

**First Quarter Results \* Financial Statement And Related Announcement**

\* Asterisks denote mandatory information

Name of Announcer *	METRO HOLDINGS LIMITED
Company Registration No.	197301792W
Announcement submitted on behalf of	METRO HOLDINGS LIMITED
Announcement is submitted with respect to *	METRO HOLDINGS LIMITED
Announcement is submitted by *	Tan Ching Chek
Designation *	Company Secretary
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**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2011
Description	Please refer to the attached announcement.

**Attachments**

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## 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 2011

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	1st Qtr ended 30-Jun-2011 \$'000	1st Qtr ended 30-Jun-2010 \$'000	% Change
Revenue	42,604	39,195	8.70
Cost of revenue	<u>(29,088)</u>	<u>(27,909)</u>	4.22
Gross profit	13,516	11,286	19.76
Other income including interest income	3,060	12,389	(75.30)
General and administrative expenses	<u>(6,372)</u>	<u>(6,171)</u>	3.26
Profit from operating activities	10,204	17,504	(41.70)
Finance costs	(2,879)	(2,937)	(1.97)
Share of associates' results, net of tax	<u>(931)</u>	<u>(5,372)</u>	(82.67)
Profit from operations before taxation	6,394	9,195	(30.46)
Taxation	<u>(3,342)</u>	<u>(2,168)</u>	54.15
Profit net of taxation	<u>3,052</u>	<u>7,027</u>	(56.57)
Attributable to:			
Owners of the parent	3,028	6,930	(56.31)
Non-controlling interests	<u>24</u>	<u>97</u>	(75.26)
	<u>3,052</u>	<u>7,027</u>	(56.57)

1(a) (i) Statement of Comprehensive Income

	Group		%
	1st Qtr ended	1st Qtr ended	
	30-Jun-2011 \$'000	30-Jun-2010 \$'000	
Profit net of taxation	3,052	7,027	(56.57)
Other comprehensive income:			
Currency translation adjustments on foreign operations	(8,909)	2,687	n.m
Changes in fair value of available-for-sale financial assets	(18,470)	(8,745)	111.21
Share of other comprehensive income of associates	324	(263)	n.m
Other comprehensive expense for the period, net of tax	(27,055)	(6,321)	328.02
Total comprehensive (expense)/income for the period	<u>(24,003)</u>	<u>706</u>	n.m
Attributable to:			
Owners of the parent	(23,792)	1,143	n.m
Non-controlling interests	(211)	(437)	(51.72)
	<u>(24,003)</u>	<u>706</u>	n.m

*n.m. - not meaningful*

Currency translation adjustments on foreign operations are mainly a result of the Group's exposure to the effects of fluctuations in foreign currency exchange rates primarily in relation to Chinese renminbi as most of the Group's investment properties are situated in the People's Republic of China. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency.

Changes in fair value of available-for-sale financial assets mainly relate to fluctuations in the fair value of the Group's investments in Shui On Land Ltd and Top Spring International Holdings Ltd which are 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.

Turnover of the Group reported on a gross transaction basis, which represents 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-2011 \$'000	1st Qtr ended 30-Jun-2010 \$'000	
Retail	43,925	42,509	3.33
Property	15,923	14,236	11.85
	<u>59,848</u>	<u>56,745</u>	5.47

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

	Group		% Change
	1st Qtr ended 30-Jun-2011 \$'000	1st Qtr ended 30-Jun-2010 \$'000	
Cost of revenue and general and administrative expenses includes:-			
Depreciation	(724)	(701)	3.28
Inventories recognised as an expense	(13,161)	(12,101)	8.76
Allowance for obsolete inventories	(14)	(14)	-
Inventories written down	(477)	(430)	10.93
Rental expense	(5,370)	(5,056)	6.21
Foreign exchange loss	(767)	-	n.m.
Other income including interest income includes:-			
Interest income	451	9,538 *	(95.27)
Dividends from quoted and unquoted investments	1,553	2,003	(22.47)
Changes in fair value of short term investments	(400)	(542)	(26.20)
Management and advisory fees	389	379	2.64
Foreign exchange gain	384	51	652.94

