attract more shoppers in this ever-changing and challenging retail environment.

As at 31 December 2014, the occupancy rate for Scotts Square retail was 88%, at an average rental of close to \$16 psf per month. It is operating under very challenging circumstances as a boutique mall. A substantial revamp of the tenant and trade mix is underway for the mall, and reduction of rental revenue is expected for the initial years.

FINANCIAL RESULTS

The Group achieved revenue of \$99 million and profit after tax of \$43 million for the year ended 31 December 2014.

The Group reported an increase in total assets to \$3.9 billion as at 31 December 2014, up from \$3.8 billion year-on-year. Shareholders' equity also increased from \$3.0 billion to \$3.1 billion during the same period.

The Group's investment properties were appraised by independent professional valuers. Wheelock Place's valuation remained at \$915 million. Scotts Square Retail was revalued at \$260 million, with a fair value loss of \$52 million accounted for in the Statement of Profit or Loss under other operating expenses.

The property market in Fuyang, China, will continue to face challenges resulting from stringent government policies and tightened mortgage lending practices. We expect these policies to impact on sales and margins. Despite the opening of a new tunnel which shortens the travel distance from our Fuyang site to town centre, the development in the vicinity is still slow to take off, causing uncertain market conditions and this poses significant challenges to marketing. In light of the difficult market and comparable sales statistics in the area, the Board has decided that a realistic approach is appropriate for our Fuyang Project, 雍景山, and made an accounting provision of \$75 million for the project.



Balcony view, Ardmore Three

Our investments in securities have performed well with satisfactory yield return, in addition to capital appreciation of \$45 million from last year.

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 30 April 2015, will be paid on 28 May 2015. Total distribution would represent 166% of Group profit in 2014. This will be the third consecutive year that the Group is drawing on past reserves for distribution to Shareholders. This is considered neither sustainable nor prudent for longer term sustainability.

The Group's borrowings were \$658 million. The higher borrowings were mainly due to the drawdown of bank loans to finance the payment of construction costs for Ardmore Three and the development sites at Fuyang, China.

CONDITIONAL CASH OFFER FOR HOTEL PROPERTIES LIMITED (HPL)

During the year, the Company and Cuscaden Partners Pte. Ltd. formed a consortium and made a mandatory conditional cash offer for HPL shares. The joint venture allowed the parties to cooperate and implement shared objectives for HPL with the goal of enhancing value over time. At the close of the offer, the Company has,

through its indirect 40% interest in 68 Holdings Pte. Ltd., an indirect attributable interest of 22.6% of the issued share capital of HPL.

In the financial year, a substantial book gain of \$434 million (revalued from the written down cost of \$0.93 per share to \$5.09 per share based on independent valuation) was taken up in the retained earnings arising from the investment in 68 Holdings Pte. Ltd. The Board of Directors is, on grounds of financial prudence, of the view that these non-cash book gains should not be considered as available for distribution.

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 corporate activities. More details are in the main Annual Report.

OUTLOOK

The Group, like other property developers in Singapore, experienced an arduous operating environment in light of the property cooling measures and credit tightening policies in the past two years. These pressures on the Group's core profit are expected to continue in the current year.

This situation was exacerbated by slow economic conditions in the countries in which the Group operates.

For the office sector, moderate rental growth is expected as future supply pipeline remains relatively limited.

The retail market is likely to face a challenging operating environment due to lower economic growth and lower tourist arrivals.

Notwithstanding the difficult environment, rental income from Investment Properties, dividends and interest income from investments will continue to contribute positively to the Group's recurring income.

The Group has a strong balance sheet and low net gearing. This should allow the Group to ride out the tough market conditions.

The Group has a cash standing of \$409 million and will continue to seek investment and development opportunities locally or overseas.

ACKNOWLEDGEMENT

I wish to thank my fellow Directors whose expertise, experience and independent assessments of issues have contributed greatly to the Group.

I would also like to commend all staff for their dedication and contributions during the year, and to our stakeholders for their continuous support.

STEPHEN T. H. NG

Chairman

24 February 2015



1. Living / dining room, Ardmore Three
2. Study room, Ardmore Three

PROPERTY OVERVIEW

Development Properties

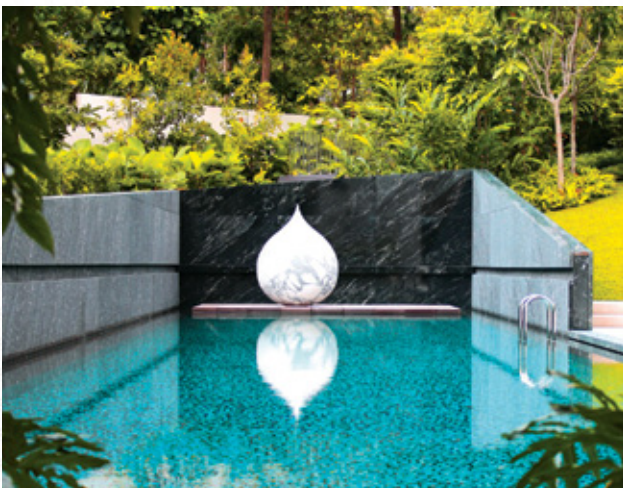


SCOTTS SQUARE

Scotts Square, comprising two freehold luxury residential towers above a 4-level retail podium, is one of the most distinguished homes in the heart of the Orchard Road belt. All 338 apartments have stylishly appointed interiors and astounding views of the city skyline. The Club Floor on Level 8 has a swimming pool, heated jacuzzi, business centre, library and a concierge desk. A sky pool perched on the 35th floor offers spectacular views of the city.

As at end of 2014, 79% (268 units) of the 338 units were sold, representing 85% of the saleable area at an average price of \$4,004 psf.

56% (39 units) of the 70 available 1-bedroom units have been earmarked for leasing. As at end of December 2014, 36 units were leased representing 92% occupancy at an average monthly rent of \$5,250 per unit.



ARDMORE THREE

Ardmore Three is a 36-storey freehold development along prime Ardmore Park. Elevated nine floors above the ground, the 84-luxurious 3-bedroom apartments offer breathtaking views of the city.

Two double volume 'lanterns' on Level 4 of the development house a fully equipped gym and a residents' lounge. Outdoor facilities include a 30m lap pool, kids' play pool as well as a sheltered alfresco dining terrace.

Three units were sold in a private preview at an average price of close to \$3,200 psf. Two showflats and a sales office have been fitted out on site for our proposed launch.



THE PANORAMA

The Panorama, a 698-unit leasehold development, is located in an established suburban Upper Thomson/Ang Mo Kio neighbourhood. This 198,942 square feet site has excellent transportation connectivity to Seletar Expressway and Central Expressway which provides easy access into the city. It is also a short walk to the future Mayflower MRT Station on the new Thomson/ East Coast Line.

The Panorama comprises two 20-storey & four 17-storey towers offering a wide choice of apartment types from one to five-bedroom and spacious penthouses for multi-generation family household.

Two sky parks are equipped with a myriad of facilities including gymnasium, sky jacuzzi, dance studio, party facilities and relaxation decks. The large central open space on the ground level offers amenities for sports and recreation, like the 240-metre long elevated panoramic trail walk among the trees traversing across the development.

As at 31 December 2014, a total of 317 units or about 91% of the 350 units launched have been sold at an average price of almost \$1,270 psf.

The sales gallery and showflats are located off-site along Ang Mo Kio Avenue 8 and active marketing is on-going.



雍景山

雍景山, situated at Fuyang City, 22 km away from Hangzhou, China, comprises villas, townhouses, duplexes and apartments on a site area of 3.2 million square feet.

The site is surrounded by nature and is closely linked to Western Hangzhou via tunnel. It is in close proximity to numerous educational institutions and attractions namely, Xixi Wetland and Hangzhou Safari.

Construction of Phase 1, comprising 111 townhouses, 140 duplexes, three villas and 222 high rise units, is in progress and is expected to be completed in 2016. We are monitoring the market for an opportunity to launch the project.

PROPERTY OVERVIEW

Investment Properties



WHEELOCK PLACE

Wheelock Place, with its iconic cone, is strategically located at the junction of Orchard and Paterson Road and conveniently linked to the busy Orchard MRT station.

With approximately 149,000 square feet of net lettable retail area, Wheelock Place has seven floors of retail stores, services and dining options. The fully tenanted retail mall continues to attract unique and new-to-market concepts thus maintaining its differentiated retail offer.

Above the retail podium is a 16-storey office tower with more than 175,000 square feet of total lettable area. It houses several Fortune 500 multinational companies and Asia Pacific headquarters of several leading luxury brands.

The most sought after office address in Orchard Road, the office tower enjoys full occupancy and rental revenue of Wheelock Place improved almost 4% compared to the preceding year.

SCOTTS SQUARE RETAIL

Scotts Square, a boutique luxury shopping destination, is located within the heart of Orchard Road. Scotts Square houses international labels and delectable dining selections over four floors. The mall has approximately 75,000 square feet of lettable retail space.

Scotts Square is presently in the process of enhancing the shopping experience by bringing in strong international luxury labels and F&B concepts. We expect the first phase of the revamp to kick off in Fall/Winter 2015.

Advertising and promotion initiatives have been planned ahead for 2015 to heighten awareness and entice shoppers to Scotts Square.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Stephen T. H. Ng
Chairman

Paul Y. C. Tsui
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

Frank Y. C. Yung
Chairman

Greg F. H. Seow
Colm M. McCarthy
David T. E. Lim
Kevin K. Kwok

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
*(Kum Chew Foong, Partner-in-charge
with effect from the financial year
ended 31 December 2011)*

INTERNAL AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424

SHARE REGISTRAR

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

PRINCIPAL BANKERS

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
Ramdas & Wong
WongPartnership LLP
Wong Thomas & Leong

REGISTERED OFFICE

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

FIVE-YEAR FINANCIAL SUMMARY

	2014	2013	2012	2011	2010
GROUP INCOME STATEMENT (\$'000)					
Revenue	99,015	117,074	208,530	390,493	571,666
Profit for the year	43,126	40,040	63,296	291,168	325,621
GROUP STATEMENTS OF FINANCIAL POSITION (\$'000)					
Investment properties	1,175,000	1,227,000	1,222,000	1,260,000	1,141,811
Investments	591,828	871,322	823,818	250,104	394,271
Interests in associate	547,968	7	7	7	7
Development properties	1,176,381	1,224,592	617,509	366,682	623,799
Cash and cash equivalents	408,515	457,289	720,649	1,081,625	860,702
Other assets	18,670	13,426	165,717	321,484	107,007
Bank loans	(658,423)	(631,872)	(278,770)	(160,274)	(103,925)
Other liabilities	(127,313)	(159,274)	(142,583)	(224,263)	(201,850)
	3,132,626	3,002,490	3,128,347	2,895,365	2,821,822
Representing:					
Share capital	1,055,901	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	2,076,725	1,946,589	2,072,446	1,839,464	1,765,921
	3,132,626	3,002,490	3,128,347	2,895,365	2,821,822
FINANCIAL RATIOS					
Earnings per share (cents)	3.60	3.35	5.29	24.33	27.21
Net asset value per share (\$)	2.62	2.51	2.61	2.42	2.36
Dividends per share (cents)	6.00	6.00	6.00	6.00	6.00
Return on shareholders' equity (%)	1.38	1.33	2.02	10.06	11.54
Return on assets (%)	1.10	1.06	1.78	8.88	10.41
Debt-equity ratio (%)	21.02	21.04	8.91	5.54	3.68

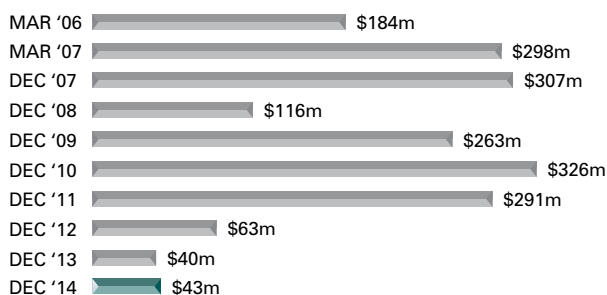
Notes:

Dividends per share for FY2014 relates to the proposed first and final tax exempt (one-tier) dividend.

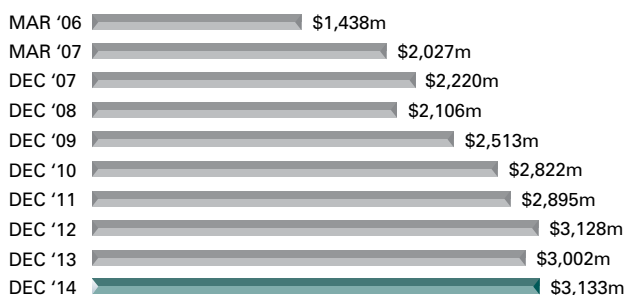
Figures and ratios prior to FY2011 have been restated following the early adoption of the amendments to FRS12 Income Taxes with effect from 1 January 2011.

KEY FINANCIAL DATA

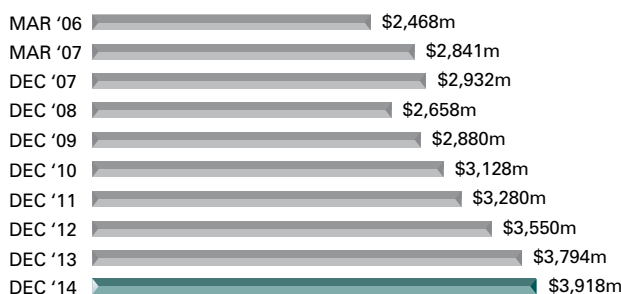
GROUP PROFIT FOR THE YEAR



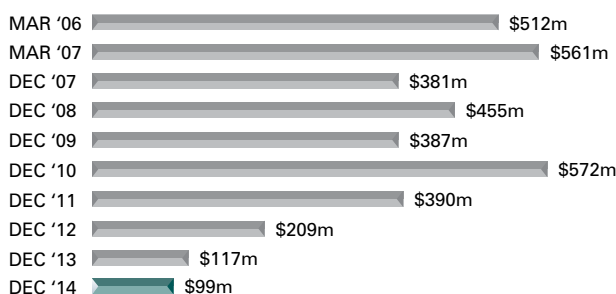
NET TANGIBLE ASSETS



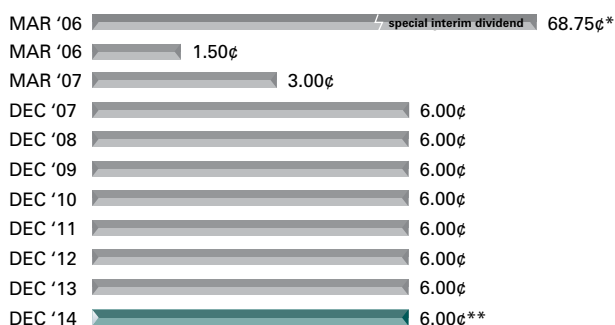
GROUP TOTAL ASSETS



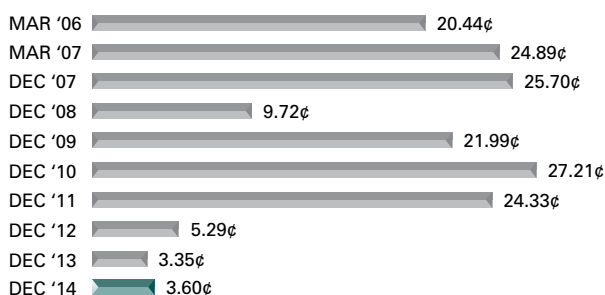
GROUP REVENUE



DIVIDENDS PER SHARE



EARNINGS PER SHARE



Notes:

* Dividends per share has been restated to take into account the rights issue exercise completed in March 2006.

