



METRO HOLDINGS LIMITED

The Board of Directors of Metro Holdings Limited is pleased to announce the following:-

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2017

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		% Change
	1st Qtr ended 30-Jun-2017 \$'000	1st Qtr ended 30-Jun-2016 \$'000	
Revenue	32,424	31,888	1.68
Cost of revenue	(31,328)	(30,370)	3.15
Gross profit	1,096	1,518	(27.80)
Other income, including interest income	7,706	4,634	66.29
Changes in fair value of short term investments	1,858	514	261.48
General and administrative expenses	(6,010)	(6,872)	(12.54)
Interest on borrowings	(366)	-	n.m.
Share of associates' results, net of tax	13,598	4,803	183.11
Share of joint ventures' results, net of tax	8,084	6,489	24.58
Profit from operations before taxation	25,966	11,086	134.22
Taxation	(538)	(1,328)	(59.49)
Profit net of taxation	25,428	9,758	160.59
Attributable to:			
Owners of the Company	25,376	9,742	160.48
Non-controlling interests	52	16	225.00
	25,428	9,758	160.59

n.m. - not meaningful

Statement of Comprehensive Income

	Group		
	1st Qtr ended 30-Jun-2017 \$'000	1st Qtr ended 30-Jun-2016 \$'000	%
			Change
Profit net of taxation	25,428	9,758	160.59
Other comprehensive income/(expense):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	(4,992)	(17,421)	(71.34)
Available-for-sale financial assets			
- net fair value changes	4,965	(1,022)	n.m.
- net fair value changes reclassified to profit or loss	(423)	-	n.m.
Share of other comprehensive income of associates and joint ventures	669	942	(28.98)
Other comprehensive income/(expense), net of tax	219	(17,501)	n.m.
Total comprehensive income/(expense) for the period	<u>25,647</u>	<u>(7,743)</u>	n.m.
Total comprehensive income/(expense) attributable to:			
Owners of the Company	25,333	(7,698)	n.m.
Non-controlling interests	314	(45)	n.m.
	<u>25,647</u>	<u>(7,743)</u>	n.m.

n.m. - not meaningful

Note:

Currency translation adjustments on foreign subsidiaries, associates and joint ventures are mainly a result of the Group's exposure to the effects of fluctuations in foreign currency exchange rates in relation to Chinese Renminbi as the Group's investment properties and development projects are situated in the People's Republic of China. There is also a small exposure to British pounds in respect of the projects in the United Kingdom. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency. Share of other comprehensive income/(expense) of associates and joint ventures mainly relate to similar currency translation adjustments.

Changes in fair value of available-for-sale financial assets mainly relate to fluctuations in the fair value of the Group's investments classified under Investments (Non-current assets).

1(a) (ii) Revenue

Revenue of the Group comprises sales of goods and services and net commission from concessionaires.

Revenue of the Group reported on a gross transaction basis, which includes the value of the overall activity of the Group based on the gross value achieved by the concessionaire on the sale, is presented as follows:-

	Group		% Change
	1st Qtr ended 30-Jun-2017 \$'000	1st Qtr ended 30-Jun-2016 \$'000	
Retail	48,450	47,828	1.30
Property	<u>1,609</u>	<u>1,661</u>	(3.13)
	<u>50,059</u>	<u>49,489</u>	1.15

1(a) (iii) Profit from operations before taxation is arrived at after accounting for:-

	Group		% Change
	1st Qtr ended 30-Jun-2017 \$'000	1st Qtr ended 30-Jun-2016 \$'000	
Cost of revenue and general and administrative expenses includes:-			
Depreciation of plant and equipment	(477)	(494)	(3.44)
Inventories recognised as an expense	(19,470)	(18,433)	5.63
Allowance for obsolete inventories	(9)	(10)	(10.00)
Inventories written down	(295)	(286)	3.15
Rental expense	(5,839)	(5,853)	(0.24)
Foreign exchange loss	(704)	(2,723)	(74.15)
Foreign exchange gain realised on liquidation of an associate	-	1,248	n.m.
Other income, including interest income includes:-			
Interest income	3,326	2,385	39.45
Dividends from quoted investments	1,625	1,294	25.58
Gain on disposal of short term investments	84	64	31.25
Gain on disposal of an investment property	809 *	-	n.m.
Distribution from available-for-sale investments	1,326	-	n.m.
Management fee income from associates	249	222	12.16
Foreign exchange gain	1	2	(50.00)

n.m. - not meaningful

* The gain on disposal of an investment property relates to the gain arising on the sale of Lakeville Regency, Shanghai, being gross proceeds over and above the valuation as at 31 March 2017.

