



METRO HOLDINGS LIMITED

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

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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			Group		
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000	% Change	Half Year ended 30-Sep-2017 \$'000	Half Year ended 30-Sep-2016 \$'000	% Change
Revenue	30,246	28,320	6.80	62,670	60,208	4.09
Cost of revenue	(29,886)	(26,666)	12.08	(61,214)	(57,036)	7.33
Gross profit	360	1,654	(78.23)	1,456	3,172	(54.10)
Other income, including interest income	5,417	9,507	(43.02)	13,123	12,666	3.61
Changes in fair value of short term investments	215	(821)	n.m.	2,073	(307)	n.m.
General and administrative expenses	(8,387)	(5,506)	52.32	(14,397)	(10,903)	32.05
Interest on borrowings	(453)	(6)	n.m.	(819)	(6)	n.m.
Share of associates' results, net of tax	(1,926)	8,547	n.m.	11,672	13,350	(12.57)
Interest in joint ventures						
- Share of results, net of tax	(17,013)	3,913	n.m.	(8,929)	10,402	n.m.
- Reversal of write down of amount due from a joint venture	9,472	-	n.m.	9,472	-	n.m.
	(7,541)	3,913	n.m.	543	10,402	(94.78)
(Loss)/profit from operations before taxation	(12,315)	17,288	n.m.	13,651	28,374	(51.89)
Taxation	(1,256)	(857)	46.56	(1,794)	(2,185)	(17.89)
(Loss)/profit net of taxation	(13,571)	16,431	n.m.	11,857	26,189	(54.73)
Attributable to:						
Owners of the Company	(13,591)	16,223	n.m.	11,785	25,965	(54.61)
Non-controlling interests	20	208	(90.38)	72	224	(67.86)
	(13,571)	16,431	n.m.	11,857	26,189	(54.73)

n.m. - not meaningful

Statement of Comprehensive Income

	Group			Group		
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000	% Change	Half Year ended 30-Sep-2017 \$'000	Half Year ended 30-Sep-2016 \$'000	% Change
(Loss)/profit net of taxation	(13,571)	16,431	n.m.	11,857	26,189	(54.73)
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	(828)	5,437	n.m.	(5,820)	(11,984)	(51.44)
Available-for-sale financial assets						
- net fair value changes	(8)	2,348	n.m.	4,957	1,326	273.83
- net fair value changes reclassified to profit or loss	-	(3,336)	n.m.	(423)	(3,336)	(87.32)
Share of other comprehensive income/(expense) of associates and joint ventures	13,268	(7,826)	n.m.	13,937	(6,884)	n.m.
Other comprehensive income /(expense), net of tax:	12,432	(3,377)	n.m.	12,651	(20,878)	n.m.
Total comprehensive (expense) /income for the period	<u>(1,139)</u>	<u>13,054</u>	n.m.	<u>24,508</u>	<u>5,311</u>	361.46
Total comprehensive (expense) /income attributable to:						
Owners of the Company	(1,150)	13,872	n.m.	24,183	6,174	291.69
Non-controlling interests	11	(818)	n.m.	325	(863)	n.m.
	<u>(1,139)</u>	<u>13,054</u>	n.m.	<u>24,508</u>	<u>5,311</u>	361.46

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 also mainly relates to foreign 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			Group		
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000	% Change	Half Year ended 30-Sep-2017 \$'000	Half Year ended 30-Sep-2016 \$'000	% Change
Retail	43,988	42,441	3.65	92,438	90,269	2.40
Property	<u>1,630</u>	<u>1,635</u>	(0.31)	<u>3,239</u>	<u>3,296</u>	(1.73)
	<u>45,618</u>	<u>44,076</u>	3.50	<u>95,677</u>	<u>93,565</u>	2.26