** Dividends per share for FY2014 relates to the proposed first and final tax exempt (one-tier) dividend.

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.

Figures for FY2007 relate to a 9-month period.

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 re-elected as Director at the Company's Annual General Meeting on 19 April 2013.

Mr Ng has been Deputy Chairman and Managing Director of The Wharf (Holdings) Limited (publicly listed in Hong Kong) since 1994. Among the Wharf Group's principal subsidiaries, he is Chairman of Harbour Centre Development Limited (publicly listed in Hong Kong), i-CABLE Communications Limited (publicly listed in Hong Kong), Modern Terminals Limited, Wharf T&T Limited and The "Star" Ferry Company Limited.

Mr Ng is also Deputy Chairman of Wheelock and Company Limited and Chairman of Joyce Boutique Holdings Limited, both publicly listed in Hong Kong. He is also a Non-Executive Director of Hotel Properties Limited, a publicly listed company in Singapore.

Mr Ng attended Ripon College in Ripon, Wisconsin, USA and the University of Bonn, Germany, from 1971 to 1975, and graduated with a major in mathematics. Mr Ng formerly served as a Non-Executive Director of Greentown China Holdings Limited, a listed public company in Hong Kong, until his resignation effective 27 March 2015. He is currently Deputy Chairman of The Hong Kong General Chamber of Commerce and a council member of the Employers' Federation of Hong Kong.

PAUL YIU CHEUNG TSUI

Non-Executive Director

Mr Tsui joined the Wheelock Properties (Singapore) Board on 31 December 2000. He was last re-elected as Director at the Company's Annual General Meeting on 25 April 2014.

Mr Tsui is currently an Executive Director and Group Chief Financial Officer of both Wheelock and Company Limited and The Wharf (Holdings) Limited, publicly listed companies in Hong Kong. His other directorships include Harbour Centre Development Limited, i-CABLE Communications Limited, Joyce Boutique Holdings Limited and Greentown China Holdings Limited, all publicly listed companies in Hong Kong. In addition, he also sits on the Boards of various subsidiaries of Wheelock Properties (Singapore).

Mr Tsui is a Fellow Member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants (also a Chartered Global Management Accountant) and The Institute of Chartered Secretaries and Administrators as well as a member of Certified General Accountants Association of Canada - International.

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 the Chairman of the Company's Audit & Risk Management Committee and a member of the Company's Remuneration Committee. He was last re-appointed as Director at the Company's Annual General Meeting on 25 April 2014 and is proposed for re-appointment in accordance with Section 153(6) of the Companies Act, Chapter 50 at the forthcoming Annual General Meeting on 30 April 2015.

Mr Yung's career spans 24 years with Inchcape Bhd, the last 3 years as Deputy Chairman and Chairman of Inchcape Singapore. He served as Chairman of the Telecommunication Authority of Singapore from 1974 to 1986 and was also the Chief Executive Officer of Singapore Press Holdings Limited and Director of DBS Bank Ltd and Datacraft Asia Ltd. In addition, Mr Yung has been 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 Company's Nominating Committee and as a member of the Company's Audit & Risk Management and Remuneration Committees. He was last re-elected as Director at the Company's Annual General Meeting on 19 April 2013.

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

He joined DBS Asset Management Ltd in 1999, responsible for DBS' regional fund management business until 2006, and was previously Chairman of Singapore Land Authority and AMP Capital Investors (Singapore). Mr Seow was also a Director of Hwang-DBS Securities Bhd, a publicly listed company in Malaysia and a Board Member of Singapore's Land Transport Authority.

Mr Seow currently serves on the boards of AIA Singapore Private Limited and Partner Re Limited. He is also President of Singapore's Council for Estate Agencies.

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

BOARD OF DIRECTORS

COLM MARTIN MCCARTHY

Non-Executive and Independent Director

Mr McCarthy joined the Wheelock Properties (Singapore) Board on 26 September 2008. Mr McCarthy serves as Chairman of the Company's Remuneration Committee and as a member of the Company's Audit & Risk Management and Nominating Committees. Mr McCarthy was last re-elected as Director at the Company's Annual General Meeting on 20 April 2012 and is proposed for re-election in accordance with Article 109 of the Company's Articles of Association at the forthcoming Annual General Meeting on 30 April 2015.

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. He was named President, Bank of America Asia, in 2003 and retired from the bank in June 2008. He was previously a Director of Oversea-Chinese Banking Corporation Limited, Bank of Singapore Limited and The Irish Chamber of Commerce Singapore.

Mr McCarthy is currently Head of Global Banking, Asia Pacific, with Wells Fargo Bank.

Mr McCarthy received the Public Service Medal (PMB) from 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 Company's Audit & Risk Management and Nominating Committees. Mr Lim was last re-elected as Director at the Company's Annual General Meeting on 20 April 2012 and is proposed for re-election in accordance with Article 109 of the Company's Articles of Association at the forthcoming Annual General Meeting on 30 April 2015.

Mr Lim has served in both the public and private sectors in Singapore and overseas. His past roles included Group Chief Executive Officer of Neptune Orient Lines Limited, Chief Executive Officer (CEO) of the Port of Singapore Authority, CEO of Jurong Town Corporation and CEO of the China-Singapore Suzhou Industrial Park based in Shanghai. He was also Chairman of National Computer Board and Jurong International Holdings Pte Ltd. Mr Lim was a Member of Parliament from 1997 to 2006, and served in a number of portfolios, most latterly, Acting Minister for Information, Communications and the Arts.

Mr Lim is Deputy Chairman of Ascendas Property Fund Trustee Pte Ltd, and chairs its Investment Committee. He is also a Director of Economic Development Innovations Singapore Pte Ltd.

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

KEVIN KHIEH KWOK

Non-Executive and Independent Director

Mr Kwok joined the Wheelock Properties (Singapore) Board on 1 June 2013. Mr Kwok serves as a member of the Company's Audit & Risk Management Committee. Mr Kwok was last re-elected as Director at the Company's Annual General Meeting on 25 April 2014.

Mr Kwok was a Senior Partner of Ernst & Young LLP in Singapore and retired in 2012 after 35 years with the firm. He headed up the firm's Assurance Services in Singapore and ASEAN. In his 35 years with the firm, he has had broad experience in audits, M&A activities, 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. In recent years, he has been actively working with various boards and audit committees of listed companies and as part of the Singapore Institute of Directors towards fostering improvements in corporate governance processes and practices.

Mr Kwok is currently Director and Chairman of the Audit Committees of Singapore Exchange Limited and Mapletree Greater China Commercial Trust Management Ltd. He is also a Director and Governing Council member of the Singapore Institute of Directors. He was previously a Director of Ernst & Young Corporate Finance Pte Ltd, NTUC ElderCare Co-operative Ltd and NTUC Income Insurance Co-operative Ltd.

Mr Kwok graduated from the University of Sheffield (United Kingdom) with a Bachelor of Arts degree (Second Class Upper Honours), 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, the Malaysian Institute of Accountants and a Fellow of the Chartered Malaysian Institute of Taxation. In addition, he is also a Fellow of the Singapore Institute of Directors.

TAN BEE KIM

Senior Executive Director

Ms Tan, with over 29 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 Company's Nominating Committee. She was last re-elected as Director at the Company's Annual General Meeting on 19 April 2013 and is proposed for re-election in accordance with Article 109 of the Company's Articles of Association at the forthcoming Annual General Meeting on 30 April 2015.

Ms Tan started her career in banking at Overseas Union Bank Limited. Her real estate experience, both in Singapore and Hong Kong, includes 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 real estate portfolio 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.

BOARD OF DIRECTORS

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 Company's Annual General Meeting on 25 April 2014.

Prior to joining the Company in 1995, Mr Tan worked for Singapore Airlines Limited, Sumitomo Trust & Banking Co. Ltd. and Keppel Land Limited. His portfolio in these various companies included among others, real estate investments and development, financing and overseas marketing. Mr Tan has more than 30 years' 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 19 years with the Group, Mr Tan has been responsible for a string of very 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 overseas acquisitions and successful divestments of Hamptons Group Limited in United Kingdom and 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 graduated with 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

The Group believes that establishing good corporate governance is not a one-time action. On the contrary, it evolves constantly over time and 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). In areas where the Group deviates from the Code, the rationales are provided.

BOARD MATTERS

Board's Conduct of its Affairs

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 in the best interest of the Company. 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), reviews the financial performance of the Group, reviews management performance, identifies key stakeholder groups, considers sustainability issues such as environmental and social factors, 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 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. 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). Each Board Committee has its own terms of reference to address the 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 Articles of Association. Apart from formal meetings, decisions of the Board and Board Committees may also be obtained via resolutions by circular. 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).

CORPORATE GOVERNANCE REPORT

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 2014 to December 2014

Board / Board Committees	Board	Audit & Risk Management Committee	Nominating Committee	Remuneration Committee
No. of meetings held	5	4	1	1
Name of Director				
Stephen T. H. Ng	5	N.A.	N.A.	N.A.
Paul Y. C. Tsui	5	N.A.	N.A.	N.A.
Frank Y. C. Yung	5	4	N.A.	1
Greg F. H. Seow	5	4	1	1
Colm M. McCarthy	4	4	1	1
David T. E. Lim	5	4	1	N.A.
Kevin K. Kwok	5	4	N.A.	N.A.
Tan Bee Kim	5	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/her calibre and experience. All the Directors bring independent judgment to bear on issues of risk, performance, resources and standards and contribute to the Group through their sharing of views, advices 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 or her 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. Directors are also provided with materials containing essential information about the Group, relevant laws and regulations. Appropriate external training in areas such as financial, 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 (MAS) 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, updates/developments in regulatory framework including those organised by the Singapore Institute of Directors (SID), Singapore Exchange Limited and PricewaterhouseCoopers LLP (PWC). During the year, Directors attended training programs and seminars organised by MAS, SID and PWC.

Board Composition and Guidance

In line with the Code, the policy of the Group is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board.

The Board consists of nine members, five of whom are independent Directors. The independence of each Director is reviewed annually by the NC. 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. Following its annual review, the NC and the Board noted that notwithstanding that Mr Frank Y. C. Yung has served the Board for more than nine years, Mr Yung's independence as a Director is not affected as he continues to exercise independent judgement and demonstrate objectivity in his deliberations in the interest of the Shareholders and the Company. 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 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. The Board also considers that its Directors possess the necessary competencies to lead and govern the Company effectively. The profile of the Directors are set out on pages 12 to 16.

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 constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

Chairman and Chief Executive Officer

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 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, setting the agenda and ensuring that adequate time is available for the discussion of all items therein, promoting 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.

In addition, 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.

Lead 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. 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.

CORPORATE GOVERNANCE REPORT

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

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 evaluate the effectiveness and performance of the Board, its Committees and each individual Director, to review the training and professional development programs for the Board and to review the independence of each Director annually. Where relevant, the NC is guided by the recommendations of the Nominating Committee Guide 2012 and its written terms of reference.

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 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, independent mindset and ability to commit time.

A newly appointed Director is required by the Company's Articles of Association 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 Articles of Association and make relevant recommendation on their re-election or

re-appointment. 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. In addition, Directors above the age of 70 are required under the Companies Act, Chapter 50 (the Companies Act) to retire and offer themselves for re-appointment by Shareholders at every AGM.

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 Director 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/her duties as a Director of the Company. The Directors' attendance at Board and Board Committee meetings are set out on page 18. The NC conducts a review of the time commitment of each director on an ongoing basis. The Board believes that each director should personally determine the demands of his or her 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.

Board Performance

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 individual Directors. Some of the assessment criteria 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 include factors such as Director's attendance, participation and contribution at meetings, analytical skills, foresight and preparedness for meetings.

On an annual basis, the Board undertakes an assessment of its performance. 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/her 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.

Access To Information

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.

In order to ensure that the Board is able to fulfill 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, monthly management reports, forecasts/budgets, 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. In the furtherance of its duties, the Board may obtain independent professional advice if required and such cost will be borne by the Company.

The Company Secretary 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.

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

The appointment of the Company Secretary is a matter for consideration by the Board as a whole.

REMUNERATION MATTERS

Remuneration Committee

Procedures for Developing Remuneration Policies Level and Mix of Remuneration Disclosure on Remuneration

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 in the field of executive compensation if and when required and shall ensure that existing relationships (if any) between the Company and the experts will not affect the independence and objectivity of the experts.

The function of the RC is to consider and determine, within its Terms of Reference, matters concerning remuneration for Directors and key executives. The RC will also review the specific remuneration packages for each director and key management personnel, in consultation with the Chairman on behalf of the Board. 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. 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 key management personnel.

CORPORATE GOVERNANCE REPORT

Directors' fees are set in accordance with a remuneration framework comprising basic fees and fees for involvement in Board Committees. Pursuant to the Articles of Association 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. 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 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.