*n.m. - not meaningful*

\* A subsidiary company made quasi-equity interest-bearing shareholder loans in RMB to an associate, China Infrastructure Group Ltd (“CIG”) to enable CIG to acquire subsidiaries which owned the 1 Financial Street building in Beijing. CIG disposed of the subsidiaries in 2QFY2011 and repaid the quasi-equity shareholder loans using the net proceeds from the said-disposal. Interest income for the previous corresponding first financial quarter ended 30 June 2010 (“1QFY2011”) included \$6.4 million related to interest charged to CIG on quasi-equity shareholder loans which ceased with the said repayment. This interest income was offset by the Group’s share of the associates’ operating results for the same 1QFY2011 (Paragraph 1(a)(iv)) which included the interest expense. As the interest income offsets the share of associates’ operating results, there was no net impact on the Group’s profit from operations before taxation in 1QFY2011.

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

	Group		% Change
	1st Quarter ended 30-Jun-2011 \$'000	30-Jun-2010 \$'000	
The Group's share of associates' results consists of:-			
- Operating results	(878)	(5,201)	(83.12)
- Taxation	<u>(53)</u>	<u>(171)</u>	(69.01)
	<u>(931)</u>	<u>(5,372)</u>	(82.67)

1(a) (v) Taxation

	Group		% Change
	1st Quarter ended 30-Jun-2011 \$'000	30-Jun-2010 \$'000	
Current Year Tax	2,267	1,611	40.72
Deferred Tax	1,075	533	101.69
Withholding Tax	<u>-</u>	<u>24</u>	(100.00)
	<u>3,342</u>	<u>2,168</u>	54.15

The tax charge of the Group for the period ended 30 June 2011, excluding share of associates' results which is already stated net of tax, is higher than that derived by applying the standard rate applicable to company profits mainly due to higher tax rates applied to overseas subsidiaries and jointly controlled entities, losses in subsidiaries which are not available for set off against Group results for tax purposes, deferred tax assets not recognised and expenditure not deductible for tax purposes.

1(b) (i) A balance sheet (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-2011 \$'000	31-Mar-2011 \$'000	30-Jun-2011 \$'000	31-Mar-2011 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	16,480	16,223	10,602	10,676
Investment properties	523,892	688,452	-	-
Subsidiaries	-	-	17,174	17,174
Amounts due from subsidiaries	-	-	419,335	398,283
Associates	24,569	64,082	500	500
Amounts due from associates	43,210	43,605	-	-
Amounts due from jointly controlled entities	172	174	-	-
Investments	69,473	89,341	-	-
	<u>677,796</u>	<u>901,877</u>	<u>447,611</u>	<u>426,633</u>
<b>Current assets</b>				
Inventories	15,801	13,623	-	-
Deposits and prepayments	8,671	8,447	191	182
Accounts receivables	7,597	10,316	44	16
Tax recoverable	121	109	-	-
Short term investments	74,271	67,272	-	-
Collateral assets	24,560	24,560	-	-
Pledged fixed and bank deposits	34,743	34,875	-	-
Cash and cash equivalents	448,610	372,911	86,045	30,601
Assets of disposal entity classified as held for sale	161,733	-	-	-
	<u>776,107</u>	<u>532,113</u>	<u>86,280</u>	<u>30,799</u>
<b>Current liabilities</b>				
Bank borrowings	52,111	55,809	-	-
Accounts payables	112,120	77,429	11,533	11,300
Provision for taxation	6,956	7,211	42	49
Liabilities directly associated with disposal entity classified as held for sale	113,938	-	-	-
	<u>285,125</u>	<u>140,449</u>	<u>11,575</u>	<u>11,349</u>
<b>Net current assets</b>	490,982	391,664	74,705	19,450
<b>Non-current liabilities</b>				
Bank borrowings	102,466	195,829	-	-
Amounts due to subsidiaries	-	-	174,132	140,486
Deferred taxation	66,264	81,159	342	321
	<u>(168,730)</u>	<u>(276,988)</u>	<u>(174,474)</u>	<u>(140,807)</u>
<b>Net assets</b>	<u>1,000,048</u>	<u>1,016,553</u>	<u>347,842</u>	<u>305,276</u>
<b>Equity attributable to owners of the parent</b>				
Share capital	150,763	142,432	150,763	142,432
Treasury shares	(1,397)	(1,397)	(1,397)	(1,397)
Reserves	846,830	871,455	198,476	164,241
	<u>996,196</u>	<u>1,012,490</u>	<u>347,842</u>	<u>305,276</u>
<b>Non-controlling interests</b>	3,852	4,063	-	-
<b>Total equity</b>	<u>1,000,048</u>	<u>1,016,553</u>	<u>347,842</u>	<u>305,276</u>