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

	Group			Group		
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000	% Change	Half Year ended 30-Sep-2017 \$'000	Half Year ended 30-Sep-2016 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Inventories recognised as an expense	(18,168)	(15,961)	13.83	(37,638)	(34,394)	9.43
Depreciation of plant and equipment	(523)	(382)	36.91	(1,000)	(876)	14.16
Allowance for obsolete inventories	(521)	(540)	(3.52)	(530)	(550)	(3.64)
Inventories written back/(down)	111	152	(26.97)	(184)	(134)	37.31
Rental expense	(5,693)	(5,676)	0.30	(11,532)	(11,529)	0.03
Foreign exchange loss	(818)	-	n.m.	(1,522)	-	n.m.
Other income, including interest income includes:-						
Interest income	3,738	2,071	80.49	7,064	4,456	58.53
Dividends from quoted investments	878	467	88.01	2,503	1,761	42.14
Gain on disposal of short term investments	207	793	(73.90)	291	857	(66.04)
Distribution from available-for-sale investments	-	3,336	n.m.	1,326	3,336	(60.25)
Gain on disposal of an investment property *	-	-	n.m.	809	-	n.m.
Management fee income from associates	185	223	(17.04)	434	445	(2.47)
Foreign exchange gain/(loss)	1	2,407	(99.96)	2	934	(99.79)

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		%	Group		%
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000		Half year ended 30-Sep-2017 \$'000	Half year ended 30-Sep-2016 \$'000	
The Group's share of associates' results consists of:						
- Operating results	(896)	5,935	n.m.	12,447	9,393	32.51
- Fair value gain on investment properties	2,321	7,092	(67.27)	9,181	17,701	(48.13)
- Taxation	(4,263)	(4,446)	(4.12)	(10,160)	(12,837)	(20.85)
- Others	912	(34)	n.m.	204	(907)	n.m.
	<u>(1,926)</u>	<u>8,547</u>	n.m.	<u>11,672</u>	<u>13,350</u>	(12.57)

n.m. - not meaningful

Note:

The Group, in 2QFY2018, equity accounted for Top Spring International Holdings Limited's ("Top Spring") latest available results, which were for the quarter ended 30 June 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 July 2017 and the reporting date of the Group.

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

	Group		%	Group		%
	2nd Qtr ended			Half year ended		
	30-Sep-2017	30-Sep-2016	Change	30-Sep-2017	30-Sep-2016	Change
	\$'000	\$'000		\$'000	\$'000	
The Group's share of joint ventures' results consists of:						
- Operating results	(14,337)	7,922	n.m.	(3,261)	18,450	n.m.
- Fair value gain/(loss) on investment properties	56	(2,547)	n.m.	(224)	(4,613)	(95.14)
- Taxation	(2,732)	(1,462)	86.87	(5,444)	(3,435)	58.49
	<u>(17,013)</u>	<u>3,913</u>	n.m.	<u>(8,929)</u>	<u>10,402</u>	n.m.
<u>Note:</u>						
Revenue	33,925	11,213	202.55	67,032	44,009	52.31
Direct expenses	<u>(18,463)</u>	<u>(3,096)</u>	496.35	<u>(40,371)</u>	<u>(25,043)</u>	61.21
Gross profit	15,462	8,117	90.49	26,661	18,966	40.57
Other income, including interest income	1,025	416	146.39	1,712	1,033	65.73
Fair value gain/(loss) on investment properties	56	(2,547)	n.m.	(224)	(4,613)	(95.14)
Additional Buyer's Stamp Duty expenses	(27,747)	-	n.m.	(27,747)	-	n.m.
General and administrative expenses	<u>(1,807)</u>	<u>(611)</u>	195.74	<u>(2,617)</u>	<u>(1,549)</u>	68.95
(Loss)/profit from operating activities	(13,011)	5,375	n.m.	(2,215)	13,837	n.m.
Interest on borrowings	<u>(1,270)</u>	-	n.m.	<u>(1,270)</u>	-	n.m.
(Loss)/profit from operations before taxation	(14,281)	5,375	n.m.	(3,485)	13,837	n.m.
Taxation	<u>(2,732)</u>	<u>(1,462)</u>	86.87	<u>(5,444)</u>	<u>(3,435)</u>	58.49
(Loss)/profit net of taxation	<u>(17,013)</u>	<u>3,913</u>	n.m.	<u>(8,929)</u>	<u>10,402</u>	n.m.