A breakdown, showing the level and mix of the Directors' remuneration for the financial year ended 31 December 2014, is set out below:

Name	Directors' Fees	Base/Fixed Salary*	Variable or Performance Related Income/Bonus*	Other Benefits	Total Remuneration \$'000
Stephen T. H. Ng	100%	—	—	—	3
Paul Y. C. Tsui	100%	—	—	—	3
Frank Y. C. Yung	100%	—	—	—	82
Greg F. H. Seow	100%	—	—	—	66
Colm M. McCarthy	96%	—	—	4% ^	68
David T. E. Lim	96%	—	—	4% ^	63
Kevin K. Kwok	96%	—	—	4% ^	59
Tan Bee Kim	1%	42%	54%	3%	917
Tan Zing Yan	1%	51%	47%	1%	665

* CPF contributions are included.

^ For Season Parking.

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

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.

Annual review of the compensation is carried out by the RC to ensure that the remuneration of the Executive Directors and key executives 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 has no employee share scheme or any short/long term incentive scheme in place.

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

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

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).

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 procedures where appropriate.

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. On a monthly basis, Board members are provided with financial reports (including management accounts and such explanation and information on a monthly basis) and other information on the Group's performance for effective monitoring and decision-making.

Audit & Risk Management Committee

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

Members of the ARMC are professionals with 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

determines the Company's levels of risk tolerance, adequacy of such controls, including internal, financial, operational and compliance controls, risk related policies and systems established by Management. The ARMC 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, SGXNET Announcements, significant financial reporting issues 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 in accordance with the 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, reviewing with the internal auditors the effectiveness of the internal audit function and evaluation of major internal controls, reviewing the scope and results of the external audit and 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, and approving the remuneration and terms of engagement of the external auditors. The ARMC also monitors proposed changes in accounting policies and reviews accounting implications of major transactions including significant financial reporting issues.

In performing its functions, the ARMC meets 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.

CORPORATE GOVERNANCE REPORT

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 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.

During the year under review, the aggregate of fees paid to the external auditors was \$831,000, comprising \$470,000 for audit services and \$361,000 for non-audit services. 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 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 Audit Committee Guidance Committee. The minutes of the ARMC are regularly submitted to the Board.

The Company has in place a Whistleblowing Policy which serves to encourage and provide a channel to employees 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. The objective of such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The ARMC confirms that no reports have been received under the Whistleblowing Policy.

Risk Management and Internal Controls

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, that proper accounting records are maintained, and that 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 on-going basis to ensure that they remain sound and relevant.

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 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 38 of the Annual Report.

During the year under review, the Company's external and internal auditors conducted annual review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and these are reported to the ARMC. 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 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 our assessment of the reports submitted by the external and internal auditors along with 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 as at 31 December 2014. 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

The Group has established an Internal Audit (IA) function reporting directly to the ARMC. The IA activities are outsourced to PricewaterhouseCoopers LLP (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 Group's IA is further supported by the Internal Audit unit and Project Cost Audit unit (PCA) of Wharf Limited, a subsidiary of our ultimate holding company, Wheelock and Company Limited. Members of the Internal Audit unit and PCA of Wharf Limited 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 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.

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)
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Wharf China Holdings Limited	\$883,000	N.A.
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The transaction was for project consultancy and design services fees relating to the Group's project in the People's Republic of China.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries for the benefit of any Director, other than the employment contracts of the Executive Directors, or controlling shareholder, either still subsisting or entered into since the end of the previous financial year.

COMMUNICATION WITH SHAREHOLDERS

Shareholder Rights Communication with Shareholders Conduct of Shareholder Meetings

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.

The Company does not practise selective disclosure of material information. Information is communicated to Shareholders on a timely basis through SGXNET.

CORPORATE GOVERNANCE REPORT

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. The full Annual Report is also available to Shareholders 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.

The Articles of Association of the Company currently allow a Shareholder of the Company to appoint up to two proxies to attend and vote in his/her stead at general meetings. The Articles currently do not allow a shareholder to vote in absentia. The Company intends to study the proposed amendments to the Companies Act and undertake such amendments to its Articles of Association for compliance.

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 usually present to address Shareholders' questions. The Company is required by the Listing Manual to conduct voting of all resolutions put to the general meetings by poll with effect from 1 August 2015. Until such time, voting at general meetings may be by show of hands unless a poll is demanded, as voting on show of hands enable the Company and shareholders to deal with the businesses of general meetings expeditiously, and also as this is more equitable to minority shareholders. Nonetheless, polls may be conducted upon request of the Chairman or Shareholders. All minutes of general meetings 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.

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.	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:
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Number of Board Representation and Fixed Term The Board has not: (i) made a determination of the maximum number of board representation 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 or her competing directorships and obligations and assess how much time is available to serve on the Board effectively. The Nominating Committee 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 Director so as to be able to retain the services of the Directors as necessary.

DISCLOSURE ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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.	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, <i>inter alia</i>, 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.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Lead Independent Director not a member of the Nominating Committee The Board has appointed Mr Frank Y. C. Yung as Lead Independent Director to serve as a sounding board for the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman. 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 Independent Director, notwithstanding that he is presently not a member of the Nominating Committee. Review of Remuneration Packages The Remuneration Committee reviews the specific remuneration packages of Executive Directors. The remuneration packages of Non-Executive Directors are reviewed separately by the Board, as the members of the Remuneration Committee are all Non-Executive Directors.

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.
Members of the Board		
GUIDELINE 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees? (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. (c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	The Nominating Committee 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 Board consists of nine members (eight male and one female), five of whom are independent Directors. Members of the Board are professionals from diverse backgrounds with varied experience from accounting, finance, business, management, property to banking among others. 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. The Board also considers that its Directors possess the necessary competencies to lead and govern the Company effectively.

DISCLOSURE ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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.	The Company has not appointed new directors for the last financial year. Annually, the Board undertakes an assessment of its performance and those of its Committees and Directors. In addition, the Nominating Committee reviews the Directors who are due to retire in accordance with the Company's Articles of Association and make relevant recommendation on their re-election or re-appointment. 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?	Appropriate external training in areas such as financial, legal and industry-specific knowledge is arranged for new directors, where necessary. 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. Directors are also provided with materials containing essential information about the Group, relevant laws and regulations. Appropriate external training in areas such as financial, 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, updates/developments in regulatory framework including those organised by the Singapore Institute of Directors (SID), Singapore Exchange Limited and PricewaterhouseCoopers LLP (PWC). During the year, Directors attended training programs and seminars organised by the Monetary Authority of Singapore, SID and PWC.

Guideline	Questions	How has the Company complied?
Members of the Board (cont'd)		
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?	The Board has not made a determination of the maximum number of board representations a Director may hold.
	(b) If a maximum number has not been determined, what are the reasons?	The Board believes that each Director should personally determine the demands of his or her competing directorships and obligations and assess how much time is available to serve on the Board effectively. The Nominating Committee conducts a review of the time commitment of each Director on an ongoing basis. The Board is satisfied with the time commitment of its Directors.
	(c) What are the specific considerations in deciding on the capacity of directors?	The factors taken into consideration in deciding on the capacity of Directors include Directors' attendance, participation, contribution at meetings, preparedness for meeting, etc.

DISCLOSURE ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Board Evaluation		
GUIDELINE 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	On an annual basis, the Board undertakes an assessment of its performance. 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/her 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 Nominating Committee, to make recommendations to the Chairman of the Company, to effect continuous improvements to the effectiveness of the Board. Some of the assessment criteria 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 include factors such as Director's attendance, participation and contribution at meetings, analytical skills, foresight and preparedness for meetings.
	(b) Has the Board met its performance objectives?	The Board and its 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	Questions	How has the Company complied?
Independence of Directors (cont'd)		
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 does 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.	Mr Frank Y. C. Yung has served the Board for more than nine years. Following the Nominating Committee's annual review, the Nominating Committee and the Board noted that notwithstanding Mr Yung has served the Board for more than nine years, Mr Yung's independence as a Director is not affected as he continues to exercise independent judgment and demonstrate objectivity in his deliberations in the interest of the Shareholders and the Company.
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 22 of the Annual Report.

DISCLOSURE ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Disclosure on Remuneration (cont'd)		
GUIDELINE 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$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 executives who are also Directors of the Company and their remuneration has been disclosed on page 22 of the Annual Report. There are no other executives 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 S\$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?	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. 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 fulfill 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, monthly management reports, forecasts/budgets, 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. The Internal Audit activities are outsourced to PricewaterhouseCoopers LLP, an international auditing firm. The Group's Internal Audit is further supported by the Internal Audit unit and Project Cost Audit unit (PCA) of Wharf Limited, a subsidiary of our ultimate holding company, Wheelock and Company Limited. Members of the Internal Audit unit and PCA of Wharf Limited are qualified and experienced personnel.

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	(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.	Based on the Audit & Risk Management Committee and Board's assessment of the reports submitted by the external and internal auditors along with the various controls put in place by Management, the Board, with the concurrence of the Audit & Risk Management Committee, is of the opinion that the Group's internal controls and risk management processes addressing financial, operational, compliance and information technology risks were adequate as at 31 December 2014.
	(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?	Assurance has been received from the Senior Executive Director and the Executive Director 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.	During the year under review, the aggregate of fees paid to the external auditors was \$831,000, comprising \$470,000 for audit services and \$361,000 for non-audit services.
	(b) If the external auditors have supplied 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.	The Audit & Risk Management Committee 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.

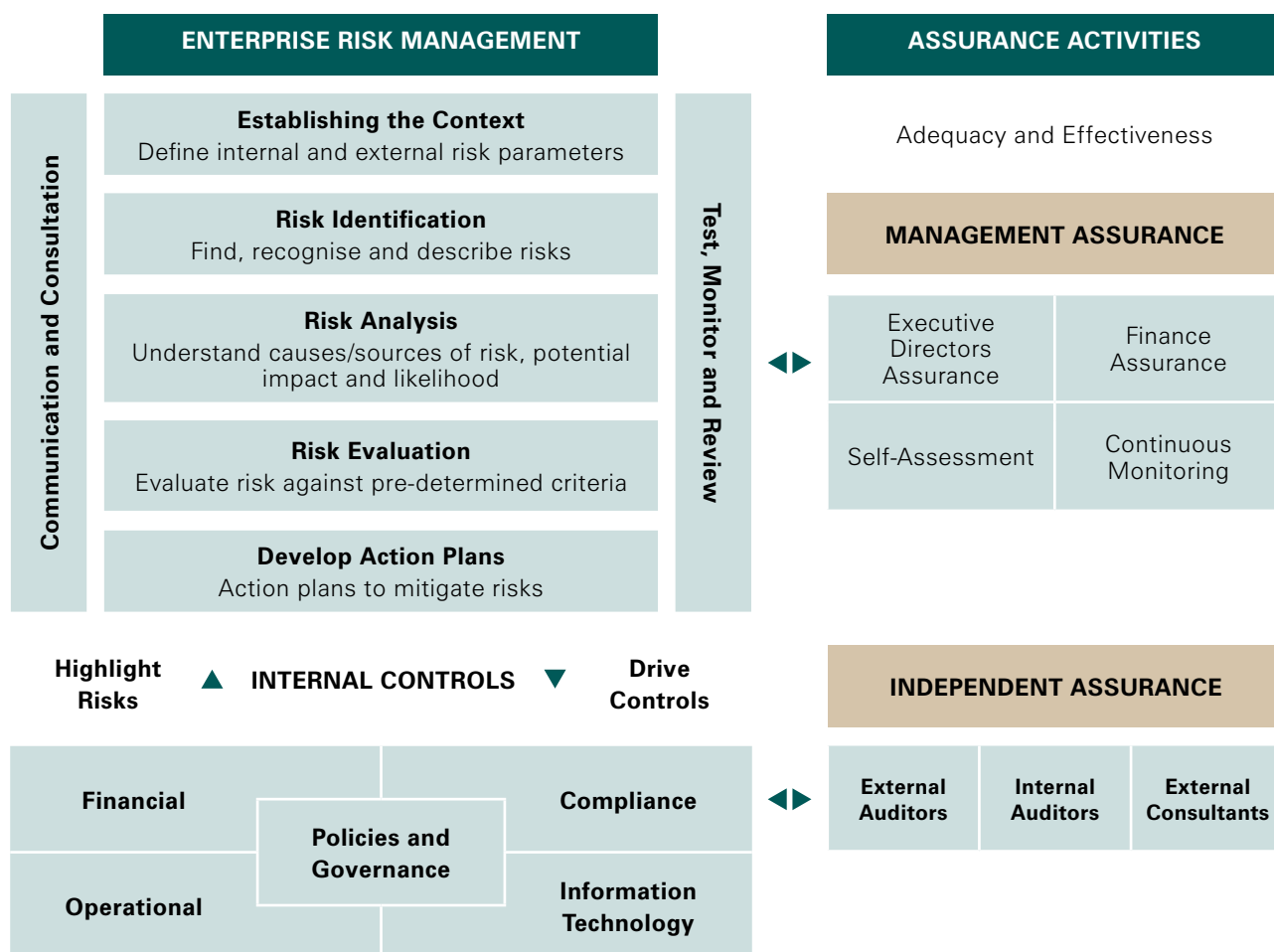
Guideline	Questions	How has the Company complied?
Communication with Shareholders		
GUIDELINE 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Information is communicated to Shareholders 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.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	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?	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 dividend of 6 cents per share for the financial year ended 31 December 2014.

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 provides valuable advice to Management in formulating 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 is not limited to, financial, operational, compliance and information technology controls.



ENTERPRISE RISK MANAGEMENT FRAMEWORK

In FY2014, an Enterprise Risk Management (ERM) Framework was developed with the assistance of PricewaterhouseCoopers LLP. The objective of which was to consolidate the Group's risk management practices in an enterprise-wide framework so as 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 and adequacy of its key risks, consider the effectiveness 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. The key risks of the Group are deliberated by Management and reported to the ARMC twice a year.

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. 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.

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 of authority and reporting framework.

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.

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 engaged external IT specialist to conduct yearly review 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, systems and processes to ensure that its risk management systems remain adequate and effective.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to conduct its business in a socially-responsible and sustainable manner. The Company focuses on economic viability, environmental protection and social responsibility by adopting and implementing sustainable policies, strategies and practices in its corporate activities. The Company's sustainability efforts are in the areas of environmental sustainability, social relations, corporate philanthropy, volunteerism, and a focus on the community.

The Company wishes to affirm its commitment as a green developer. The Company has consistently incorporated energy efficient designs in its developments, implemented waste reducing practices and adopted sustainable or renewable energy technologies. The Company has been awarded the Building & Construction Authority's Green Mark (Platinum) and (Gold) Awards for Ardmore Three and Wheelock Place respectively. The Company is currently working towards obtaining the Green Mark (Gold) Award for The Panorama, its upcoming development in Ang Mo Kio.