1(a) (iv) Share of Associates' results (net of tax)

	Group		% Change
	1st Quarter ended 30-Jun-2017 \$'000	30-Jun-2016 \$'000	
The Group's share of associates' results consists of:-			
- Operating results	13,343	3,458	285.86
- Fair value gain on investment properties	6,860	10,609	(35.34)
- Taxation	(5,897)	(8,391)	(29.72)
- Others	(708)	(873)	(18.90)
	<u>13,598</u>	<u>4,803</u>	183.11

n.m. - not meaningful

Note:

The Group, in 1QFY2018, equity accounted for Top Spring's latest available results, which were for the quarter ended 31 March 2017, after making adjustment for such gain or loss on properties under development for sale, already initially recognised in arriving at acquisition date fair value and for the effects of significant transactions or events that occur between 1 April 2017 and the reporting date of the Group.

1(a) (v) Share of Joint Ventures' results (net of tax)

	Group		% Change
	1st Quarter ended 30-Jun-2017 \$'000	30-Jun-2016 \$'000	
The Group's share of joint ventures' results consists of:-			
- Operating results	11,076	10,528	5.21
- Fair value loss on investment properties	(280)	(2,066)	(86.45)
- Taxation	(2,712)	(1,973)	37.46
	<u>8,084</u>	<u>6,489</u>	24.58

Note:

Revenue	33,107	32,796	0.95
Direct expenses	(21,908)	(21,947)	(0.18)
Gross Profit	11,199	10,849	3.23
Other income, including interest income	687	617	11.35
Fair value loss on investment properties	(280)	(2,066)	(86.45)
General and administrative expenses	(810)	(938)	(13.65)
Profit from operations before taxation	10,796	8,462	27.58
Taxation	(2,712)	(1,973)	37.46
Profit net of taxation	<u>8,084</u>	<u>6,489</u>	24.58

n.m. - not meaningful

Results of joint ventures include the results of Metro City, Metro Tower and The Crest.

1(a) (vi) Taxation

	Group		% Change
	1st Quarter ended 30-Jun-2017 \$'000	30-Jun-2016 \$'000	
Current Year Tax	625	559	11.81
Overprovision in respect of prior year	(208)	(11)	n.m.
Deferred Tax	121	780	(84.49)
	<u>538</u>	<u>1,328</u>	(59.49)

n.m. - not meaningful

The tax charge of the Group for the first quarter period ended 30 June 2017, excluding share of results of associates and joint ventures which is already stated net of tax, is lower than that derived by applying the Singapore statutory income tax rate of 17% applicable to company profits, mainly due to a reversal of a deferred tax provision in relation to an investment property disposed, partially offset by deferred tax expense in respect of undistributed profits of joint ventures and expenditure not deductible for tax purposes.