Note:

As at 30 June 2011, assets and liabilities relating to a jointly controlled entity, Beijing Huamao Property Co. Ltd. ("Huamao), which owns Metro City Beijing, have been designated as held for sale, as the Group has entered into a conditional equity transfer framework agreement to sell its 50% equity interest held. Completion of the sale and purchase of Huamao is subject to the approval of various authorities in the People's Republic of China. Accordingly, S\$158.5 million has been reclassified from Investment Properties to Assets of disposal entity classified as held for sale and S\$93.6 million has been reclassified from Bank borrowings and S\$15.1 million has been reclassified from Deferred taxation to Liabilities directly associated with disposal entity classified as held for sale.

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-2011		As at 31-Mar-2011	
Secured	Unsecured	Secured	Unsecured
52,110,515	-	55,809,400	-

Amount repayable after one year

As at 30-Jun-2011		As at 31-Mar-2011	
Secured	Unsecured	Secured	Unsecured
102,466,676	-	195,828,969	-

Details of any collateral

An investment property with a fair value totaling S\$158.5 million as at 30 June 2011 has been mortgaged to banks for banking facilities granted to a jointly controlled entity. Total loans drawn on such facilities as at 30 June 2011 amounted to S\$93.6 million and have been disclosed under Liabilities directly associated with disposal entity classified as held for sale. An investment property with a fair value totaling S\$87.1 million as at 30 June 2011 and fixed deposits totaling S\$33.6 million have been mortgaged to banks for banking facilities granted to certain subsidiaries. Total loans drawn on such facilities as at 30 June 2011 amounted to JPY5.9 billion (equivalent to S\$90.6 million). Short term loans of HK\$95.2 million (equivalent to S\$15.0 million) granted to a subsidiary were secured by marketable securities and shares of subsidiaries which own an investment property with a fair value of S\$89.9 million as at 30 June 2011. Bank facilities granted to a jointly controlled entity, of which an amount of RMB257.2 million (equivalent to S\$48.9 million) have been drawn, were secured by an investment property with a fair value of S\$98.7 million as at 30 June 2011 and bank deposits totaling RMB5.9 million (equivalent to S\$1.1 million).