Cultivating a strong and positive culture in the workplace has been a key important aspect for the Company to achieve a safe and accident-free working environment. The Company is committed to retaining talents and providing continual training and education to employees in order to nurture a competent and engaged workforce that will drive growth within the Company. To highlight, in 2014 the Company sent its team of security guards for further training in "Company Emergency Response (CERT)". The training helped to better equip the Company's security staff with the skills to react, mitigate and control emergency situations.

A company with strong social ethos, the Company is actively involved in socially-responsible initiatives that positively impact communities in which it conducts its operations. In 2014, the Company organised initiatives with two charity organisations in Singapore.

The first was organised in collaboration with Sunbeam Place, a home which offers protection and care to under-privileged children in Singapore. For this event, staff of the Company brought a group of 20 children out for a day of fun under the sun at the Universal Studios Singapore.

The second event was co-organised with Food Bank Singapore, where staff of the Company helped to pack staple food such as noodles, oil, milk, cereals and canned food into bundles for distribution to some 150 needy elderly living in the Kaki Bukit Estate.



Ms Esther Choy (Winner of "The Art of Giving" Exhibition 2014), Ms Tan Bee Kim (Senior Executive Director, Wheelock Properties (Singapore) Limited) and Mr Kevin Chew (Director, Corporate Development & Outreach, MINDS) at Wheelock's Art of Giving 2014 Prize Presentation Ceremony.

In respect of corporate philanthropy, the Company continues to donate to charity through its "Art of Giving", an art outreach-cum-charity program held exclusively with the LaSalle School of Design. This is a 3-year commitment with the school to support and nurture up and coming local artists.

The 2014 winner of the Company's "The Art of Giving" is Ms Esther Choy, who garnered the highest number of public votes at an exhibition held at Scotts Square between 14 November and 21 December 2014. As the winner of the exhibition, Ms Choy received the Wheelock Art Prize worth \$5,000 in cash and she has chosen Movement for the Intellectually Disabled of Singapore (MINDS) as the nominated charity to receive a cash donation of \$10,000 from the Company.

It is the Company's policy to conduct its business in an honest and ethical manner. The Company does not tolerate any bribery or corruption, and acts professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company implements and enforces systems to counter and deter unprofessional conduct, such as through the current whistleblowing policy.

Through implementing the various sustainable practices to existing and future projects, the Company is constantly making in-roads to positively impacting people and society, and to protect the environment in its daily operations.

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DIRECTORS' REPORT

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 2014.

DIRECTORS

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

Stephen Tin Hoi Ng
 Paul Yiu Cheung Tsui
 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 Companies Act, Chapter 50 (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
The ultimate holding company Wheelock and Company Limited – ordinary shares of HK\$0.50 each		
Stephen Tin Hoi Ng – direct interest	300,000	300,000

DIRECTORS' INTERESTS (CONT'D)**Options to acquire ordinary shares of HK\$0.50 each in Wheelock and Company Limited**

	AT BEGINNING OF THE FINANCIAL YEAR	AT THE END OF THE FINANCIAL YEAR	EXERCISE PERIOD	SUBSCRIPTION PRICE PER SHARE HK\$
Paul Yiu Cheung Tsui	1,500,000*	1,500,000	15.06.2013 to 14.06.2018	39.98

* 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 Wheelock and Company Limited's shares) and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 15th of June in the years 2013, 2014, 2015, 2016 and 2017 respectively.

NAME OF DIRECTOR AND CORPORATION IN WHICH INTERESTS ARE HELD	HOLDINGS AT BEGINNING OF THE FINANCIAL YEAR	HOLDINGS AT END OF THE FINANCIAL YEAR
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Related Corporations**i-CABLE Communications Limited**

– ordinary shares of HK\$1.00 each

Stephen Tin Hoi Ng

– direct interest

1,265,005 1,265,005

The Wharf (Holdings) Limited

– ordinary shares of HK\$1.00 each

Stephen Tin Hoi Ng

– direct interest

804,445 804,445

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

	AT BEGINNING OF THE FINANCIAL YEAR	AT THE END OF THE FINANCIAL YEAR	EXERCISE PERIOD	SUBSCRIPTION PRICE PER SHARE HK\$
Stephen Tin Hoi Ng	1,500,000**	1,500,000	05.07.2011 to 04.07.2016	55.15
	2,000,000***	2,000,000	06.06.2013 to 05.06.2018	70.20
Paul Yiu Cheung Tsui	1,200,000**	1,200,000	05.07.2012 to 04.07.2016	55.15
	1,000,000***	1,000,000	06.06.2013 to 05.06.2018	70.20

** 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 5th of July in the years 2011, 2012, 2013, 2014 and 2015 respectively, with one exception. Such an exception is in respect of the relevant options outstanding as at 31 December 2014 held by Mr Paul Yiu Cheung Tsui, which were/will be vested in four tranches within a period of 4 years, with each tranche covering one-fourth of the relevant Wharf options, (i.e. exercisable to the extent of one-fourth of the relevant total number of Wharf's shares) and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from the 5th of July in the years 2012, 2013, 2014 and 2015 respectively.

*** 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' REPORT

DIRECTORS' INTERESTS (CONT'D)

Except as disclosed in this report, 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 of the financial year, 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 2015.

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.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in notes 24(d) and 30 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

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 report are:

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

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' report. 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 auditors. In the opinion of the Audit and Risk Management Committee, these services would not affect the independence of the 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 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

Frank Yung-Cheng Yung

Director

Singapore

30 March 2015

STATEMENT BY DIRECTORS

In our opinion:

- (a) the financial statements set out on pages 49 to 115 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, 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 and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Tan Bee Kim

Director

Frank Yung-Cheng Yung

Director

Singapore

30 March 2015

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY

WHEELOCK PROPERTIES (SINGAPORE) LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wheelock Properties (Singapore) Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 49 to 115.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore
30 March 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	NOTE	2014 \$'000	GROUP 2013 \$'000	2014 \$'000	COMPANY 2013 \$'000
NON-CURRENT ASSETS					
Property, plant and equipment	4	2,015	1,636	1,667	1,363
Investment properties	5	1,175,000	1,227,000	260,000	312,000
Amounts due from subsidiaries	6	–	–	1,162,429	1,249,794
Interests in subsidiaries	7	–	–	255,366	252,139
Interests in associates	8	547,968	7	–	–
Investments	9	591,828	871,322	–	–
Deferred tax assets	19	–	1,427	–	–
Other non-current assets	10	540	540	540	540
		2,317,351	2,101,932	1,680,002	1,815,836
CURRENT ASSETS					
Development properties	11	1,176,381	1,224,592	66,907	67,703
Trade and accrued receivables	12	8,571	1,371	612	912
Amounts due from subsidiaries	6	–	–	214	202
Amounts due from related corporations	13	36	25	36	25
Other receivables	14	7,508	8,427	952	1,507
Cash and cash equivalents	15	408,515	457,289	365,165	420,812
		1,601,011	1,691,704	433,886	491,161
Total assets		3,918,362	3,793,636	2,113,888	2,306,997
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	16	1,055,901	1,055,901	1,055,901	1,055,901
Reserves	17	2,076,725	1,946,589	769,739	961,120
Total equity		3,132,626	3,002,490	1,825,640	2,017,021
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	18	315,063	631,872	–	–
Deferred tax liabilities	19	15,977	14,149	2,136	1,557
		331,040	646,021	2,136	1,557
CURRENT LIABILITIES					
Trade payables	20	67,602	71,024	12,539	26,246
Other payables	21	32,818	38,960	10,750	18,503
Amounts due to subsidiaries	6	–	–	261,663	217,505
Interest-bearing liabilities	18	343,360	–	–	–
Current tax liabilities		10,916	35,141	1,160	26,165
		454,696	145,125	286,112	288,419
Total liabilities		785,736	791,146	288,248	289,976
Total equity and liabilities		3,918,362	3,793,636	2,113,888	2,306,997

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2014

	NOTE	2014 \$'000	2013 \$'000
Revenue	22	99,015	117,074
Cost of sales		(23,706)	(27,873)
Gross profit		75,309	89,201
Other income			
– changes in fair value on investment properties	5	–	4,803
– gain on disposal of investments		309	94,489
– others	25	3,663	3,787
		3,972	103,079
Selling and marketing expenses		(3,092)	(3,120)
Administrative and corporate expenses		(9,528)	(9,728)
Other operating expenses			
– allowance for diminution in value of development properties	11	(74,986)	(110,000)
– changes in fair value on investment properties	5	(51,521)	–
– others	26	(9,090)	(19,121)
		(135,597)	(129,121)
Finance costs		(107)	–
Share of profit of associates, net of tax (including negative goodwill of \$115,780,000)	8	126,094	–
Profit before taxation		57,051	50,311
Tax expense	23	(13,925)	(10,271)
Profit for the year	24	43,126	40,040
Earnings per share			
Basic earnings per share (cents)	27	3.60	3.35
Diluted earnings per share (cents)	27	3.60	3.35

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2014

	2014 \$'000	2013 \$'000
Profit for the year	43,126	40,040
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, net of tax	(52)	–
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
– net change in fair value	142,421	(18,766)
– transfer to profit or loss on disposal	(309)	(95,663)
Exchange differences arising on consolidation of foreign subsidiaries	11,859	20,326
Share of other comprehensive income of associates, net of tax	4,885	–
Other comprehensive income for the year, net of tax	158,804	(94,103)
Total comprehensive income for the year	201,930	(54,063)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2014

	ATTRIBUTABLE TO OWNERS OF THE COMPANY			
NOTE	SHARE CAPITAL \$'000	OTHER RESERVES \$'000	RETAINED EARNINGS \$'000	TOTAL EQUITY \$'000
GROUP				
At 1 January 2014	1,055,901	271,866	1,674,723	3,002,490
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	–	–	43,126	43,126
Other comprehensive income				
Available-for-sale financial assets				
– net change in fair value	–	142,421	–	142,421
– transfer to profit or loss on disposal	–	(309)	–	(309)
Exchange differences arising on consolidation of foreign subsidiaries	–	11,859	–	11,859
Share of other comprehensive income of associates, net of tax	–	4,833	–	4,833
Total other comprehensive income, net of tax	–	158,804	–	158,804
Total comprehensive income for the year	–	158,804	43,126	201,930
Transfer				
Transfer of reserve to retained earnings (note 8)	–	(318,209)	318,209	–
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 2014	1,055,901	112,461	1,964,264	3,132,626

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

ATTRIBUTABLE TO OWNERS OF THE COMPANY				
NOTE	SHARE CAPITAL \$'000	OTHER RESERVES \$'000	RETAINED EARNINGS \$'000	TOTAL EQUITY \$'000
GROUP				
At 1 January 2013	1,055,901	365,969	1,706,477	3,128,347
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	–	–	40,040	40,040
Other comprehensive income				
Available-for-sale financial assets				
– net change in fair value	–	(18,766)	–	(18,766)
– transfer to profit or loss on disposal	–	(95,663)	–	(95,663)
Exchange differences arising on consolidation of foreign subsidiaries	–	20,326	–	20,326
Total other comprehensive income, net of tax	–	(94,103)	–	(94,103)
Total comprehensive income for the year	–	(94,103)	40,040	(54,063)
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 2013	1,055,901	271,866	1,674,723	3,002,490

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2014

	NOTE	2014 \$'000	2013 \$'000
OPERATING ACTIVITIES			
Profit for the year		43,126	40,040
Adjustments for:			
Tax expense		13,925	10,271
Depreciation of property, plant and equipment	4	333	299
Net change in fair value of forward exchange contracts		(8,254)	8,351
Exchange gain (net)		(6,848)	(600)
Loss on disposal of property, plant and equipment		2	45
Interest income	25(a)	(1,885)	(2,409)
Interest income from investments	24	(13,032)	(13,830)
Finance costs		107	–
Fixtures, plant and equipment included in investment property written off	5	466	–
Allowance for diminution in value of development properties		74,986	110,000
Changes in fair value on investment properties	5	51,521	(4,803)
Gain on disposal of investments		(309)	(94,489)
Dividend income from investments	24	(12,484)	(17,596)
Share of profit of associates, net of tax		(126,094)	–
		15,560	35,279
Changes in:			
– Development properties		(4,469)	(689,909)
– Trade and accrued receivables		(7,200)	150,441
– Amount due from related corporations		(11)	12
– Other receivables		615	5,469
– Trade payables		(2,007)	14,833
– Other payables		1,501	(1,698)
Cash generated from/(utilised in) operations		3,989	(485,573)
Interest received		1,949	2,555
Income tax paid		(34,875)	(16,332)
Dividends paid	28	(71,794)	(71,794)
Cash flows from operating activities		(100,731)	(571,144)

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

	NOTE	2014 \$'000	2013 \$'000
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		–	2
Proceeds from sale of investments		37,971	166,493
Purchase of property, plant and equipment		(747)	(519)
Expenditure on investment properties		(1,788)	(633)
Acquisition of investments		(19,787)	(228,368)
Dividends received		12,467	17,596
Interest received		13,574	11,695
Investment in associates		(95)	–
Cash flows from investing activities		41,595	(33,734)
FINANCING ACTIVITIES			
Drawdown of bank loans		18,037	349,957
Finance costs		(7,533)	(9,159)
Cash flows from financing activities		10,504	340,798
Net decrease in cash and cash equivalents		(48,632)	(264,080)
Cash and cash equivalents at beginning of the year		457,289	720,649
Effect of exchange rate changes on balances held in foreign currencies		(142)	720
Cash and cash equivalents at 31 December	15	408,515	457,289

Significant non-cash transactions

Refer to note 8 on the transfer of investment in Hotel Properties Limited (HPL) to interests in associate, 68 Holdings Pte. Ltd. (68 Holdings).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 March 2015.

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 Singapore Financial Reporting Standards (FRS).

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; and
- Investment properties 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 BASIS OF PREPARATION (CONT'D)

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.

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 3.12 – Measurement of profit attributable to development properties;
- Note 5 – Valuation of investment properties;
- Note 8 – Determination of fair value of net assets and negative goodwill arising from purchase price allocation exercise in investment in associate;
- Note 11 – Estimation of the percentage of completion, construction costs, attributable profits and diminution in value of development properties; and
- Note 23 – Estimation of provisions for current and deferred taxation.