n.m. - not meaningful

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

1(a) (vi) Taxation

	Group			Group		
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000	% Change	Half year ended 30-Sep-2017 \$'000	Half year ended 30-Sep-2016 \$'000	% Change
Current Year Tax	1,377	311	342.77	2,002	870	130.11
Overprovision in respect of prior year	-	(1)	n.m.	(208)	(12)	n.m.
Deferred Tax	(121)	547	n.m.	-	1,327	n.m.
Withholding Tax	-	-	n.m.	-	-	n.m.
	<u>1,256</u>	<u>857</u>	46.56	<u>1,794</u>	<u>2,185</u>	(17.89)

n.m. - not meaningful

The tax charge of the Group for the second quarter period ended 30 September 2017, excluding share of results of associates and joint ventures which is already stated net of tax, is higher than that derived by applying the Singapore statutory income tax rate of 17% applicable to company profits, mainly due to 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-Sep-2017 \$'000	31-Mar-2017 \$'000	30-Sep-2017 \$'000	31-Mar-2017 \$'000
Non-current assets				
Plant and equipment	4,941	5,062	57	73
Investment properties	97,879	104,423	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	474,809	493,239
Associates	564,705	507,650	500	500
Joint ventures	370,607	382,674	-	-
Investments	99,549	94,921	-	-
Deferred tax assets	1,102	1,102	-	-
	<u>1,138,783</u>	<u>1,095,832</u>	<u>493,156</u>	<u>511,602</u>
Current assets				
Inventories	20,431	19,433	-	-
Prepayments	1,637	1,073	-	-
Amount due from an associate	13,361	-	-	-
Accounts and other receivables	6,626	7,819	205	212
Tax recoverable	472	250	-	-
Short term investments	39,460	42,208	-	-
Pledged fixed bank deposits	116,278	111,278	-	-
Cash and cash equivalents	218,966	278,164	5,231	9,192
	<u>417,231</u>	<u>460,225</u>	<u>5,436</u>	<u>9,404</u>
Current liabilities				
Bank borrowings	102,814	65,915	-	-
Accounts and other payables	39,853	39,641	3,312	5,680
Amount due to an associate	48,381	67,457	-	-
Provision for taxation	2,164	2,234	60	69
	<u>193,212</u>	<u>175,247</u>	<u>3,372</u>	<u>5,749</u>
Net current assets	224,019	284,978	2,064	3,655
Non-current liabilities				
Amounts due to subsidiaries	-	-	268,022	244,226
Deferred income	12,175	13,352	-	-
Deferred taxation	16,822	16,759	11	11
	<u>(28,997)</u>	<u>(30,111)</u>	<u>(268,033)</u>	<u>(244,237)</u>
Net assets	<u>1,333,805</u>	<u>1,350,699</u>	<u>227,187</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	1,163,058	1,180,277	59,238	103,071
	<u>1,331,007</u>	<u>1,348,226</u>	<u>227,187</u>	<u>271,020</u>
Non-controlling interests	2,798	2,473	-	-
Total equity	<u>1,333,805</u>	<u>1,350,699</u>	<u>227,187</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-Sep-2017		As at 31-Mar-2017	
Secured	Unsecured	Secured	Unsecured
102,814,000	-	65,915,000	-

Amount repayable after one year

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

Details of any collateral for banking facilities

Subsidiaries:

Fixed deposits totaling S\$116.3 million have been mortgaged to banks for banking facilities of GBP60.5 million granted to certain subsidiaries. Total loans drawn on such facilities as at 30 September 2017 amounted to GBP56.5 million (equivalent to S\$102.8 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		Group	
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000	Half Year ended 30-Sep-2017 \$'000	Half Year ended 30-Sep-2016 \$'000
Cash flows from operating activities				
Operating loss before reinvestment in working capital	(5,318)	(1,499)	(8,058)	(5,491)
Increase in inventories	(1,645)	(1,358)	(1,712)	(2,124)
Decrease/(increase) in accounts and other receivables	303	(629)	404	2,475
(Decrease)/increase in accounts and other payables	(2,597)	(11,564)	212	(9,624)
Cash used in operations	(9,257)	(15,050)	(9,154)	(14,764)
Interest expense paid	(453)	(6)	(819)	(6)
Interest income received	2,546	2,071	5,018	4,456
Income taxes paid	(1,719)	(473)	(1,865)	(680)
Net cash flows used in operating activities	(8,883)	(13,458)	(6,820)	(10,994)
Cash flows from investing activities				
Purchase of plant & equipment	(730)	(200)	(878)	(468)
Decrease/(increase) in investments	69	1,789	(27)	1,893
Purchase of short term investments	-	-	-	(19,999)
Proceeds from liquidation of associates	-	-	-	128
Proceeds from disposal of an investment property	4,791	-	7,833	-
Proceeds from disposal of plant and equipment	1	1	1	41
Proceeds from disposal of short term investments	1,627	4,714	5,112	6,031
Proceeds from disposal of/distribution from available-for-sale investments	-	3,336	1,326	3,336
Investment in associates	(4,149)	(5,228)	6,470	(8,912)
(Decrease)/increase in amount due to an associate	(19,370)	200	(19,376)	183
(Increase)/decrease in amounts due from associates	(81,804)	8,862	(91,489)	8,500
Increase in amounts due from joint ventures	(2,286)	(4,752)	(9,477)	(8,976)
Dividends received from quoted and unquoted investments	1,763	467	2,503	1,761
Dividends received from associates	16,700	2,038	36,455	13,023
Dividends received from joint ventures	22,360	24,324	22,360	24,324
Changes in pledged fixed bank deposits	(5,000)	(35,100)	(5,000)	(35,100)
Currency realignment	360	(3,011)	(295)	(1,141)
Net cash flows used in investing activities	(65,668)	(2,560)	(44,482)	(15,376)
Cash flows from financing activities				
Drawdown of bank borrowings	12,097	9,658	33,231	9,658
Dividend paid	(41,402)	(57,963)	(41,402)	(57,963)
Currency realignment	1,336	-	2,496	-
Net cash flows used in financing activities	(27,969)	(48,305)	(5,675)	(48,305)
Net decrease in cash and cash equivalents	(102,520)	(64,323)	(56,977)	(74,675)
Effect of exchange rate changes in cash and cash equivalents	(922)	3,237	(2,221)	(968)
Cash & cash equivalents at beginning of financial period	322,408	479,049	278,164	493,606
Cash & cash equivalents at end of financial period	218,966	417,963	218,966	417,963