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

Consolidated Cash Flow Statement for the period

	Group	
	1st Qtr ended 30-Jun-2011 \$'000	1st Qtr ended 30-Jun-2010 \$'000
<b>Cash flows from operating activities</b>		
Operating profit before reinvestment in working capital	11,125	8,207
Increase in inventories	(2,669)	(1,071)
Decrease/(increase) in accounts receivables	136	(3,214)
Increase in short term investments	(7,400)	-
Increase in accounts payables	39,981	4,984
Cash generated from operations	<u>41,173</u>	<u>8,906</u>
Interest expense paid	(2,879)	(2,937)
Interest income received	451	2,450
Income taxes paid	<u>(2,333)</u>	<u>(1,644)</u>
Net cash flows generated from operating activities	<u>36,412</u>	<u>6,775</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(1,045)	(470)
Purchase of investment property	-	(93,470)
Subsequent expenditure on investment properties	(1,145)	(1,092)
Increase in investments	(800)	-
Proceeds from liquidation of an associate	460	-
Decrease in amounts due from associates	-	4,255
Repayment of loans from jointly controlled entities	-	30,208
Dividends received from quoted and unquoted investments	1,032	255
Dividends received from an associate	38,000	-
Changes in pledged fixed and bank deposits	<u>132</u>	<u>(10,288)</u>
Net cash flows generated from/(used in) investing activities	<u>36,634</u>	<u>(70,602)</u>
<b>Cash flows from financing activities</b>		
Drawdown of bank borrowings	216	110,132
Repayment of bank borrowings	(2,260)	(9,523)
Proceeds from issue of shares	<u>7,498</u>	<u>4</u>
Net cash flows generated from financing activities	<u>5,454</u>	<u>100,613</u>
<b>Net increase in cash and cash equivalents</b>	78,500	36,786
<b>Effect of exchange rate changes in cash and cash equivalents</b>	(2,352)	147
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>372,911</u>	<u>147,372</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u><u>449,059</u></u>	<u><u>184,305</u></u>



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

	Group	
	1st Qtr ended 30-Jun-2011 \$'000	1st Qtr ended 30-Jun-2010 \$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit before taxation	6,394	9,195
Adjustments for:		
Interest expense	2,879	2,937
Depreciation of property, plant and equipment	724	701
Share of results of associates	931	5,372
Interest and investment income	(2,004)	(11,541)
Inventories written down	477	430
Property, plant and equipment written off	-	2
Allowance for obsolete inventories	14	14
Changes in fair value of short term investments	400	542
Loss on liquidation of an associate	6	-
Foreign exchange adjustments	1,304	555
Operating profit before reinvestment in working capital	<u>11,125</u>	<u>8,207</u>

Note:

Cash and cash equivalents comprise:

	\$'000	\$'000
Bank balances and deposits		
- Continuing operations	448,610	184,305
- Assets of disposal entity held for sale under FRS 105	449	-
Cash and cash equivalents	<u>449,059</u>	<u>184,305</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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<b>Group</b>	Share Capital \$'000	Treasury Shares \$'000	Warrants Reserve \$'000	Revaluation Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
<b>At 1 April 2011</b>	142,432	(1,397)	2,688	19,073	7,807	(38,770)	880,657	<b>1,012,490</b>	4,063	<b>1,016,553</b>
Conversion of warrants into shares	8,331	-	(833)	-	-	-	-	<b>7,498</b>	-	<b>7,498</b>
Total comprehensive income/(expense) for the period	-	-	-	-	(18,361)	(8,459)	3,028	<b>(23,792)</b>	(211)	<b>(24,003)</b>
<b>At 30 June 2011</b>	<b>150,763</b>	<b>(1,397)</b>	<b>1,855</b>	<b>19,073</b>	<b>(10,554)</b>	<b>(47,229)</b>	<b>883,685</b>	<b>996,196</b>	<b>3,852</b>	<b>1,000,048</b>
<b>At 1 April 2010</b>	130,379	(1,397)	3,893	16,891	16,173	(3,447)	828,449	<b>990,941</b>	4,765	<b>995,706</b>
Conversion of warrants into shares	4	-	-	-	-	-	-	<b>4</b>	-	<b>4</b>
Total comprehensive (expense)/income for the period	-	-	-	-	(8,220)	2,433	6,930	<b>1,143</b>	(437)	<b>706</b>
<b>At 30 June 2010</b>	<b>130,383</b>	<b>(1,397)</b>	<b>3,893</b>	<b>16,891</b>	<b>7,953</b>	<b>(1,014)</b>	<b>835,379</b>	<b>992,088</b>	<b>4,328</b>	<b>996,416</b>