2.5 Changes in accounting policies

(i) Disclosure of Interests in Other Entities

From 1 January 2014, as a result of FRS 112 *Disclosure of Interest in Other Entities*, the Group has expanded its disclosure about its interest in associates (see note 8).

2.6 Accounting policies for new transactions and events

(i) Hedge accounting

The Group hedges its foreign currency denominated available-for-sale equity instruments. Previously, exchange differences arising from the hedging were recognised in the statement of profit or loss whereas the foreign currency differences on the available-for-sale equity instruments were recognised in fair value reserve. On 1 January 2014, the Group adopted hedge accounting policy. As a result, the foreign currency differences on the available-for-sale equity instruments are recognised in the statement of profit or loss to offset the exchange differences arising from the hedging.

(ii) Accounting for step acquisition

On 30 May 2014, the Group applied the cost approach to account for the step acquisition of HPL, which was reclassified from available-for-sale financial asset to interest in associate. 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 asset becomes an investment in associate. As a result, the Group transferred \$318,209,000 of "fair value reserve" relating to HPL shares to "retained earnings" during the year ended 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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 Combination* 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 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, 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.

(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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(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.

The carrying amount of goodwill is included in the carrying amount of investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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 end of 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 on or after 1 January 2005 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.

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. 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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 recognised initially at fair value plus 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 and other payables 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.

Repurchase, disposal and reissue of share capital (treasury shares)

Where share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(iv) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

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 - 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.

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 the profit or loss.

Other non-trading derivatives

When a derivative financial instruments 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

(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.

(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 33 $\frac{1}{3}$ %
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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Intra-group financial guarantees

Intra-group financial guarantees are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.10 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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 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.

3.12 Revenue

(i) Sale of development properties

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.

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 units are delivered to the purchasers. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

The percentage of completion is measured by reference to the 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.

(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.

3.13 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 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.

3.15 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.

3.16 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.

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

4 PROPERTY, PLANT AND EQUIPMENT

	PLANT AND EQUIPMENT \$'000	FURNITURE AND FIXTURES \$'000	MOTOR VEHICLES \$'000	TOTAL \$'000
GROUP				
COST				
At 1 January 2013	1,075	2,123	381	3,579
Additions	299	220	–	519
Disposals	(149)	(111)	–	(260)
Effect of movements in exchange rates	3	–	5	8
At 31 December 2013 and 1 January 2014	1,228	2,232	386	3,846
Additions	149	543	55	747
Disposals	(59)	(17)	–	(76)
Effect of movements in exchange rates	3	1	3	7
At 31 December 2014	1,321	2,759	444	4,524
ACCUMULATED DEPRECIATION				
At 1 January 2013	830	1,086	176	2,092
Depreciation	142	112	76	330
Disposals	(133)	(80)	–	(213)
Effect of movements in exchange rates	–	–	1	1
At 31 December 2013 and 1 January 2014	839	1,118	253	2,210
Depreciation	168	121	82	371
Disposals	(57)	(17)	–	(74)
Effect of movements in exchange rates	1	–	1	2
At 31 December 2014	951	1,222	336	2,509
CARRYING AMOUNT				
At 1 January 2013	245	1,037	205	1,487
At 31 December 2013 and 1 January 2014	389	1,114	133	1,636
At 31 December 2014	370	1,537	108	2,015

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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 2013	537	1,921	313	2,771
Additions	199	199	–	398
Disposals	(93)	(108)	–	(201)
At 31 December 2013 and 1 January 2014	643	2,012	313	2,968
Additions	20	541	–	561
Disposals	(29)	(4)	–	(33)
At 31 December 2014	634	2,549	313	3,496
ACCUMULATED DEPRECIATION				
At 1 January 2013	437	920	162	1,519
Depreciation	77	102	63	242
Disposals	(79)	(77)	–	(156)
At 31 December 2013 and 1 January 2014	435	945	225	1,605
Depreciation	87	106	63	256
Disposals	(28)	(4)	–	(32)
At 31 December 2014	494	1,047	288	1,829
CARRYING AMOUNT				
At 1 January 2013	100	1,001	151	1,252
At 31 December 2013 and 1 January 2014	208	1,067	88	1,363
At 31 December 2014	140	1,502	25	1,667

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

	NOTE	GROUP 2014 \$'000	2013 \$'000
Charged to profit or loss	22	333	299
Capitalised to development properties		38	31
		371	330

5 INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
At 1 January	1,227,000	1,222,000	312,000	312,000
Additions	1,788	633	1	–
Write-back of construction costs	(1,801)	(436)	(1,801)	(12)
Fixtures, plant and equipment included in investment property written off	(466)	–	–	–
Changes in fair value	(51,521)	4,803	(50,200)	12
At 31 December	1,175,000	1,227,000	260,000	312,000

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

The investment properties are revalued as at 31 December 2014 by firms of independent professional valuers that have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The valuers have used the Investment Method in arriving at the current open market values of the properties. The Direct Comparison Method was also considered by the valuers in assessing the appropriateness of the valuation derived from the Investment Method.

The Investment 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.

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 \$1,790,000 (2013: \$1,619,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

6 AMOUNTS DUE FROM/TO SUBSIDIARIES

Amounts due from subsidiaries

	COMPANY	
	2014 \$'000	2013 \$'000
Non-current		
Interest-free inter-company loans	631,634	608,185
Quasi-equity loans	739,802	784,338
Impairment loss	(209,007)	(142,729)
	1,162,429	1,249,794
Current		
Non-trade	373	489
Impairment loss	(159)	(287)
	214	202

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

The interest-free inter-company loans are repayable between December 2016 and December 2017 (2013: repayable between December 2015 and December 2017).

The repayment of interest-free inter-company loan of \$442,625,000 (2013: \$432,078,000) are subordinated to secured bank loans. The repayment of interest-free inter-company loan of \$189,009,000 (2013: \$176,107,000) and non-trade amount of \$195,000 (2013: \$184,000) are subordinated to an unsecured bank loan. These repayments are subject to conditions stipulated in the term loan facility agreement (refer to note 18).

The quasi-equity loans form part of the Company's net investment in subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future.

Impairment loss

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

	COMPANY	
	2014 \$'000	2013 \$'000
At 1 January	143,016	28,256
Recognition of impairment loss	96,079	114,761
Write-back of impairment loss	—	(1)
Amounts written off	(29,929)	—
At 31 December	209,166	143,016

6 AMOUNTS DUE FROM/TO SUBSIDIARIES (CONT'D)

Amounts due from subsidiaries (cont'd)

Impairment loss (cont'd)

For subsidiaries with available-for-sale financial assets, the Company assessed the recoverable amount of the loans due from the subsidiaries using 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 value-in-use approach, when there is a loss event. Based on this assessment, the Company made an impairment loss of \$96,079,000 (2013: \$114,760,000) on the loans due from the subsidiaries.

Amounts due to subsidiaries

The amounts due to subsidiaries are interest-free, unsecured and repayable upon demand.

7 INTERESTS IN SUBSIDIARIES

	COMPANY	
	2014	2013
	\$'000	\$'000
Investment in subsidiaries	164,100	164,100
Discount implicit in interest-free inter-company loans	91,266	88,039
	255,366	252,139

The following are the Company's subsidiaries:

COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP	
			2014	2013
			%	%
(i) Direct subsidiaries				
³ Actbilt Pte Limited	Property owner and developer	Singapore	100	100
¹ Belmont Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
¹ Bestbilt Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
¹ Botanica Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

7 INTERESTS IN SUBSIDIARIES (CONT'D)

COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP	
			2014 %	2013 %
(i) Direct subsidiaries (cont'd)				
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 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
¹ Springfield Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	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
(ii) Indirect subsidiaries				
Subsidiary of Palm Valley Properties Pte. Ltd.				
² Gold Unicorn Holdings Limited	Investment holding	Hong Kong	100	100

7 INTERESTS IN SUBSIDIARIES (CONT'D)

COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP	
			2014 %	2013 %
(ii) Indirect subsidiaries (cont'd)				
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.				
³ Wheelock Properties (Jersey) Limited	Property owner, developer property management and investment holding	Jersey	100	100
Subsidiary of WPJ Services Pte. Ltd.				
³ Wheelock Services K. K.	Provision of information and advisory services relating to Japanese real estate market	Japan	100	100
Subsidiaries of WPS Capital Pte. Ltd.				
³ Ardesia Developments Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
¹ Besvale Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
¹ Cairnhill Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
¹ Colonnade Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100

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YEAR ENDED 31 DECEMBER 2014

7 INTERESTS IN SUBSIDIARIES (CONT'D)

			EFFECTIVE EQUITY HELD BY THE GROUP	
COMPANY NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	2014 %	2013 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of WPS Capital Pte. Ltd. (cont'd)				
¹ Cone Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
¹ Croft Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	100
¹ Cymbal Investments Pte. Ltd.	Property owner, developer and investment holding	Singapore	100	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 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
³ Pinevale Investments 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.

8 INTERESTS IN ASSOCIATES

	GROUP	
	2014 \$'000	2013 \$'000
Investment in associates	547,971	10
Impairment loss	(3)	(3)
	547,968	7

Interests in associates include quasi-equity loan of \$360,318,000 due from 68 Holdings.

Details of associates are as follows:

NAME OF ASSOCIATE	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY HELD BY THE GROUP	
			2014 %	2013 %
¹ HI Agencies Limited	Property agent	United Kingdom	32.92	32.92
² 68 Holdings Pte. Ltd.	Investment holding	Singapore	40	—
³ Hotel Properties Limited held by 68 Holdings Pte. Ltd.	Hotelier and investment holding	Singapore	22.6	—

¹ No audit required.

² Audited by KPMG LLP Singapore.

³ Audited by Deloitte & Touche LLP Singapore.

On 14 April 2014, the Group and Cuscaden Partners Pte. Ltd. (CPPL) formed a consortium in connection with the mandatory conditional cash offer (the Offer) for HPL shares, through the subscription by the Group and CPPL of 40% and 60% interest respectively in the offeror, 68 Holdings.

The Group and CPPL transferred their investments in HPL to 68 Holdings which then made an offer for all the HPL shares it did not own in exchange for shareholders' loan receivable from 68 Holdings of \$360,318,000 and \$540,477,000 respectively.

The transfer of the Group's and CPPL's shares in HPL to 68 Holdings was conditional to 68 Holdings obtaining control of HPL. Hence, the Group continued to account its shareholdings in HPL as available-for-sale financial assets prior to 68 Holdings obtaining control of HPL.

On 30 May 2014, the Offer became unconditional as 68 Holdings obtained control of HPL. As a result, the Group's shareholding in HPL which was previously recorded as available-for-sale financial assets was reclassified as an interest in an associate of \$416,939,000, which was based on the market price of HPL's share on 30 May 2014. Accordingly, the Group transferred \$318,209,000 of "fair value reserve" relating to HPL shares, held as available-for-sale financial assets to "retained earnings" in accordance with the accounting policy disclosed in Note 3.1(iv).

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8 INTERESTS IN ASSOCIATES (CONT'D)

The Group performed a purchase price allocation exercise for its acquisition of its associate, 68 Holdings on 30 May 2014. The Group's share of the net assets of 68 Holdings was based on the fair values of the identifiable assets and liabilities of HPL as at 30 May 2014.

Subsequent to 30 May 2014, 68 Holdings continued to acquire more HPL shares until the close of the unconditional offer on 26 June 2014. As at 26 June 2014, 68 Holdings had 56.52% of HPL shares. In addition, the Group has representation on the board of HPL and participates in the policy-making processes of HPL.

The following table summarises the consideration transferred and the proportionate share of the fair value of net assets of 68 Holdings (including HPL) as of the close of the offer date:

	\$'000
Total consideration transferred	416,939
Proportionate share of fair value of net assets	(532,719)
Negative goodwill	(115,780)

The negative goodwill was included in the Group's share of profit in associates for the year ended 31 December 2014.

The negative goodwill arose mainly due to the share price of HPL was traded at a discount to its fair value of net assets at the time of the offer.

8 INTERESTS IN ASSOCIATES (CONT'D)

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. The table also includes summarised financial information for the Group's interests in immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

	68 HOLDINGS GROUP \$'000	IMMATERIAL ASSOCIATE \$'000	TOTAL \$'000
2014			
Non-current assets	3,951,789		
Current assets	423,891		
Non-current liabilities	(1,084,148)		
Current liabilities	(475,745)		
Net assets	2,815,787		
Attributable to non-controlling interests	1,446,122		
Attributable to investee's shareholders	1,369,665		
Group's share of net assets of investee at date of gaining significant influence/beginning of the year	532,719	7	532,726
Group's share of:			
– profit for the year	10,314	–	10,314
– other comprehensive income	4,833	–	4,833
– total comprehensive income	15,147	–	15,147
Group's share of net assets of investee at end of period	547,866	7	547,873
Transaction cost capitalised	95	–	95
Carrying amount of interests in investees at the end of the year	547,961	7	547,968
Revenue	278,142		
Profit for the year	56,604		
Other comprehensive income	22,258		
Total comprehensive income	78,862		
Attributable to non-controlling interests	40,995		
Attributable to investee's shareholders	37,867		
Group's share of total comprehensive income	15,147		
Add: Negative goodwill	115,780		
Group's share of total comprehensive income, including negative goodwill	130,927		
Add: Other comprehensive income	(4,833)		
Group's share of profit of investees, net of tax*	126,094		

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

8 INTERESTS IN ASSOCIATES (CONT'D)

	IMMATERIAL ASSOCIATE \$'000
2013	
Group's share in net assets of investee at beginning of the year	7
Group's share of:	
– profit for the year	–
– other comprehensive income	–
– total comprehensive income	–
Carrying amount of interests in investee at end of the year	7

* Comprised share of results of associate for the period from 31 May 2014 to 31 December 2014 of \$10,314,000 and negative goodwill of \$115,780,000.

9 INVESTMENTS

	2014 \$'000	GROUP 2013 \$'000
NON-CURRENT INVESTMENTS		
Quoted available-for-sale equity securities:		
– HPL	–	320,168
– Others	442,968	369,740
	442,968	689,908
Quoted available-for-sale debt securities	148,860	181,414
	591,828	871,322

As at 31 December 2013, quoted equity securities comprised the Group's 20.26% interest in HPL. The equity interest in HPL was not classified as an associate in 2013 as the Group did not have significant influence in HPL. The Group did not have representation on the Board of Directors and did not participate in the policy-making processes of HPL.