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets as at	Group		Company	
	30-Jun-2017 \$'000	31-Mar-2017 \$'000	30-Jun-2017 \$'000	31-Mar-2017 \$'000
Non-current assets				
Plant and equipment	4,733	5,062	64	73
Investment properties	97,399	104,423	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	495,359	493,239
Associates	354,704	373,542	500	500
Amounts due from associates	143,666	134,108	-	-
Joint ventures	212,012	203,800	-	-
Amounts due from joint ventures	187,027	178,874	-	-
Investments	99,716	94,921	-	-
Deferred tax assets	1,102	1,102	-	-
	<u>1,100,359</u>	<u>1,095,832</u>	<u>513,713</u>	<u>511,602</u>
Current assets				
Inventories	19,196	19,433	-	-
Prepayments	1,510	1,073	-	-
Accounts and other receivables	12,962	7,819	216	212
Tax recoverable	245	250	-	-
Short term investments	40,666	42,208	-	-
Pledged fixed bank deposits	111,278	111,278	-	-
Cash and cash equivalents	322,408	278,164	7,124	9,192
	<u>508,265</u>	<u>460,225</u>	<u>7,340</u>	<u>9,404</u>
Current liabilities				
Bank borrowings	88,942	65,915	-	-
Accounts and other payables	42,451	39,641	6,141	5,680
Amount due to an associate	67,451	67,457	-	-
Provision for taxation	2,504	2,234	69	69
	<u>201,348</u>	<u>175,247</u>	<u>6,210</u>	<u>5,749</u>
Net current assets	306,917	284,978	1,130	3,655
Non-current liabilities				
Amounts due to subsidiaries	-	-	244,778	244,226
Deferred income	14,048	13,352	-	-
Deferred taxation	16,882	16,759	14	11
	<u>(30,930)</u>	<u>(30,111)</u>	<u>(244,792)</u>	<u>(244,237)</u>
Net assets	<u>1,376,346</u>	<u>1,350,699</u>	<u>270,051</u>	<u>271,020</u>
Equity attributable to owners of the Company				
Share capital	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	1,205,610	1,180,277	102,102	103,071
	<u>1,373,559</u>	<u>1,348,226</u>	<u>270,051</u>	<u>271,020</u>
Non-controlling interests	2,787	2,473	-	-
Total equity	<u>1,376,346</u>	<u>1,350,699</u>	<u>270,051</u>	<u>271,020</u>

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Jun-2017		As at 31-Mar-2017	
Secured	Unsecured	Secured	Unsecured
88,942,000	-	65,915,000	-

Amount repayable after one year

As at 30-Jun-2017		As at 31-Mar-2017	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral for banking facilities

Subsidiaries:

Fixed deposits totaling S\$111.3 million have been mortgaged to banks for banking facilities of GBP58.0 million granted to certain subsidiaries. Total loans drawn on such facilities as at 30 June 2017 amounted to GBP49.7 million (equivalent to S\$88.9 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows for the period ended

	Group	
	1st Qtr ended 30-Jun-2017 \$'000	1st Qtr ended 30-Jun-2016 \$'000
Cash flows from operating activities		
Operating (loss)/profit before reinvestment in working capital	(2,740)	213
Increase in inventories	(67)	(766)
Decrease in accounts and other receivables	101	3,104
Increase in accounts and other payables	2,809	1,940
Cash flows from operations	<u>103</u>	<u>4,491</u>
Interest expense paid	(366)	-
Interest income received	2,472	2,385
Income taxes paid	(146)	(207)
Net cash flows from operating activities	<u>2,063</u>	<u>6,669</u>
Cash flows from investing activities		
Purchase of plant & equipment	(148)	(268)
(Increase)/decrease in available-for-sale investments	(96)	104
Purchase of short term investments	-	(19,999)
Proceeds from liquidation of associates	-	128
Proceeds from disposal of short term investments	3,485	1,317
Proceeds from disposal of an investment property	3,042	-
Proceeds from disposal of plant and equipment	-	40
Proceeds from distribution of available-for-sale investments	441	-
Investment in associates	10,619	(3,684)
Decrease in amount due to an associate	(6)	(17)
Increase in amounts due from associates	(9,685)	(362)
Increase in amounts due from joint ventures	(7,191)	(4,224)
Dividends received from quoted investments	1,625	1,294
Dividends received from associates	19,755	10,985
Currency realignment	(655)	(2,335)
Net cash flows generated from/(used in) investing activities	<u>21,186</u>	<u>(17,021)</u>
Cash flows from financing activities		
Drawdown of bank borrowings	21,134	-
Currency realignment	1,160	-
Net cash flows generated from financing activities	<u>22,294</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	45,543	(10,352)
Effect of exchange rate changes in cash and cash equivalents	(1,299)	(4,205)
Cash & cash equivalents at beginning of financial period	<u>278,164</u>	<u>493,606</u>
Cash & cash equivalents at end of financial period	<u>322,408</u>	<u>479,049</u>