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

	Group		Group	
	2nd Qtr ended 30-Sep-2017 \$'000	2nd Qtr ended 30-Sep-2016 \$'000	Half Year ended 30-Sep-2017 \$'000	Half Year ended 30-Sep-2016 \$'000
Reconciliation between (loss)/profit from operations before taxation and operating cash flows before changes in working capital:				
(Loss)/profit from operations before taxation	(12,315)	17,288	13,651	28,374
Adjustments for:				
Interest expense	453	6	819	6
Depreciation of plant and equipment	523	382	1,000	876
Share of results of associates	1,926	(8,547)	(11,672)	(13,350)
Share of results of joint ventures	17,013	(3,913)	8,929	(10,402)
Reversal of write down of amount due from a joint venture	(9,472)	-	(9,472)	-
Interest and investment income	(4,616)	(2,538)	(9,567)	(6,217)
Inventories written (back)/down	(111)	(152)	184	134
Allowance for obsolete inventories	521	540	530	550
Allowance for/(write-back of) doubtful debts	2	(2)	2	(2)
Plant and equipment written off	-	-	-	1
Gain on disposal of an investment property	-	-	(809)	-
Gain on disposal of plant and equipment	(1)	(1)	(1)	(41)
Changes in fair value of short term investments	(215)	821	(2,073)	307
Gain on disposal of short term investments	(207)	(793)	(291)	(857)
Distribution from available-for-sale investments	-	(3,336)	(1,326)	(3,336)
Foreign exchange adjustments	1,181	(1,254)	2,038	(1,534)
Operating loss before reinvestment in working capital	<u>(5,318)</u>	<u>(1,499)</u>	<u>(8,058)</u>	<u>(5,491)</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 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
(Loss)/profit for the period	-	-	-	-	-	-	(13,591)	(13,591)	20	(13,571)
<u>Other comprehensive income/(expense)</u>										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	(793)	-	-	-	(793)	(35)	(828)
Available-for-sale financial assets										
- net fair value changes	-	-	(34)	-	-	-	-	(34)	26	(8)
- net fair value changes reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	12,944	-	324	-	13,268	-	13,268
Other comprehensive expense/(income) for the financial period, net of tax	-	-	(34)	12,151	-	324	-	12,441	(9)	12,432
Total comprehensive (expense)/income for the financial period	-	-	(34)	12,151	-	324	(13,591)	(1,150)	11	(1,139)
<u>Contributions by and distributions</u> <u>to owners</u>										
Dividends paid	-	-	-	-	-	-	(41,402)	(41,402)	-	(41,402)
Total contributions by and distributions to owners	-	-	-	-	-	-	(41,402)	(41,402)	-	(41,402)
<u>Others</u>										
Transfer to statutory reserve fund	-	-	-	-	98	-	(98)	-	-	-
At 30 September 2017	169,717	(1,768)	7,575	(42,312)	4,034	1,798	1,191,963	1,331,007	2,798	1,333,805