On 14 April 2014, the Group transferred its entire shareholdings in HPL to 68 Holdings. Refer to note 8.

10 OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Club memberships	540	540	540	540

11 DEVELOPMENT PROPERTIES

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Properties under development, revenue is recognised using percentage of completion method for sold units				
– Costs incurred and attributable profits	636,270	926,078	–	–
– Progress billings	(64,198)	(8,950)	–	–
– Allowance for diminution in value	(110,000)	(110,000)	–	–
	462,072	807,128	–	–
Other properties under development				
– Costs incurred	398,011	349,761	–	–
– Allowance for diminution in value	(74,986)	–	–	–
– Effect of movements in exchange rates	(1,317)	–	–	–
	321,708	349,761	–	–
Completed properties	392,601	67,703	66,907	67,703
Total development properties	1,176,381	1,224,592	66,907	67,703
Finance costs capitalised into development properties:				
– Interest on borrowings paid and payable to banks	7,889	5,956	–	–
– Other financing costs	1,344	1,182	–	–
Interest income capitalised into development properties	(61)	(22)	–	–
	9,172	7,116	–	–

As at 31 December 2014, development properties amounting to \$1,109,474,000 (2013: \$1,156,889,000) are pledged as security to obtain bank loans (refer to note 18).

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 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 completion of the project.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

11 DEVELOPMENT PROPERTIES (CONT'D)

In estimating the 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 Group makes allowance for diminution in value taking into account estimated net realisable values of the project by reference to comparable properties, location and property market conditions. Changes in the estimates of the construction costs would also have an effect on the determination of diminution in value for each project.

An allowance for diminution in value of \$74,986,000 was made on the Fuyang project in the PRC, due to uncertain market conditions there.

In 2013, an allowance for diminution in value of \$110,000,000 was made on The Panorama. Due to the continued weakening market conditions, the Group had assessed the recoverable amount of The Panorama and this allowance for diminution remains appropriate as at 31 December 2014.

12 TRADE AND ACCRUED RECEIVABLES

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Trade receivables	5,935	873	612	723
Accrued receivables	2,636	498	–	189
	8,571	1,371	612	912

Accrued receivables 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.

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

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Residential	7,737	498	1	189
Commercial	115	47	–	–
Retail	719	826	611	723
	8,571	1,371	612	912

12 TRADE AND ACCRUED RECEIVABLES (CONT'D)

The ageing of trade receivables at the reporting date is:

	GROUP		COMPANY	
	GROSS 2014 \$'000	GROSS 2013 \$'000	GROSS 2014 \$'000	GROSS 2013 \$'000
Not past due	5,100	–	–	–
Past due 1 – 30 days	382	514	175	374
Past due 31 – 60 days	72	201	58	194
Past due 61 – 90 days	16	5	14	4
Past due 91 – 120 days	169	126	169	125
Past due 121 – 150 days	168	3	168	3
Past due more than 150 days	1,042	24	1,042	23
	6,949	873	1,626	723

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

	GROUP \$'000	COMPANY \$'000
At 1 January 2014	–	–
Recognition of impairment loss	1,055	1,055
Amounts written off	(41)	(41)
At 31 December 2014	1,014	1,014

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.

13 AMOUNTS DUE FROM RELATED CORPORATIONS

The 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

14 OTHER RECEIVABLES

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Accrued income	1,929	2,839	588	1,285
Deposits	376	293	49	40
Forward exchange contracts	136	–	136	–
Interest receivables	4,437	4,874	41	50
Prepaid expenses	289	166	88	58
Others	341	255	50	74
	7,508	8,427	952	1,507

15 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Amounts held under the “Project Account Rules – 1997 Ed”, withdrawals from which are restricted to payments for expenditure incurred on projects	35,385	67	–	–
Fixed deposits at banks	39,189	113,358	34,399	102,458
Cash at banks and in hand	333,941	343,864	330,766	318,354
Cash and cash equivalents	408,515	457,289	365,165	420,812

The weighted average effective interest rates relating to cash and cash equivalents at the reporting date for the Group and the Company are 0.49% (2013: 0.45%) and 0.50% (2013: 0.45%) per annum respectively.

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

16 SHARE CAPITAL

	COMPANY	
	2014	2013
	NO. OF	NO. OF
	SHARES	SHARES
	'000	'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.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. 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 2014

17 RESERVES

	RETAINED EARNINGS \$'000	TRANSLATION RESERVE \$'000	GROUP FAIR VALUE RESERVE \$'000	TOTAL \$'000
At 1 January 2014	1,674,723	16,553	255,313	1,946,589
Total comprehensive income for the year				
Profit for the year	43,126	–	–	43,126
Other comprehensive income				
Available-for-sale financial assets:				
– net change in fair value	–	–	142,421	142,421
– transfer to profit or loss on disposal	–	–	(309)	(309)
Exchange differences arising on consolidation of foreign subsidiaries	–	11,859	–	11,859
Share of other comprehensive income of associates, net of tax	–	4,823	10	4,833
Total other comprehensive income, net of tax	–	16,682	142,122	158,804
Total comprehensive income for the year	43,126	16,682	142,122	201,930
Transfer (note 8)	318,209	–	(318,209)	–
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 2014	1,964,264	33,235	79,226	2,076,725

17 RESERVES (CONT'D)

	RETAINED EARNINGS \$'000	TRANSLATION RESERVE \$'000	GROUP FAIR VALUE RESERVE \$'000	TOTAL \$'000
At 1 January 2013	1,706,477	(3,773)	369,742	2,072,446
Total comprehensive income for the year				
Profit for the year	40,040	–	–	40,040
Other comprehensive income				
Available-for-sale financial assets:				
– net change in fair value	–	–	(18,766)	(18,766)
– transfer to profit or loss on disposal	–	–	(95,663)	(95,663)
Exchange differences arising on consolidation of foreign subsidiaries	–	20,326	–	20,326
Total other comprehensive income, net of tax	–	20,326	(114,429)	(94,103)
Total comprehensive income for the year	40,040	20,326	(114,429)	(54,063)
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 2013	1,674,723	16,553	255,313	1,946,589

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 reserves of the Company represent retained earnings.

	COMPANY	
	2014 \$'000	2013 \$'000
At 1 January	961,120	1,128,029
Loss for the year	(119,587)	(95,115)
Dividends paid	(71,794)	(71,794)
At 31 December	769,739	961,120

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

18 INTEREST-BEARING LIABILITIES

	2014 \$'000	GROUP 2013 \$'000
NON-CURRENT LIABILITIES		
Secured bank loans	315,063	480,984
Unsecured bank loan	–	150,888
Total borrowings	315,063	631,872
CURRENT LIABILITIES		
Secured bank loan	185,740	–
Unsecured bank loan	157,620	–
Total borrowings	343,360	–
MATURITY OF LIABILITIES		
Within 1 year	343,360	–
After 1 year but within 5 years	315,063	631,872
Total borrowings	658,423	631,872

The secured bank loans are generally secured by mortgages over the Group's development properties in Singapore and the PRC, legal assignment of all rights, titles, interests and benefits under contracts in respect of the properties and corporate guarantees issued by the Company.

The amounts due from certain subsidiaries amounting to \$631,829,000 (2013: \$608,369,000) are subordinated to prior repayment of certain bank loans. Refer to note 32 for the corporate guarantees issued by the Company in respect of the bank loans.

The interest-bearing liabilities are secured on the following assets:

	2014 \$'000	2013 \$'000
Development properties	1,109,474	1,156,889

The Singapore dollar secured bank loans bear interest at rates ranging from 0.86% to 1.13% (2013: 0.86% to 1.01%) per annum.

The Renminbi secured bank loan bears interest at rates ranging from 6.30% to 6.46% (2013: 6.46%) per annum.

The unsecured bank loan bears interest at rates ranging from 1.55% to 1.57% (2013: 1.57% to 1.61%) per annum.

19 DEFERRED TAX ASSETS AND LIABILITIES

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

	BALANCE AS AT 1 JANUARY 2013 \$'000	RECOGNISED IN PROFIT OR LOSS (NOTE 23) \$'000	EXCHANGE DIFFERENCES \$'000	BALANCE AS AT 31 DECEMBER 2013 \$'000	RECOGNISED IN PROFIT OR LOSS (NOTE 23) \$'000	EXCHANGE DIFFERENCES \$'000	BALANCE AS AT 31 DECEMBER 2014 \$'000
GROUP							
DEFERRED TAX							
LIABILITIES/ (ASSETS)							
Property, plant and equipment	68	13	–	81	(13)	–	68
Investment properties	9,173	1,077	–	10,250	1,081	–	11,331
Development properties	26,161	(26,210)	(16)	(65)	1,857	(20)	1,772
Investments	1,088	878	–	1,966	509	–	2,475
Others	520	(30)	–	490	(159)	–	331
Total	37,010	(24,272)	(16)	12,722	3,275	(20)	15,977
COMPANY							
DEFERRED TAX							
LIABILITIES/ (ASSETS)							
Property, plant and equipment	55	16	–	71	(19)	–	52
Investment property	726	726	–	1,452	726	–	2,178
Development property	25,099	(25,290)	–	(191)	(5)	–	(196)
Others	238	(13)	–	225	(123)	–	102
Total	26,118	(24,561)	–	1,557	579	–	2,136

Deferred tax assets have not been recognised in respect of deductible temporary differences amounting to \$200.7 million (2013: \$126.3 million) and \$9.6 million (2013: \$7.9 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.

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20 TRADE PAYABLES

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Expected cash flows on the payment of trade payables in the next:				
1 – 30 days	6,133	23,255	716	685
31 – 60 days	5,505	7,200	672	925
61 – 90 days	4,567	13,717	1,719	8,120
More than 90 days	51,397	26,852	9,432	16,516
	67,602	71,024	12,539	26,246

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.

21 OTHER PAYABLES

	GROUP		COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Accrued expenses	6,816	5,319	3,016	3,186
Deposits	21,649	20,312	5,202	5,015
Deposits from a related company	562	555	562	555
Forward exchange contracts	429	8,548	429	8,548
Income received in advance	778	1,139	266	70
Property tax payable	213	1,473	197	166
Interest payable and others	2,371	1,614	1,078	963
	32,818	38,960	10,750	18,503

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.

22 OPERATING SEGMENTS (CONT'D)

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
2014						
External revenue*	2,394	71,105	25,516	–	–	99,015
Inter-segment revenue	–	2,038	–	4,316	(6,354)	–
Interest income	1,734	151	–	8,760	(8,760)	1,885
Interest expense	(247)	–	–	(2,917)	3,072	(92)
Depreciation	(17)	(83)	–	(233)	–	(333)
Reportable segment (loss)/profit before taxation	(80,132)	(948)	24,733	(4,395)	(8,301)	(69,043)
Share of profit of associates	–	–	–	–	–	126,094
Other material non-cash item:						
– Allowance for diminution in value on development property	(74,986)	–	–	–	–	(74,986)
Reportable segment assets	1,998,576	1,275,876	639,474	1,404,800	(1,948,332)	3,370,394
Interests in associates	–	–	–	–	–	547,968
Capital expenditure**	63	1,915	–	557	–	2,535
Reportable segment liabilities	1,013,169	83,059	510,505	678,031	(1,525,921)	758,843
2013						
External revenue*	14,913	70,735	31,426	–	–	117,074
Inter-segment revenue	–	2,078	–	4,155	(6,233)	–
Interest income	2,341	68	–	5,428	(5,428)	2,409
Interest expense	–	–	–	(2,429)	2,429	–
Depreciation	(12)	(71)	–	(216)	–	(299)
Reportable segment (loss)/profit before taxation	(107,678)	56,743	111,835	(3,299)	(7,290)	50,311
Other material non-cash item:						
– Allowance for diminution in value on development property	(110,000)	–	–	–	–	(110,000)
Reportable segment assets	2,116,897	1,285,681	950,732	1,788,022	(2,347,703)	3,793,629
Capital expenditure**	78	693	–	381	–	1,152
Reportable segment liabilities	979,349	87,446	728,161	701,004	(1,754,104)	741,856

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

** Comprises property, plant and equipment of \$747,000 (2013: \$519,000) and expenditure on investment properties of \$1,788,000 (2013: \$633,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

22 OPERATING SEGMENTS (CONT'D) Reconciliation of reportable segments

	2014 \$'000	GROUP 2013 \$'000
PROFIT BEFORE TAXATION		
Total (loss)/profit before taxation for reportable segment	(69,043)	50,311
Share of profit of associates	126,094	–
Consolidated profit before taxation	57,051	50,311
ASSETS		
Total assets for reportable segments	3,370,394	3,793,629
Interests in associates	547,968	7
Consolidated total assets	3,918,362	3,793,636
LIABILITIES		
Total liabilities for reportable segments	758,843	741,856
Unallocated current and deferred tax liabilities	26,893	49,290
Consolidated total liabilities	785,736	791,146

Geographical Segments

The operations of the Group are principally located in Singapore.