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

<u>Company</u>	Share Capital \$'000	Treasury Shares \$'000	Warrants Reserve \$'000	Revaluation Reserve \$'000	Revenue Reserve \$'000	Total Equity \$'000
<b>At 1 April 2011</b>	142,432	(1,397)	2,688	9,119	152,434	<b>305,276</b>
Conversion of warrants into shares	8,331	-	(833)	-	-	<b>7,498</b>
Total comprehensive income for the period	-	-	-	-	35,068	<b>35,068</b>
<b>At 30 June 2011</b>	<b>150,763</b>	<b>(1,397)</b>	<b>1,855</b>	<b>9,119</b>	<b>187,502</b>	<b>347,842</b>
<b>At 1 April 2010</b>	130,379	(1,397)	3,893	6,301	105,293	<b>244,469</b>
Conversion of warrants into shares	4	-	-	-	-	<b>4</b>
Total comprehensive expense for the period	-	-	-	-	(1,513)	<b>(1,513)</b>
<b>At 30 June 2010</b>	<b>130,383</b>	<b>(1,397)</b>	<b>3,893</b>	<b>6,301</b>	<b>103,780</b>	<b>242,960</b>

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 or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

As at 30 June 2011, there were 2,469,000 treasury shares (as at 30 June 2010: 2,469,000).

During the 3 months ended 30 June 2011, the Company issued 11,902,052 shares from the exercise of 11,902,052 warrants arising from the warrants issued.

As at 30 June 2011, there were 27,923,098 warrants (as at 30 June 2010: 57,038,390) that could be exercised into ordinary shares. Each warrant carried the right to subscribe in cash for one new share in the issued share capital of the Company at \$0.63.

The Company proposed a 1 for 5 Bonus Shares Issue ("Bonus Issue") on 26 May 2011. Subsequent to 30 June 2011, the Bonus Shares were allotted and issued on 6 July 2011 together with consequent adjustments to the warrants and the Warrants Exercise Price.

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 2011 (end of current financial period)	As at 31 March 2011 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	663,462,245	651,560,193

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

The Company did not sell, transfer, dispose, cancel or use any treasury shares in the 1<sup>st</sup> Quarter period ended 30 June 2011.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2011. The adoption of the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial years beginning on or after 1 April 2011 has no significant impact on the Group.

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.

Not applicable.

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	0.5 cents	1.1 cents
(b) On a fully diluted basis	0.4 cents	1.0 cents

Earnings per share is calculated on the Group's profit attributable to shareholders of the Company of \$3,028,000 divided by the weighted average number of ordinary shares of 645,521,501 for the quarter ended 30 June 2011 (quarter ended 30 June 2010: 631,168,132).

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 2011.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current 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	150.2 cents	52.4 cents
(b) 31 March 2011	155.4 cents	46.9 cents

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) Segmental Results for 1st Quarter ended 30 June

Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2011				
Sales to external customers	15,923	26,681	-	42,604
Inter-segment sales	47	-	(47)	-
Segment revenue	<u>15,970</u>	<u>26,681</u>	<u>(47)</u>	<u>42,604</u>
Segment results	10,265	(61)	-	10,204
Finance costs	(2,879)	-	-	(2,879)
Share of associates' results (net of tax)	<u>(233)</u>	<u>(698)</u>	-	<u>(931)</u>
Profit from operations before taxation	7,153	(759)	-	6,394
Taxation				<u>(3,342)</u>
Profit net of taxation				<u><u>3,052</u></u>
Attributable to:				
Owners of the parent				3,028
Non-controlling interests				<u>24</u>
				<u><u>3,052</u></u>

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

### Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2010				
Sales to external customers	14,236	24,959	-	39,195
Inter-segment sales	47	-	(47)	-
Segment revenue	<u>14,283</u>	<u>24,959</u>	<u>(47)</u>	<u>39,195</u>
Segment results	17,446	58	-	17,504
Finance costs	(2,937)	-	-	(2,937)
Share of associates' results (net of tax)	<u>(5,273)</u>	<u>(99)</u>	<u>-</u>	<u>(5,372)</u>
Profit from operations before taxation	9,236	(41)	-	9,195
Taxation				<u>(2,168)</u>
Profit net of taxation				<u>7,027</u>
Attributable to:				
Owners of the parent				6,930
Non-controlling interests				<u>97</u>
				<u>7,027</u>