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>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 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
Profit for the period	-	-	-	-	-	-	16,223	16,223	208	16,431
<u>Other comprehensive income/(expense)</u>										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	6,403	-	-	-	6,403	(966)	5,437
Available-for-sale financial assets										
- net fair value changes	-	-	2,208	-	-	-	-	2,208	140	2,348
- net fair value changes reclassified to profit or loss	-	-	(3,136)	-	-	-	-	(3,136)	(200)	(3,336)
Share of other comprehensive (expense)/ income of associates and joint ventures	-	-	-	(8,331)	-	505	-	(7,826)	-	(7,826)
Other comprehensive expense/(income) for the financial period, net of tax	-	-	(928)	(1,928)	-	505	-	(2,351)	(1,026)	(3,377)
Total comprehensive (expense)/income for the financial period	-	-	(928)	(1,928)	-	505	16,223	13,872	(818)	13,054
<u>Contributions by and distributions to owners</u>										
Dividends paid	-	-	-	-	-	-	(57,963)	(57,963)	-	(57,963)
Total contributions by and distributions to owners	-	-	-	-	-	-	(57,963)	(57,963)	-	(57,963)
<u>Others</u>										
Transfer to statutory reserve fund	-	-	-	-	55	-	(55)	-	-	-
At 30 September 2016	169,717	(1,768)	10,666	(26,551)	10,247	1,187	1,160,360	1,323,858	2,982	1,326,840

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
Loss for the period, representing total comprehensive expense for the financial period	-	-	(969)	(969)
At 30 June 2017	169,717	(1,768)	102,102	270,051
Loss for the period, representing total comprehensive expense for the financial period	-	-	(1,462)	(1,462)
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(41,402)	(41,402)
At 30 September 2017	169,717	(1,768)	59,238	227,187
At 1 April 2016	169,717	(1,768)	126,264	294,213
Loss for the period, representing total comprehensive expense for the financial period	-	-	(1,160)	(1,160)
At 30 June 2016	169,717	(1,768)	125,104	293,053
Loss for the period, representing total comprehensive expense for the financial period	-	-	(543)	(543)
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(57,963)	(57,963)
At 30 September 2016	169,717	(1,768)	66,598	234,547

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

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

There were no convertible instruments outstanding as at 30 September 2017 (30 September 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 September 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 2nd Quarter period ended 30 September 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 2nd Quarter period ended 30 September 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 (loss)/profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	(1.6) cents	2.0 cents
(b) On a fully diluted basis	(1.6) cents	2.0 cents

Earnings per share is calculated on the Group's loss attributable to shareholders of the Company of \$13,591,000 (period ended 30 September 2016: profit \$16,223,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 September 2017 (period ended 30 September 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 September 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 September 2017	\$1.61	\$0.27
(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 September 2017 of \$1,331,007,000 (31 March 2017: \$1,348,226,000) divided by the total number of issued shares excluding treasury shares as at 30 September 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 2nd Quarter ended 30 September 2017 against 2nd Quarter ended 30 September 2016

The Group's turnover of \$30.2 million for the second financial quarter to 30 September 2017 ("2QFY2018") increased by 6.8% over 2QFY2017's \$28.3 million as the retail division reported higher sales. However, gross profit for 2QFY2018 decreased to \$0.4 million as compared to 2QFY2017's \$1.7 million due to lower margins and higher operating expenses.

Other income decreased to \$5.4 million for 2QFY2018 from \$9.5 million for 2QFY2017 mainly due to the absence of distribution from available-for-sale investments which contributed \$3.3 million in the previous corresponding 2QFY2017.

Changes in fair value of short term investments relate to an unrealised fair value gain of \$0.2 million in 2QFY2018 as compared to an unrealised fair value loss of \$0.8 million in 2QFY2017, of the Group's portfolio of short term equity investments in REITs held by the property division.

General and administrative expenses increased to \$8.4 million for 2QFY2018 from \$5.5 million for 2QFY2017 mainly due to a higher loss on dilution of an interest in an associate of \$2.3 million.

Share of results of associates recorded a loss of \$1.9 million in 2QFY2018 as compared to a gain of \$8.5 million in 2QFY2017 mainly because in this quarter the Group recorded a \$4.4 million share of a loss from Top Spring against a \$5.9 million share of a gain in 2QFY2017. At the operating level, Top Spring reported a decline in recognition on handover, of presales of properties. In the previous corresponding 2QFY2017, Top Spring had also written back a tax provision of \$4.6 million.

