



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 2016

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		
	1st Qtr ended 30-Jun-2016 \$'000	1st Qtr ended 30-Jun-2015 \$'000	% Change
Revenue	31,888	42,714	(25.35)
Cost of revenue	<u>(30,370)</u>	<u>(39,826)</u>	(23.74)
Gross profit	1,518	2,888	(47.44)
Other income including interest income	4,634	4,757	(2.59)
Changes in fair value of short term investments	514	(2,129)	n.m.
General and administrative expenses	(6,872)	(14,230)	(51.71)
Interest on borrowings	-	(256)	n.m.
Share of associates' results, net of tax	4,803	4,582	4.82
Share of joint ventures' results, net of tax	<u>6,489</u>	<u>46,978</u>	(86.19)
Profit from operations before taxation	11,086	42,590	(73.97)
Taxation	<u>(1,328)</u>	<u>(5,019)</u>	(73.54)
Profit net of taxation	<u><u>9,758</u></u>	<u><u>37,571</u></u>	(74.03)
Attributable to:			
Owners of the Company	9,742	37,542	(74.05)
Non-controlling interests	<u>16</u>	<u>29</u>	(44.83)
	<u><u>9,758</u></u>	<u><u>37,571</u></u>	(74.03)

n.m. - not meaningful

Statement of Comprehensive Income

	Group		
	1st Qtr ended 30-Jun-2016 \$'000	1st Qtr ended 30-Jun-2015 \$'000	% Change
Profit net of taxation	9,758	37,571	(74.03)
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	(17,421)	(17,347)	0.43
Available-for-sale financial assets - net fair value changes	(1,022)	7,384	n.m.
Translation and other reserve of joint ventures transferred to profit or loss upon disposal (see note under 1(a)(v) on page 5)	-	(12,329)	n.m.
Share of other comprehensive income/(expense) of associates and joint ventures	942	(1,459)	n.m.
Other comprehensive expense, net of tax	(17,501)	(23,751)	(26.31)
Total comprehensive (expense)/income for the period	<u>(7,743)</u>	<u>13,820</u>	n.m.
Total comprehensive (expense)/income attributable to:			
Owners of the Company	(7,698)	13,421	n.m.
Non-controlling interests	(45)	399	n.m.
	<u>(7,743)</u>	<u>13,820</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 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 investment in Shui On Land Ltd, which is 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		
	1st Qtr ended 30-Jun-2016 \$'000	1st Qtr ended 30-Jun-2015 \$'000	% Change
Retail	47,828	65,854	(27.37)
Property	1,661	2,502	(33.61)
	<u>49,489</u>	<u>68,356</u>	(27.60)

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

	Group		
	1st Qtr ended 30-Jun-2016 \$'000	1st Qtr ended 30-Jun-2015 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-			
Depreciation	(494)	(858)	(42.42)
Inventories recognised as an expense	(18,433)	(21,946)	(16.01)
Allowance for obsolete inventories	(10)	(18)	(44.44)
Inventories written down	(286)	(619)	(53.80)
Rental expense	(5,853)	(7,987)	(26.72)
Foreign exchange loss	(2,723)	(4,747)	(42.64)
Foreign exchange gain realised on			
- repayment of shareholders loans	-	2,067	n.m.
- liquidation of an associate	1,248	-	n.m.
Other income including interest income includes:-			
Interest income	2,385	2,055	16.06
Dividends from quoted investments	1,294	1,648	(21.48)
Gain on disposal of short term investments	64	-	n.m.
Gain on disposal of available-for-sale investments	-	297	n.m.
Management fee income from associates	222	216	2.78
Foreign exchange gain	2	1	100.00

n.m. - not meaningful

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

	Group		% Change
	1st Quarter ended 30-Jun-2016 \$'000	30-Jun-2015 \$'000	
The Group's share of associates' results consists of:-			
- Operating results	3,458	(710)	n.m.
- Fair value gain on investment properties	10,609	8,783	20.79
- Taxation	(8,391)	(3,602)	132.95
- Others	(873)	111	n.m.
	<u>4,803</u>	<u>4,582</u>	4.82

n.m. - not meaningful

Note:

The Group, in 1QFY2017, equity accounted for Top Spring's latest available results, which were for the quarter ended 31 March 2016, after making adjustment for such gain or loss on properties under development for sale, already initially recognised in arriving at acquisition date fair value.