### Geographical Segments

	Asean \$'000	Hong Kong and China \$'000	Japan \$'000	Group \$'000
2011				
Segment revenue	<u>26,681</u>	<u>14,638</u>	<u>1,285</u>	<u>42,604</u>
2010				
Segment revenue	<u>24,959</u>	<u>13,126</u>	<u>1,110</u>	<u>39,195</u>

8(b) Review

The Group's turnover for the first financial quarter to 30 June 2011 ("1QFY2012") rose to \$42.6 million from \$39.2 million in the previous corresponding quarter ("1QFY2011") with both the retail division and the property division reporting higher turnover. Profit before tax of \$6.4 million declined from \$9.2 million in 1QFY2011 mainly because of lower interest income.

Profit before taxation of the property division of \$7.2 million for 1QFY2012 fell as compared to \$9.2 million in 1QFY2011 as interest income from debt securities declined with the disposal of collateral assets in 4QFY2011 and the repayment of quasi-equity shareholder loans made to certain jointly controlled entities. The consequential decline in profit before tax as compared to 1QFY2011 was mitigated by Metro City Shanghai, whose profit rose by \$1.3 million due to higher rental.

The property division's revenue for 1QFY2012 rose to \$15.9 million from \$14.2 million for 1QFY2011. Higher rental income from Metro City Shanghai after completion of an asset enhancement exercise and higher occupancy at EC Mall contributed to the increase. Rental income would have been higher if not for a 7% decline in the value of the renminbi against the Singapore dollar.

The portfolio summary of the Group's Properties as at 30 June 2011 is as follows:

	<i>Percentage owned by the Group</i>	<i>Tenure</i>	<i>No. of Tenants</i>	<i>Occupancy Rate (%)</i>
Metro City, Shanghai	60%	36 year term from 1993	109	98.6%
Metro City, Beijing	50%	40 year term from 2004	13	74.5%
GIE Tower, Guangzhou	100%	50 year term from 1994	42	95.5%
Metro Tower, Shanghai	60%	50 year term from 1993	23	87.6%
Frontier Koishikawa Building, Tokyo	100%	Freehold	5	73.2%
EC Mall, Beijing	31.65%	50 year term from 2001	88	96.3%



Sales of the retail division rose 6.9% to \$26.7 million as compared with 1QFY2011. Sales growth moderated from that of 4QFY2011, as the Singapore economy slowed. Large scale refurbishment work being conducted at Causeway Point where Metro Woodlands is situated also had an adverse impact on sales. Sales of the retail division's associated company in Indonesia was affected by a crowded retail trading scene. Profitability of the associate was also affected by costs of the two recently opened department stores, which have yet to attain an adequate level of sales turnover, and as a result, the Group's share of the associate's loss, rose from \$0.1 million to \$0.7 million.

During 1QFY2012, Associates (Non-current assets) declined from \$64.1 million as at 31 March 2011 to \$24.6 million as at 30 June 2011 due to receipt of a dividend of \$38.0 million using funds from the disposal of Gurney Plaza Extension. Accounts payable rose \$34.7 million over the same period with receipt of a \$38.1 million deposit associated with the proposed disposal of the jointed controlled entity owning Metro City Beijing. Cash and cash equivalents rose accordingly from \$372.9 million to \$448.6 million. Other than the reclassification referred to in the note to the balance sheets under paragraph 1(b)(i), there were no other material factors that affected the cashflow, 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

No forecast or prospect statement has been issued for the period being reported on.

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 Group's investment properties is expected to remain stable subject to the impact of the completion of the disposal of Metro City Beijing.

Notwithstanding the keen competition in the retail sector in Singapore and Indonesia, the retail division will seek to maintain its sales performance.

11. Dividends

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

11. Dividends ((Cont'd)

(b) Corresponding Period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Book closure date

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 2011.

13. Negative assurance statement by directors

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.

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin  
Joint Company Secretaries  
Date 12 August 2011