Share of results of joint ventures recorded a loss of \$17.0 million in 2QFY2018 against a gain of \$3.9 million in 2QFY2017 mainly due to the one-off expense arising on the expiry of conditional remission of Additional Buyer's Stamp Duty (ABSD) for The Crest at Prince Charles Crescent in Singapore, with the Group's share of \$27.7 million fully accounted for in 2QFY2018. This was partially mitigated by a reversal of a \$9.5 million write down of amount due from a joint venture arising from an assessment of the carrying amount of a shareholder loan due from this joint venture. Metro City, Shanghai's results improved by \$3.2 million mainly due to a lower unrealised fair value loss on investment properties.

The Group therefore recorded a profit after taxation of \$4.6 million before the one-off items relating to The Crest and a loss after taxation of \$13.6 million after these items in 2QFY2018 as compared to a profit of \$16.4 million in 2QFY2017.

Segmental Results for 2nd Quarter ended 30 September

Business segment

2017

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue	<u>1,630</u>	<u>28,616</u>	<u>30,246</u>
Segment results	98	(2,708)	(2,610)
Changes in fair value of short term investments	215	-	215
Interest on borrowings	(453)	-	(453)
Share of associates' results, net of tax	(2,191)	265	(1,926)
Interest in joint ventures			
- Share of results, net of tax (Note)	(17,013)	-	(17,013)
- Reversal of write down of amount due from a joint venture	9,472	-	9,472
	<u>(7,541)</u>	<u>-</u>	<u>(7,541)</u>
Loss from operations before taxation	<u>(9,872)</u>	<u>(2,443)</u>	<u>(12,315)</u>
Taxation			<u>(1,256)</u>
Loss net of taxation			<u>(13,571)</u>
Attributable to:			
Owners of the Company			(13,591)
Non-controlling interests			<u>20</u>
			<u>(13,571)</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>33,925</u>
Segment results	(14,337)
Fair value gain on investment properties	<u>56</u>
Loss from operations before taxation	(14,281)
Taxation	<u>(2,732)</u>
Loss net of taxation	<u>(17,013)</u>

Segmental Results for 2nd Quarter ended 30 September (Cont'd)

Business segment

2016

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue	<u>1,635</u>	<u>26,685</u>	<u>28,320</u>
Segment results	7,189	(1,534)	5,655
Changes in fair value of short term investments	(821)	-	(821)
Interest on borrowings	(6)	-	(6)
Share of associates' results, net of tax	7,755	792	8,547
Share of joint ventures' results, net of tax (Note)	<u>3,913</u>	<u>-</u>	<u>3,913</u>
Profit/(loss) from operations before taxation	<u>18,030</u>	<u>(742)</u>	<u>17,288</u>
Taxation			<u>(857)</u>
Profit net of taxation			<u>16,431</u>
Attributable to:			
Owners of the Company			16,223
Non-controlling interests			<u>208</u>
			<u>16,431</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>11,213</u>
Segment results	7,922
Fair value loss on investment properties	<u>(2,547)</u>
Profit from operations before taxation	<u>5,375</u>
Taxation	<u>(1,462)</u>
Profit net of taxation	<u>3,913</u>

Geographical Segments

	Asean \$'000	People's Republic of China \$'000	Group \$'000
Segment revenue			
2017	<u>28,616</u>	<u>1,630</u>	<u>30,246</u>
2016	<u>26,685</u>	<u>1,635</u>	<u>28,320</u>

Segmental Results - Property Division

Turnover of the property division, comprising the 100% directly held GIE Tower, for 2QFY2018 remained constant as compared to 2QFY2017. Segment results of the property division, excluding associates and joint ventures, reported a gain of \$0.1 million in 2QFY2018 against \$7.2 million in 2QFY2017 mainly due to an absence of distribution from available-for-sale investments which contributed \$3.3 million in 2QFY2017, a higher \$2.3 million dilution loss of an interest in an associate and an unrealised exchange loss on bank balances of \$0.8 million in 2QFY2018 against a gain of \$2.4 million in the previous corresponding 2QFY2017.

Our associate, Top Spring, reported a loss as the level of presales of properties recognised on handover, declined significantly.