Consolidated Statement of Cash Flows for the period ended (Cont'd)

	Group	
	1st Qtr ended 30-Jun-2017 \$'000	1st Qtr ended 30-Jun-2016 \$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit from operations before taxation	25,966	11,086
Adjustments for:		
Interest expense	366	-
Depreciation of plant and equipment	477	494
Share of associates' results, net of tax	(13,598)	(4,803)
Share of joint ventures' results, net of tax	(8,084)	(6,489)
Interest and investment income	(4,951)	(3,679)
Inventories written down	295	286
Gain on disposal of an investment property	(809)	-
Gain on disposal of plant and equipment	-	(40)
Plant and equipment written off	-	1
Allowance for obsolete inventories	9	10
Changes in fair value of short term investments	(1,858)	(514)
Gain on disposal of short term investments	(84)	(64)
Distribution from available-for-sale investments	(1,326)	-
Foreign exchange adjustments	857	3,925
Operating (loss)/profit before reinvestment in working capital	<u>(2,740)</u>	<u>213</u>

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Shareholders' Equity

<u>Group</u>	Share Capital \$'000	Treasury Shares \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2017	169,717	(1,768)	3,366	(50,177)	3,880	1,474	1,221,734	1,348,226	2,473	1,350,699
Profit for the period	-	-	-	-	-	-	25,376	25,376	52	25,428
<u>Other comprehensive income/(expense)</u>										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	(4,955)	-	-	-	(4,955)	(37)	(4,992)
Available-for-sale financial assets										
- net fair value changes	-	-	4,641	-	-	-	-	4,641	324	4,965
- net fair value changes reclassified to profit or loss	-	-	(398)	-	-	-	-	(398)	(25)	(423)
Share of other comprehensive income of associates and joint ventures	-	-	-	669	-	-	-	669	-	669
Other comprehensive income/(expense) for the financial period, net of tax	-	-	4,243	(4,286)	-	-	-	(43)	262	219
Total comprehensive income/(expense) for the financial period	-	-	4,243	(4,286)	-	-	25,376	25,333	314	25,647
<u>Others</u>										
Transfer from statutory reserve fund	-	-	-	-	56	-	(56)	-	-	-
At 30 June 2017	169,717	(1,768)	7,609	(54,463)	3,936	1,474	1,247,054	1,373,559	2,787	1,376,346

Statement of Changes in Shareholders' Equity (Cont'd)

<u>Group</u>	Share Capital \$'000	Treasury Shares \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2016	169,717	(1,768)	12,555	(8,144)	10,144	682	1,192,461	1,375,647	3,845	1,379,492
Profit for the period	-	-	-	-	-	-	9,742	9,742	16	9,758
<u>Other comprehensive income/(expense)</u>										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	(17,421)	-	-	-	(17,421)	-	(17,421)
Available-for-sale financial assets - net fair value changes	-	-	(961)	-	-	-	-	(961)	(61)	(1,022)
Share of other comprehensive income of associates and joint ventures	-	-	-	942	-	-	-	942	-	942
Other comprehensive expense for the financial period, net of tax	-	-	(961)	(16,479)	-	-	-	(17,440)	(61)	(17,501)
Total comprehensive (expense)/income for the financial period	-	-	(961)	(16,479)	-	-	9,742	(7,698)	(45)	(7,743)
<u>Others</u>										
Transfer to statutory reserve fund	-	-	-	-	48	-	(48)	-	-	-
At 30 June 2016	169,717	(1,768)	11,594	(24,623)	10,192	682	1,202,155	1,367,949	3,800	1,371,749

Statement of Changes in Shareholders' Equity (Cont'd)