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	OTHER COUNTRIES \$'000	TOTAL \$'000
2014			
Revenue	73,499	25,516	99,015
Non-current assets [#]	1,177,394	591,989	1,769,383
Reportable segment assets	2,450,337	920,057	3,370,394
2013			
Revenue	93,370	23,704	117,074
Non-current assets [#]	1,549,666	552,259	2,101,925
Reportable segment assets	2,857,449	936,180	3,793,629

[#] Include investment properties, property, plant and equipment, investment in available-for-sale financial assets, deferred tax assets 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	
	2014	2013
	\$'000	\$'000
CURRENT TAX EXPENSE		
Current year	9,904	35,019
Adjustment in prior years	746	(476)
	10,650	34,543
DEFERRED TAX EXPENSE		
Origination and reversal of temporary differences	2,911	(23,962)
Adjustment in prior years	364	(310)
	3,275	(24,272)
Tax expense on continuing operations	13,925	10,271
RECONCILIATION OF EFFECTIVE TAX RATE		
Profit before taxation	57,051	50,311
Share of profit of associates, net of tax	(126,094)	–
	(69,043)	50,311
Tax using Singapore tax rate of 17% (2013: 17%)	(11,737)	8,553
Deferred tax assets not recognised	19,124	18,703
Effect of tax rates in foreign jurisdictions	(6,377)	(213)
Non-deductible expenses	12,634	3,411
Tax exempt income	(902)	(18,499)
Adjustment in prior years	1,110	(786)
Utilisation of deferred tax assets previously not recognised	(474)	(959)
Tax incentives	(293)	(457)
Others	840	518
	13,925	10,271

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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YEAR ENDED 31 DECEMBER 2014

24 PROFIT FOR THE YEAR

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

	NOTE	2014 \$'000	GROUP 2013 \$'000
Audit fees paid to:			
– Auditors of the Company	24(a)	429	423
– Other auditors of the Company		5	8
Non-audit fees paid to auditors of the Company	24(b)	350	281
Direct operating costs for income-generating investment properties		15,485	15,579
Dividend income from investments		(12,484)	(17,596)
Interest income from investments		(13,032)	(13,830)
Staff costs	24(c)	8,610	9,032
(a) Audit fees paid to auditors of the Company:		458	448
– capitalised into development properties		(29)	(25)
– charged to profit or loss		429	423
(b) Non-audit fees paid to auditors of the Company:		361	292
– capitalised into development properties		(11)	(11)
– charged to profit or loss		350	281
(c) Staff costs:			
– wages, salaries and benefits-in-kind		10,672	10,021
– contributions to defined contribution plans		1,107	1,051
		11,779	11,072
– capitalised into development properties		(3,169)	(2,040)
– charged to profit or loss		8,610	9,032
(d) Directors' remuneration:			
– charged to profit or loss		1,820	1,774
(e) Finance costs:			
– interest on borrowings paid and payable to banks		7,981	5,956
– other financing costs		1,359	1,182
		9,340	7,138
– interest on borrowings paid and payable to banks capitalised into development properties		(7,889)	(5,956)
– other financing costs capitalised into development properties		(1,344)	(1,182)
– charged to profit or loss		107	–

25 OTHER INCOME

	NOTE	2014 \$'000	GROUP 2013 \$'000
Interest income	25(a)	1,885	2,409
Others		1,778	1,378
		3,663	3,787

(a) Interest income:

– fixed deposits/current accounts	1,792	2,340
– others	154	91
	1,946	2,431
– capitalised into development properties	(61)	(22)
– credited to profit or loss	1,885	2,409

26 OTHER OPERATING EXPENSES

	2014 \$'000	GROUP 2013 \$'000
Exchange loss		
– effective portion of changes in fair value of fair value hedges	(7,827)	–
– net change in fair value of forward exchange contracts	(8,254)	8,351
– revaluation of bank loan and cash balances held in foreign currencies	5,324	5,238
– realised forward exchange contracts (net)	18,396	5,673
– others	(81)	(237)
	7,558	19,025
Loss on disposal of property, plant and equipment	2	45
Fixtures, plant and equipment included in investment property written off (refer to note 5)	466	–
Allowance for impairment loss on trade receivables	1,055	–
Irrecoverable GST expense	9	51
	9,090	19,121

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YEAR ENDED 31 DECEMBER 2014

27 EARNINGS PER SHARE

	GROUP	
	2014 \$'000	2013 \$'000
Basic and diluted earnings per share are based on:		
(i) Net profit attributable to ordinary shareholders	43,126	40,040
	'000	'000
(ii) Issued ordinary shares at beginning and end of the year	1,196,560	1,196,560

28 DIVIDENDS

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

	COMPANY	
	2014 \$'000	2013 \$'000
6.0 cents per share (2013: 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	
	2014 \$'000	2013 \$'000
6.0 cents per share (2013: 6.0 cents per share)	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:

	2014 \$'000	GROUP 2013 \$'000
Within 1 year	52,553	60,385
After 1 year but within 2 years	30,134	41,427
After 2 years but within 3 years	12,549	20,979
After 3 years but within 4 years	5,534	3,049
After 4 years but within 5 years	4,662	–
After 5 years	6,770	–
	112,202	125,840

As at 31 December 2014, there are outstanding operating lease receivables commitments from a related company amounting to \$276,000 (2013: \$1,682,000).

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

	2014 \$'000	GROUP 2013 \$'000
Commitments in respect of:		
– capital expenditure contracted for the additions to the investment property but not provided for	1,052	1,168
– development expenditure contracted for the construction of the development properties but not provided for	221,324	62,665
	222,376	63,833

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

30 RELATED PARTIES

Transactions with key management personnel

Key management personnel compensation comprised:

	2014 \$'000	GROUP 2013 \$'000
Short-term employee benefits	1,799	1,753
Contributions to defined contribution plans	21	21
	1,820	1,774

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:

	2014 \$'000	GROUP 2013 \$'000
Rental income received from a related company	1,599	1,726
Brokerage and related fees paid to a related company	4	6
Project consultancy and design service fees paid to a related company	883	736

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.

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 principal risk to which the Company is exposed in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts it has issued to banks for credit facilities granted to its subsidiaries. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the subsidiaries. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 32.

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.

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YEAR ENDED 31 DECEMBER 2014

31 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

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

	NOTE	GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Amounts due from subsidiaries*	6	–	–	422,841	495,435
Investments	9	591,828	871,322	–	–
Trade and accrued receivables	12	8,571	1,371	612	912
Amounts due from related corporation	13	36	25	36	25
Other receivables**	14	7,219	8,261	864	1,449
Cash and cash equivalents	15	408,515	457,289	365,165	420,812
		1,016,169	1,338,268	789,518	918,633

* Excludes quasi-equity loans to subsidiaries of \$739,802,000 (2013: \$754,561,000) for the Company.

** Excludes prepaid expenses of \$289,000 (2013: \$166,000) and \$88,000 (2013: \$58,000) 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 credit facilities to ensure availability of funding till project completion.

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	AFTER 1 YEAR BUT WITHIN 5 YEARS \$'000
GROUP				
2014				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Interest-bearing liabilities	658,423	674,817	351,170	323,647
Trade payables	67,602	67,602	67,602	–
Other payables*	31,611	31,611	31,611	–
	757,636	774,030	450,383	323,647
DERIVATIVE FINANCIAL INSTRUMENTS				
Forward exchange contracts	429	429	429	–
Forward exchange contracts	(136)	(136)	(136)	–
	293	293	293	–
	757,929	774,323	450,676	323,647
2013				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Interest-bearing liabilities	631,872	654,989	7,654	647,335
Trade payables	71,024	71,024	71,024	–
Other payables*	29,273	29,273	29,273	–
	732,169	755,286	107,951	647,335
DERIVATIVE FINANCIAL INSTRUMENTS				
Forward exchange contracts	8,548	8,548	8,548	–
	740,717	763,834	116,499	647,335

NOTES TO THE FINANCIAL STATEMENTS

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31 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

	CARRYING AMOUNT \$'000	CONTRACTUAL CASH FLOWS \$'000	WITHIN 1 YEAR \$'000	AFTER 1 YEAR BUT WITHIN 5 YEARS \$'000
COMPANY				
2014				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Trade payables	12,539	12,539	12,539	—
Other payables*	10,055	10,055	10,055	—
Amounts due to subsidiaries	261,663	261,663	261,663	—
	284,257	284,257	284,257	—
DERIVATIVE FINANCIAL INSTRUMENTS				
Forward exchange contracts	429	429	429	—
Forward exchange contracts	(136)	(136)	(136)	—
	293	293	293	—
	284,550	284,550	284,550	—
2013				
NON-DERIVATIVE FINANCIAL LIABILITIES				
Trade payables	26,246	26,246	26,246	—
Other payables*	9,885	9,885	9,885	—
Amounts due to subsidiaries	217,505	217,505	217,505	—
	253,636	253,636	253,636	—
DERIVATIVE FINANCIAL INSTRUMENTS				
Forward exchange contracts	8,548	8,548	8,548	—
	262,184	262,184	262,184	—

* Excludes income received in advance and forward exchange contracts of \$1,207,000 (2013: \$9,687,000) and \$695,000 (2013: \$8,618,000) 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.

31 FINANCIAL INSTRUMENTS (CONT'D)**Interest rate risk**

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

Exposure to interest rate risk

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

	GROUP CARRYING AMOUNT		COMPANY CARRYING AMOUNT	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
VARIABLE RATE INSTRUMENTS				
Financial assets	405,254	455,152	364,457	420,410
Financial liabilities	(658,423)	(631,872)	–	–
	(253,169)	(176,720)	364,457	420,410

Sensitivity analysis

A change of 50 basis point (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	
	50 BP INCREASE	50 BP DECREASE	50 BP INCREASE	50 BP DECREASE
	\$'000	\$'000	\$'000	\$'000
2014				
Variable rate instruments	(1,266)	1,266	1,822	(1,822)
2013				
Variable rate instruments	(884)	884	2,102	(2,102)

Currency risk

The Group is exposed to currency risk on investments and borrowings 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), the Great British Pound (GBP), the United States Dollars (USD) and the Euro Dollars (EUR).

In respect of non-monetary and monetary assets and liabilities held in currency other than Singapore dollars, the Group uses forward exchange contracts to hedge foreign currency risks arising from its HKD, GBP and EUR 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.

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31 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

The fair values of the forward exchange contracts designated as hedging instruments comprise derivative asset of \$136,000 (2013: nil) and derivative liability of \$359,000 (2013: nil) as at 31 December 2014.

As at 31 December 2014, the Group has 4 (2013: 4) forward exchange contracts amounting to \$519,254,000 (2013: \$507,537,000).

Exposure to currency risk

Balances are denominated in the following currencies:

	HKD \$'000	GBP \$'000	USD \$'000	EUR \$'000	TOTAL \$'000
GROUP					
2014					
Investments	318,508	104,420	148,860	20,040	591,828
Other receivables	–	–	4,403	–	4,403
Cash and cash equivalents	–	9	23,317	–	23,326
Interest-bearing liability	–	–	(157,865)	–	(157,865)
Other payables	(6)	(110)	(40)	(16)	(172)
	318,502	104,319	18,675	20,024	461,520
2013					
Investments	273,701	82,840	181,414	13,199	551,154
Other receivables	–	–	4,841	–	4,841
Cash and cash equivalents	–	6	36,149	–	36,155
Interest-bearing liability	–	–	(151,416)	–	(151,416)
Other payables	(25)	(13)	(250)	–	(288)
	273,676	82,833	70,738	13,199	440,446
COMPANY					
2014					
Amounts due from subsidiaries	271,234	71,296	339,085	17,789	699,404
Other receivables	–	–	13	–	13
Cash and cash equivalents	–	–	23,025	–	23,025
Other payables	–	(103)	(20)	–	(123)
	271,234	71,193	362,103	17,789	722,319
2013					
Amounts due from subsidiaries	260,166	72,403	349,802	12,955	695,326
Other receivables	–	–	7	–	7
Cash and cash equivalents	–	–	12,519	–	12,519
Other payables	(21)	–	(235)	–	(256)
	260,145	72,403	362,093	12,955	707,596

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
2014				
HKD	(1)	31,851	27,124	—
GBP	(10)	10,442	7,119	—
USD	1,868	—	36,210	—
EUR	(2)	2,004	1,779	—
2013				
HKD	(2)	27,370	26,015	—
GBP	(1)	8,284	7,240	—
USD	7,074	—	36,209	—
EUR	—	1,320	1,296	—

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:

	2014 \$'000	2013 \$'000
Quoted equity investment available-for-sale	44,297	68,991

This analysis assumes that all other variables remain constant.

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31 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values

The fair values of financial assets and financial liabilities together with the carrying amounts shown in the statements of financial position, are as follows.

	NOTE	FAIR VALUE – DERIVATIVE INSTRUMENTS \$'000	LOANS AND RECEIVABLES \$'000	AVAILABLE- FOR-SALE \$'000	OTHER FINANCIAL LIABILITIES \$'000	TOTAL CARRYING AMOUNT \$'000	FAIR VALUE \$'000
GROUP							
2014							
FINANCIAL ASSETS							
MEASURED AT FAIR VALUE							
Investments	9	–	–	591,828	–	591,828	591,828
Forward exchange contracts	14	136	–	–	–	136	136
		136	–	591,828	–	591,964	591,964
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE							
Trade and accrued receivables	12	–	8,571	–	–	8,571	8,571
Amounts due from related corporations	13	–	36	–	–	36	36
Other receivables*	14	–	7,083	–	–	7,083	7,083
Cash and cash equivalents	15	–	408,515	–	–	408,515	408,515
		–	424,205	–	–	424,205	424,205
FINANCIAL LIABILITY MEASURED AT FAIR VALUE							
Forward exchange contracts	21	429	–	–	–	429	429
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE							
Interest-bearing liabilities	18	–	–	–	658,423	658,423	658,423
Trade payables	20	–	–	–	67,602	67,602	67,602
Other payables**	21	–	–	–	31,611	31,611	31,611
		–	–	–	757,636	757,636	757,636

31 FINANCIAL INSTRUMENTS (CONT'D)

	NOTE	FAIR VALUE - DERIVATIVE INSTRUMENTS \$'000	LOANS AND RECEIVABLES \$'000	AVAILABLE- FOR-SALE \$'000	OTHER FINANCIAL LIABILITIES \$'000	TOTAL CARRYING AMOUNT \$'000	FAIR VALUE \$'000
GROUP							
2013							
FINANCIAL ASSET							
MEASURED AT							
FAIR VALUE							
Investments	9	—	—	871,322	—	871,322	871,322
FINANCIAL ASSETS							
NOT MEASURED AT							
FAIR VALUE							
Trade and accrued receivables	12	—	1,371	—	—	1,371	1,371
Amounts due from related corporations	13	—	25	—	—	25	25
Other receivables*	14	—	8,261	—	—	8,261	8,261
Cash and cash equivalents	15	—	457,289	—	—	457,289	457,289
		—	466,946	—	—	466,946	466,946
FINANCIAL LIABILITY							
MEASURED AT							
FAIR VALUE							
Forward exchange contracts	21	8,548	—	—	—	8,548	8,548
FINANCIAL LIABILITIES							
NOT MEASURED AT							
FAIR VALUE							
Interest-bearing liabilities	18	—	—	—	631,872	631,872	631,872
Trade payables	20	—	—	—	71,024	71,024	71,024
Other payables**	21	—	—	—	29,273	29,273	29,273
		—	—	—	732,169	732,169	732,169

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31 FINANCIAL INSTRUMENTS (CONT'D)