The Crest, Singapore, recorded a loss due to the expiry of conditional remission of ABSD. The impact of the Group's share of \$27.7 million was reduced by a \$9.5 million reversal of write down of amount due from this joint venture. Metro City, Shanghai, reported higher rental income with the completion of certain phases of asset enhancement. It also reported a small fair value gain on investment property as compared to a fair value loss of \$1.9 million in 2QFY2017.

The average occupancy of the Group's three investment properties held by a subsidiary and joint ventures as at 30 September 2017 was 92.8%.

The portfolio summary of the Group's Investment Properties as at 30 September 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	177	98.0%
Metro Tower, Shanghai	60%	50 year term from 1993	32	94.1%

Segmental Results - Retail Division

Turnover of the Singapore operations of the retail division for 2QFY2018 increased to \$28.6 million from 2QFY2017's \$26.7 million. However, pressures on margins and operating and overhead costs continued to affect profitability.

Sales of the retail division's associated company in Indonesia declined due to a shift in the timing of festive shopping. Profits declined accordingly.

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

Associates (Non-current assets) increased from \$498.4 million as at 30 June 2017 to \$564.7 million as at 30 September 2017 mainly due to loans of \$78.2 million extended to the new 30% associates, Shine Long Limited, Huge Source Limited and Progress Link Limited, as funding for the acquisition of three newly completed office buildings in Shanghai. A shareholder loan of \$9.7 million was granted to a United Kingdom associate during 2QFY2018. This was partially offset by a \$6.1 million repayment of shareholder loans from proceeds of the disposal of properties at Shama Century Park, Shanghai, and receipt of a dividend receivable of \$15.5 million from an associate.

Joint ventures (Non-current assets) decreased from \$399.0 million as at 30 June 2017 to \$370.6 million as at 30 September 2017 mainly due to dividend distributions of \$22.4 million and share of joint ventures' results for 2QFY2018 of \$17.0 million. In 2QFY2018, \$2.3 million was advanced to a United Kingdom joint venture and there was a reversal of write down of an amount due from a joint venture of \$9.5 million.

Amount due from an associate (Current assets) of \$13.4 million as at 30 September 2017 relate to a dividend receivable from an associate.

Accounts and other receivables (Current assets) decreased from \$13.0 million as at 30 June 2017 to \$6.6 million as at 30 September 2017 mainly due to the receipt of \$4.8 million being balance proceeds from the disposal of Lakeville Regency, an investment property in Shanghai.

Bank borrowings (Current liabilities) increased to \$102.8 million as at 30 September 2017 from \$88.9 million as at 30 June 2017 due to loans drawn on banking facilities for amounts advanced to an associate and a joint venture in the United Kingdom.

Amount due to an associate (Current liabilities) decreased to \$48.4 million as at 30 September 2017 from \$67.5 million as at 30 June 2017 mainly due to a repayment of \$19.4 million in 2QFY2018.

Cash and cash equivalents fell from \$322.4 million as at 30 June 2017 to \$219.0 million as at 30 September 2017, after taking into account a dividend of \$41.4 million paid to shareholders and the above mentioned funds flow.

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.

Rental income of the joint ventures, Metro City, Shanghai and Metro Tower, Shanghai, is expected to remain stable.

Sales of the residential project, The Crest at Prince Charles Crescent in Singapore, remains slow.

Top Spring's sale and purchase agreement to dispose of eight property projects for an aggregate value of approximately HK\$14.91 billion was approved at its extraordinary general meeting held on 13 November 2017. The parties to the sale and purchase agreement will accordingly proceed with the settlement and completion procedures envisaged in the sale and purchase agreement. In its circular stated 26 October 2017, Top Spring has estimated that, upon successful completion, the Top Spring group will record an unaudited net gain before taxation of approximately HK\$7.40 billion from the disposal.

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. Discussions are on-going on the potential divestment of the Group's 30% equity interest in this property development project.

The three recently acquired office buildings in Bay Valley, New Jiangwan City, Yangpu District, Shanghai, purchased by our new 30% held associates, are expected to be handed over in late 3QFY2018. Preleasing activities have commenced.

Construction work continues on Phase 1 comprising 571 apartment units of the Middlewood Locks development and is expected to be completed in stages over spring and summer 2018. Sales of the units have been launched. The whole development will eventually provide 2,215 new homes and 750,000 square feet of commercial space including offices, hotel, shops restaurants, a convenience store and gym.

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 difficult trading conditions.

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 September 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 second 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: 13 November 2017