<u>Company</u>	Share Capital \$'000	Treasury Shares \$'000	Revenue Reserve \$'000	Total Equity \$'000
At 1 April 2017	169,717	(1,768)	103,071	271,020
Profit for the period, representing total comprehensive expense for the financial period	-	-	(969)	(969)
At 30 June 2017	<u>169,717</u>	<u>(1,768)</u>	<u>102,102</u>	<u>270,051</u>
At 1 April 2016	169,717	(1,768)	126,264	294,213
Profit for the period, representing total comprehensive expense for the financial period	-	-	(1,160)	(1,160)
At 30 June 2016	<u>169,717</u>	<u>(1,768)</u>	<u>125,104</u>	<u>293,053</u>

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital and treasury shares are as follows:

As at 30 June 2017, there were 3,512,800 treasury shares (as at 30 June 2016: 3,512,800).

The Company did not issue any shares during the 3 months ended 30 June 2017.

There were no convertible instruments outstanding as at 30 June 2017 (30 June 2016: Nil).

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30 June 2017 (end of current financial period)	As at 31 March 2017 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	828,035,874	828,035,874

1(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company did not sell, transfer, cancel or use any treasury shares in the 1st Quarter period ended 30 June 2017.

1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period report on.

The Company did not have any subsidiary holdings in the 1st Quarter period ended 30 June 2017.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 March 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2017.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 April 2017 are:

Amendments to FRS 7 Statement of Cash Flows

Amendments to FRS 12 Income Taxes

Amendments to FRS 112 Disclosure of Interests in Other Entities

The Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	3.1 cents	1.2 cents
(b) On a fully diluted basis	3.1 cents	1.2 cents

Earnings per share is calculated on the Group's profit attributable to shareholders of the Company of \$25,376,000 (period ended 30 June 2016: \$9,742,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 June 2017 (period ended 30 June 2016: 828,035,874).

Diluted earnings per ordinary share is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the periods under review and adjusted to include all potential dilutive ordinary shares up to 30 June 2017.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period - 30 June 2017	\$1.66	\$0.33
(b) 31 March 2017	\$1.63	\$0.33

Net asset value for the Group is calculated on the equity attributable to owners of the Company as at 30 June 2017 of \$1,373,559,000 (31 March 2017: \$1,348,226,000) divided by the total number of issued shares excluding treasury shares as at 30 June 2017 of 828,035,874 (31 March 2017: 828,035,874).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

8(a) Review of Group Results for 1st Quarter ended 30 June 2017 against 1st Quarter ended 30 June 2016

The Group's turnover of \$32.4 million for the first financial quarter to 30 June 2017 ("1QFY2018") increased by 1.7% over 1QFY2017's \$31.9 million as the retail division reported higher sales. However, gross profit for 1QFY2018 decreased to \$1.1 million as compared to 1QFY2017's \$1.5 million due to higher operating expenses.

Other income increased to \$7.7 million for 1QFY2018 from \$4.6 million for 1QFY2017 mainly due to a gain on disposal of an investment property in Shanghai of \$0.8 million and distributions from available-for-sale investments of \$1.3 million.

Changes in fair value of short term investments relate to an unrealised fair value gain of \$1.9 million in 1QFY2018 as compared to \$0.5 million in 1QFY2017, of the Group's portfolio of short term equity investments in REITs held by the property division.

Share of results of associates increased to \$13.6 million in 1QFY2018 from \$4.8 million in 1QFY2017 mainly due to the Group's \$8.3 million share of a gain on disposal of certain interests in a subsidiary and a joint venture by Top Spring. At the operating level, Top Spring reported lower recognition on handover, of sales of properties. The Group's share of income from the co-investment with InfraRed NF China Real Estate Fund II (A), L.P. in real estate debt instruments help to offset a decline in unrealised fair value gain on investment properties as Shama Century Park's investment properties have been sold down.

Share of results of joint ventures increased to \$8.1 million in 1QFY2018 from \$6.5 million in 1QFY2017 mainly due to a lower fair value loss on investment properties of \$0.3 million in 1QFY2018 as compared to \$2.1 million in 1QFY2017.

As a result of the foregoing, profit before taxation increased to \$26.0 million in 1QFY2018 from \$11.1 million in 1QFY2017, with the main factor being the higher contribution from our associate, Top Spring.