	NOTE	FAIR VALUE - DERIVATIVE INSTRUMENTS \$'000	LOANS AND RECEIVABLES \$'000	AVAILABLE- FOR-SALE \$'000	OTHER FINANCIAL LIABILITIES \$'000	TOTAL CARRYING AMOUNT \$'000	FAIR VALUE \$'000
COMPANY							
2014							
FINANCIAL ASSET							
MEASURED AT FAIR VALUE							
Forward exchange contracts	14	136	-	-	-	136	136
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE							
Amounts due from subsidiaries***	6	-	422,841	-	-	422,841	428,343
Trade and accrued receivables	12	-	612	-	-	612	612
Amounts due from related corporation	13	-	36	-	-	36	36
Other receivables*	14	-	728	-	-	728	728
Cash and cash equivalents	15	-	365,165	-	-	365,165	365,165
		-	789,382	-	-	789,382	794,884
FINANCIAL LIABILITY MEASURED AT FAIR VALUE							
Forward exchange contracts	21	429	-	-	-	429	429
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE							
Trade payables	20	-	-	-	12,539	12,539	12,539
Other payables**	21	-	-	-	10,055	10,055	10,055
Amounts due to subsidiaries	6	-	-	-	261,663	261,663	261,663
		-	-	-	284,257	284,257	284,257

31 FINANCIAL INSTRUMENTS (CONT'D)

	NOTE	FAIR VALUE – DERIVATIVE INSTRUMENTS \$'000	LOANS AND RECEIVABLES \$'000	AVAILABLE- FOR-SALE \$'000	OTHER FINANCIAL LIABILITIES \$'000	TOTAL CARRYING AMOUNT \$'000	FAIR VALUE \$'000
COMPANY							
2013							
FINANCIAL ASSETS							
NOT MEASURED AT FAIR VALUE							
Amounts due from subsidiaries***	6	–	495,435	–	–	495,435	500,832
Trade and accrued receivables	12	–	912	–	–	912	912
Amounts due from related corporations	13	–	25	–	–	25	25
Other receivables*	14	–	1,449	–	–	1,449	1,449
Cash and cash equivalents	15	–	420,812	–	–	420,812	420,812
		–	918,633	–	–	918,633	924,030
FINANCIAL LIABILITY							
MEASURED AT FAIR VALUE							
Forward exchange contracts	21	8,548	–	–	–	8,548	8,548
FINANCIAL LIABILITIES							
NOT MEASURED AT FAIR VALUE							
Trade payables	20	–	–	–	26,246	26,246	26,246
Other payables**	21	–	–	–	9,885	9,885	9,885
Amounts due to subsidiaries	6	–	–	–	217,505	217,505	217,505
		–	–	–	253,636	253,636	253,636

* Excludes prepaid expenses and forward exchange contracts of \$425,000 (2013: \$166,000) and \$224,000 (2013: \$58,000) for the Group and the Company respectively.

** Excludes income received in advance and forward exchange contracts of \$1,207,000 (2013: \$9,687,000) and \$695,000 (2013: \$8,618,000) for the Group and the Company respectively.

*** Excludes quasi-equity loans to subsidiaries of \$739,802,000 (2013: \$754,561,000) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

31 FINANCIAL INSTRUMENTS (CONT'D)

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 following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Investments in equity and debt securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date.

Derivatives

The fair value of financial derivatives instruments is derived from valuation from the bank, which were based on valuation techniques in which significant inputs were based on observable market data.

Non-derivative non-current financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Valuation process

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.

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).

31 FINANCIAL INSTRUMENTS (CONT'D)**Fair value hierarchy**

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

At the respective report dates, in order to determine the fair value of the forward exchange contracts, management had obtained independent valuations from the bank, which were based on valuation techniques in which significant inputs were based on observable market data. The forward exchange contracts were analysed as Level 2 as the inputs used for the valuations were based on observable market data.

Financial assets and financial liabilities carried at fair value

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$'000	\$'000	\$'000	\$'000
GROUP				
2014				
ASSETS				
Available-for-sale quoted equity and debt securities	591,828	–	–	591,828
Forward exchange contracts	–	136	–	136
	591,828	136	–	591,964
LIABILITY				
Forward exchange contracts	–	(429)	–	(429)
2013				
ASSET				
Available-for-sale quoted equity and debt securities	871,322	–	–	871,322
LIABILITY				
Forward exchange contracts	–	(8,548)	–	(8,548)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

31 FINANCIAL INSTRUMENTS (CONT'D)

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
COMPANY				
2014				
ASSET				
Forward exchange contracts	–	136	–	136
LIABILITY				
Forward exchange contracts	–	(429)	–	(429)
2013				
LIABILITY				
Forward exchange contracts	–	(8,548)	–	(8,548)

*Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed**

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
COMPANY				
2014				
ASSET				
Amounts due from subsidiaries	–	428,129	–	428,129
2013				
ASSET				
Amounts due from subsidiaries	–	500,630	–	500,630

* Exclude financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

The table below analyses recurring non-financial assets carried at fair value:

	2014 LEVEL 3 \$'000	2013 LEVEL 3 \$'000
Investment properties	1,175,000	1,227,000

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy is disclosed in note 5.

31 FINANCIAL INSTRUMENTS (CONT'D)

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	Investment method	Capitalisation rate (4.75% - 6.00% (2013:4.75% - 6.00%))	A significant increase in capitalisation rate in isolation would result in a significantly lower fair value measurement.

32 FINANCIAL GUARANTEE CONTRACTS

There are no terms and conditions attached to the financial guarantees that would have a material effect on the amount, timing and uncertainty of the Group's and the Company's future cash flows. The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries amounting to \$1,078,070,000 (2013: \$1,068,627,000), of which the amount utilised at the reporting date was \$678,745,000 (2013: \$653,485,000). The periods in which the financial guarantees will expire are as follows:

	2014 \$'000	2013 \$'000
Within 1 year	397,865	—
After 1 year but within 5 years	680,205	1,068,627
	1,078,070	1,068,627

Management considers that the possibility of the default of the parties involved is remote. Accordingly, no value has been recognised in the consolidated statement of financial position as at the reporting date.

33 CONTINGENT LIABILITY

On 16 August 2011, Mer Vue Developments Pte. Ltd., a subsidiary of the Company, was served with a Writ of Summons in respect of a claim by The Management Corporation Strata Title Plan No. 3322, the management corporation of The Sea View condominium (Development), for alleged defects in the Development. The main contractor, the architect and the mechanical and electrical engineer were named as co-defendants in the same action.

The subsidiary filed its defence claiming indemnity and/or contribution against the main contractor and architect.

At the reporting date, the directors of the Company are of the view that it is presently not practicable to provide an estimate of the financial effects, if any, of the above.

SHAREHOLDING STATISTICS

AS AT 26 MARCH 2015

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

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

NAME OF SHAREHOLDERS	NO. OF SHARES		%
	DIRECT INTERESTS	DEEMED INTERESTS	
Star Attraction Limited	907,459,746	–	75.84
Wheelock Investments Limited	–	907,459,746	75.84
Wheelock and Company Limited	–	907,459,746	75.84
Aberdeen Asset Management PLC and its subsidiaries	–	72,035,200	6.02
Aberdeen Asset Management Asia Limited	–	71,830,600	6.00

Notes:

- (i) Star Attraction Limited ("SAL") is a wholly-owned subsidiary of Wheelock Investments Limited ("WIL"). Accordingly, pursuant to Section 7 of the Companies Act, Cap. 50, WIL is deemed to be interested in the 907,459,746 Ordinary Shares by virtue of its interest in SAL.
- (ii) WIL is a wholly-owned subsidiary of Wheelock and Company Limited ("WCL"). In accordance with Section 7 of the Companies Act, Cap. 50, WCL, by virtue of its interest in WIL, is deemed to be interested in the 907,459,746 Ordinary Shares, over which WIL has a deemed interest.
- (iii) Aberdeen Asset Management Asia Limited ("AAM Asia"), a subsidiary of Aberdeen Asset Management PLC ("AAM"), acts as an investment manager for various clients / funds and has the power to exercise or control the exercise of, a right to vote attached to the securities and has the power to dispose of, or control the disposal of, the securities. The registered holder(s) of the securities is the client's or fund's custodian. The deemed interest of AAM and its subsidiaries (including AAM Asia) (collectively, the "Aberdeen Group") relates to Ordinary Shares held under various accounts managed or advised by the Aberdeen Group.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHARES
1 to 99	174	2.26	4,527	0.00
100 to 1,000	975	12.65	848,759	0.07
1,001 to 10,000	4,582	59.46	23,570,672	1.97
10,001 to 1,000,000	1,948	25.28	88,181,374	7.37
1,000,001 and above	27	0.35	1,083,954,544	90.59
Total	7,706	100.00	1,196,559,876	100.00

Approximately 18% of the Company's Ordinary Shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

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	BNP Paribas Securities Services Singapore Branch	69,594,800	5.82
3	Citibank Nominees Singapore Pte Ltd	28,278,451	2.36
4	United Overseas Bank Nominees Pte Ltd	11,907,155	1.00
5	DBS Nominees Pte Ltd	11,346,132	0.95
6	Domitian Investment Pte Ltd	6,234,000	0.52
7	HSBC (Singapore) Nominees Pte Ltd	4,968,369	0.42
8	Bank of Singapore Nominees Pte Ltd	4,752,300	0.40
9	Raffles Nominees (Pte) Ltd	4,028,143	0.34
10	Maybank Kim Eng Securities Pte Ltd	3,227,335	0.27
11	UOB Kay Hian Pte Ltd	2,907,424	0.24
12	Chong Kah Min	2,540,000	0.21
13	Oversea-Chinese Bank Nominees Pte Ltd	2,454,000	0.20
14	DBS Vickers Securities (S) Pte Ltd	2,440,700	0.20
15	Soo Eng Hiong	2,232,000	0.19
16	Starich Investments Pte Ltd	2,212,000	0.18
17	Mellford Pte Ltd	2,071,000	0.17
18	CIMB Securities (Singapore) Pte Ltd	1,978,300	0.17
19	Hong Leong Enterprises Pte Ltd	1,903,000	0.16
20	OCBC Nominees Singapore Pte Limited	1,809,405	0.15
	Total	1,074,114,260	89.77

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	2014	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	2017	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	313,199	1,508	2020	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	30,537 (Residential) 12,162 (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 42nd Annual General Meeting of the Company will be held at Grand Ballroom, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883 on Thursday, 30 April 2015 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 reports of the Directors and Auditors and the Audited Accounts for the financial year ended 31 December 2014. | 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 2014. | Resolution 2 |
| 3. | To approve the payment of Directors' fees of \$344,000 (2013: \$311,816) for the financial year ended 31 December 2014. | Resolution 3 |
| 4. | To re-elect the following Directors retiring pursuant to Article 109 of the Articles of Association of the Company: | |
| | a) Mr Colm Martin McCarthy | Resolution 4 |
| | b) Mr David Tik En Lim | Resolution 5 |
| | c) Ms Tan Bee Kim | Resolution 6 |
| 5. | To re-appoint Mr Frank Yung-Cheng Yung as a Director retiring pursuant to Section 153(6) of the Companies Act, Cap. 50, to hold office until the next Annual General Meeting of the Company. | Resolution 7 |
| 6. | To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration. | Resolution 8 |

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

7. 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 9**

- (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 fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) 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 (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) 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) 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;
- 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 Articles of Association for the time being of the Company; and

AS SPECIAL BUSINESS (cont'd)

- 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 next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
8. 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 ordinary shares up to ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of this Resolution or as at the date of the last Annual General Meeting of the Company (whichever is the higher) 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 14 April 2015 to Shareholders of the Company, being an addendum to the Annual Report of the Company for the year ended 31 December 2014), in accordance with the Guidelines on Share Purchases set out in Appendix II of the Company's Circular to Shareholders dated 30 June 2002 as supplemented by the amendments contained in the addendum to Shareholders dated 3 July 2006 and 3 April 2012 (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"**).
9. To transact any other business as may properly be transacted at an Annual General Meeting.

Resolution 10

By Order of The Board

Pearly Oon
Company Secretary

Singapore
14 April 2015

NOTES:

1. A Member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Member of the Company.
2. Where a Member appoints two proxies, he shall specify the percentage of shares to be represented by each proxy.
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. The instrument appointing a proxy must be deposited at the registered office of the Company at 501 Orchard Road #11-01, Wheelock Place, Singapore 238880 not less than 48 hours before the time appointed for the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY BUSINESS TO BE TRANSACTED:

Resolution 4

Mr Colm Martin McCarthy, upon re-election, shall remain as Chairman of the Remuneration Committee and member of the Audit & Risk Management and Nominating Committees. Mr McCarthy is considered by the Board of Directors to be independent and non-executive. There are no relationships (including immediate family relationships) between Mr McCarthy and the other Directors, the Company or the 10% shareholder of the Company. The profile of Mr McCarthy is set out on page 14 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 the 10% shareholder of the Company. The profile of Mr Lim is set out on page 14 of the Annual Report.

Resolution 6

Ms Tan Bee Kim is an executive Director of the Company. There are no other relationships (including immediate family relationships) between Ms Tan and the other Directors, the Company or the 10% shareholder of the Company. The profile of Ms Tan is set out on page 15 of the Annual Report.

Resolution 7

Mr Frank Yung-Cheng Yung, upon re-appointment, shall remain as the Lead Independent Director, Chairman of the Audit & Risk Management Committee and a member of the Remuneration Committee. Mr Yung is considered by the Board of Directors to be independent and non-executive. There are no relationships (including immediate family relationships) between Mr Yung and the other Directors, the Company or the 10% shareholder of the Company. The profile of Mr Yung is set out on page 13 of the Annual Report.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

Resolution 9

The Ordinary Resolution 9 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 fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per cent. (20%) of the total number of issued shares (excluding treasury shares) may be issued other than on a pro rata basis to Shareholders.

Resolution 10

The Ordinary Resolution 10 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 Manual 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 accounts of the Group and the Company for the financial year ended 31 December 2014 is set out in Section 5 of the Addendum.

PERSONAL DATA PRIVACY

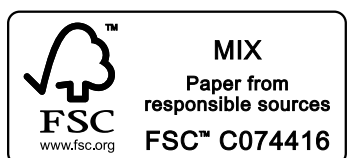
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or 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 2014, the Register of Transfers and Register of Members will be closed from 14 May 2015 to 15 May 2015, 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 13 May 2015 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 13 May 2015 will be entitled to the proposed dividend.

The proposed dividend, if approved by Shareholders at the Annual General Meeting to be held on 30 April 2015, will be paid on 28 May 2015.



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