Segmental Results for 1st Quarter ended 30 June

Business segment

2017

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue	<u>1,609</u>	<u>30,815</u>	<u>32,424</u>
Segment results	4,806	(2,014)	2,792
Changes in fair value of short term investments	1,858	-	1,858
Interest on borrowings	(366)	-	(366)
Share of associates' results, net of tax	12,651	947	13,598
Share of joint ventures' results, net of tax (Note)	<u>8,084</u>	<u>-</u>	<u>8,084</u>
Profit/(loss) from operations before taxation	<u>27,033</u>	<u>(1,067)</u>	<u>25,966</u>
Taxation			<u>(538)</u>
Profit net of taxation			<u>25,428</u>
Attributable to:			
Owners of the Company			25,376
Non-controlling interests			<u>52</u>
			<u>25,428</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>33,107</u>
Segment results	11,076
Fair value loss on investment properties	<u>(280)</u>
Profit from operations before taxation	10,796
Taxation	<u>(2,712)</u>
Profit net of taxation	<u>8,084</u>

Segmental Results for 1st Quarter ended 30 June (Cont'd)

Business segment

2016

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue	<u>1,661</u>	<u>30,227</u>	<u>31,888</u>
Segment results	948	(1,668)	(720)
Changes in fair value of short term investments	514	-	514
Share of associates' results, net of tax	4,057	746	4,803
Share of joint ventures' results, net of tax (Note)	<u>6,489</u>	<u>-</u>	<u>6,489</u>
Profit/(loss) from operations before taxation	<u>12,008</u>	<u>(922)</u>	<u>11,086</u>
Taxation			<u>(1,328)</u>
Profit net of taxation			<u>9,758</u>
Attributable to:			
Owners of the Company			9,742
Non-controlling interests			<u>16</u>
			<u>9,758</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>32,796</u>
Segment results	10,528
Fair value loss on investment properties	<u>(2,066)</u>
Profit from operations before taxation	8,462
Taxation	<u>(1,973)</u>
Profit net of taxation	<u>6,489</u>

Geographical Segments

	Asean \$'000	People's Republic of China \$'000	Group \$'000
Segment revenue			
2017	<u>30,815</u>	<u>1,609</u>	<u>32,424</u>
2016	<u>30,227</u>	<u>1,661</u>	<u>31,888</u>

Segmental Results - Property Division

Turnover of the property division, comprising the 100% directly held GIE Tower, for 1QFY2018 decreased to \$1.6 million from 1QFY2017's \$1.7 million due to a weakening of the Renminbi of 1.9%. Segment results of the property division, excluding associates and joint ventures, reported a gain of \$4.8 million in 1QFY2018 against \$0.9 million in 1QFY2017 mainly due to a gain on disposal of an investment property of \$0.7 million (net of expenses) and distributions from available-for-sale investments of \$1.3 million.

Our share of our associate's, Top Spring's, results rose as it included our \$8.3 million share of a gain recognised by Top Spring on its divestment of certain interests in a subsidiary and a joint venture.

Metro City, Shanghai, reported higher rental income with the completion of certain phases of asset enhancement. This softened the impact of a weakening Renminbi on results of our joint ventures, Metro City, Shanghai, and Metro Tower, Shanghai. Metro City, Shanghai, also reported a lower fair value loss on investment properties.

The average occupancy of the Group's three investment properties held by a subsidiary and joint ventures as at 30 June 2017 was 91.7%.

The portfolio summary of the Group's Investment Properties as at 30 June 2017 was as follows:

	<i>Percentage Owned</i>	<i>Tenure</i>	<i>No. of Tenants</i>	<i>Occupancy Rate (%)</i>
<i><u>Owned by a Subsidiary</u></i>				
GIE Tower, Guangzhou	100%	50 year term from 1994	33	86.4%
<i><u>Owned by Joint Ventures</u></i>				
Metro City, Shanghai	60%	36 year term from 1993	178	95.9%
Metro Tower, Shanghai	60%	50 year term from 1993	30	92.7%

Segmental Results - Retail Division

Turnover of the Singapore operations of the retail division for 1QFY2018 improved slightly to \$30.8 million from 1QFY2017's \$30.2 million. However, pressures on margins and operating and overhead costs continued to affect profitability.

The retail division's associated company in Indonesia managed to achieve higher sales in spite of the competitive environment, particularly in Jakarta.

8(b) Cash Flow, Working Capital, Assets and Liabilities of the group during the current financial period reported on

Associates (Non-current assets) decreased from \$373.5 million as at 31 March 2017 to \$354.7 million as at 30 June 2017 mainly due to dividend distributions of \$19.8 million, capital distributions (net of capital contributions) from InfraRed NF China Real Estate Fund II (A), L.P. of \$10.6 million and currency translation adjustments of foreign associates, partially offset by share of associates' results for 1QFY2018 of \$13.6 million.

Amounts due from associates (Non-current assets) increased from \$134.1 million as at 31 March 2017 to \$143.7 million as at 30 June 2017 mainly due to the grant of a shareholder loan of \$15.9 million to a United Kingdom associate during 1QFY2018. This was partially offset by a \$6.3 million repayment of shareholder loans from proceeds of the disposal of properties at Shama Century Park, Shanghai.

Amounts due from joint ventures (Non-current assets) increased from \$178.9 million as at 31 March 2017 to \$187.0 million as at 30 June 2017 mainly due to \$5.2 million advanced to a United Kingdom joint venture during 1QFY2018.

Accounts and other receivables (Current assets) increased from \$7.8 million as at 31 March 2017 to \$13.0 million as at 30 June 2017 mainly due to \$4.8 million balance proceeds from the disposal of Lakeville Regency, an investment property in Shanghai.

Bank borrowings (Current liabilities) increased to \$88.9 million as at 30 June 2017 from \$65.9 million as at 31 March 2017 due to loans drawn on banking facilities for amounts advanced to an associate and a joint venture in the United Kingdom.

Consequently, Cash and cash equivalents rose from \$278.2 million as at 31 March 2017 to \$322.4 million as at 30 June 2017.

There were no other material factors that affected the cash flow, working capital, assets and liabilities of the Group during the current financial quarter reported on.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There have been no material variances with forecast or prospect statements issued for the period being reported.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Rental income of the GIE Tower investment property of the property division is expected to remain steady.

At the joint ventures' level, rental income of Metro City, Shanghai and Metro Tower, Shanghai, is expected to remain stable with Metro City, Shanghai's rental improving with the completion of asset enhancement work.

Sales of the residential project, The Crest at Prince Charles Crescent in Singapore, remains slow with the take up rate at 40.0% as at 30 June 2017. Conditional remission of Additional Buyer's Stamp Duty (ABSD) will expire in September 2017.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (Cont'd)

With almost all its residential property inventory handed over and income recognised, the future contribution from our associate in Nanchang will be principally from the recognition of the presales of office and retail space. Gross margins of the office component are significantly below those previously achieved for Nanchang's residential properties.

The Group's portfolio of quoted equity investments will continue to be subject to fluctuations in their fair value due to volatile market conditions.

The Group will continue to be subject to significant currency translation adjustments on foreign operations which will affect the results and other comprehensive income and the balance sheet, due to volatility in foreign currency exchange rates, as a major portion of its net assets which mainly represent investment properties and projects situated in the People's Republic of China, are denominated in the Chinese Renminbi. A small proportion of the Group's net assets are also denominated in British pounds.

The retail division continues to operate amidst a discounted trading environment and high operating costs.

11. If a decision regarding dividend has been made:-

- (a) Whether an final ordinary dividend has been declared (recommended);

None

- (b) (i) Amount per share (cents) - None

(ii) Previous corresponding period (cents) - None

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. If the dividend is not taxable in the hands of shareholders, this must be stated.

Not applicable

- (d) The date the dividend is payable.

Not applicable

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect

No interim dividend has been declared for the quarter ended 30 June 2017.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

14. Negative confirmation pursuant to Rule 705(5)

The Board of Directors confirms that to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries
Date: 11 August 2017