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

	Group		% Change
	1st Quarter ended 30-Jun-2016 \$'000	30-Jun-2015 \$'000	
The Group's share of joint ventures' results consists of:-			
- Operating results	10,528	9,515	10.65
- Fair value loss on investment properties	(2,066)	(2,688)	(23.14)
- Non-operating results *	-	53,747	n.m.
- Taxation *	(1,973)	(13,596)	(85.49)
	<u>6,489</u>	<u>46,978</u>	(86.19)

Note:

Revenue	32,796	20,801	57.67
Direct expenses	(21,947)	(11,106)	97.61
Gross Profit	<u>10,849</u>	<u>9,695</u>	11.90
Other income including interest income	617	54,243	(98.86)
Fair value loss on investment properties	(2,066)	(2,688)	(23.14)
General and administrative expenses	(938)	(674)	39.17
Profit from operating activities	<u>8,462</u>	<u>60,576</u>	(86.03)
Interest on borrowings	-	(2)	n.m.
Profit from operations before taxation	<u>8,462</u>	<u>60,574</u>	(86.03)
Taxation	(1,973)	(13,596)	(85.49)
Profit net of taxation	<u>6,489</u>	<u>46,978</u>	(86.19)

n.m. - not meaningful

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

Note:

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

* For the previous quarter ended 30 June 2015, the non-operating results of joint ventures of \$53.7 million refer to a divestment gain from the disposal of the Group's effective interest of 50% in the joint ventures owning EC Mall, Beijing, People's Republic of China in 1QFY2016. This included exchange differences on translation and other reserves of the joint ventures, totaling \$12.3 million, transferred to profit or loss upon disposal. The taxation charge included a tax expense incurred in respect of this divestment gain of \$12.0 million.

Other expenses relating to this divestment, offset by realised exchange gains on repayment of shareholders' loans, totaling about \$3.6 million are classified under general and administrative expenses of the Group of \$14.2 million for the previous quarter ended 30 June 2015.

The net gain on this divestment included in the previous quarter ended 30 June 2015 was \$38.1 million.

1(a) (vi) Taxation

	Group		% Change
	1st Quarter ended		
	30-Jun-2016	30-Jun-2015	
	\$'000	\$'000	
Current Year Tax	559	4,274	(86.92)
Overprovision in respect of prior year	(11)	-	n.m.
Deferred Tax	780	745	4.70
	<u>1,328</u>	<u>5,019</u>	(73.54)

n.m. - not meaningful

There is a tax charge of the Group for the period ended 30 June 2016 in spite of a loss, excluding share of results of associates and joint ventures which is already stated net of tax, mainly due to tax charges on dividend income from associates which are eliminated on consolidation, 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-2016 \$'000	31-Mar-2016 \$'000	30-Jun-2016 \$'000	31-Mar-2016 \$'000
Non-current assets				
Plant and equipment	4,645	4,872	56	58
Investment properties	103,777	106,653	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	392,171	318,972
Associates	390,439	396,785	500	500
Amounts due from associates	67,953	70,266	-	-
Joint ventures	216,268	216,249	-	-
Amounts due from joint ventures	132,813	128,972	-	-
Investments	50,302	51,429	-	-
	<u>966,197</u>	<u>975,226</u>	<u>410,517</u>	<u>337,320</u>
Current assets				
Inventories	19,766	19,296	-	-
Prepayments	892	721	5	8
Accounts and other receivables	7,213	10,492	178	172
Tax recoverable	270	267	-	-
Short term investments	53,180	33,919	-	-
Cash and cash equivalents	479,049	493,606	16,592	18,805
	<u>560,370</u>	<u>558,301</u>	<u>16,775</u>	<u>18,985</u>
Current liabilities				
Accounts and other payables	54,624	52,683	16,461	15,943
Amounts due to an associate	67,051	69,050	-	-
Provision for taxation	5,146	4,813	75	75
	<u>126,821</u>	<u>126,546</u>	<u>16,536</u>	<u>16,018</u>
Net current assets	433,549	431,755	239	2,967
Non-current liabilities				
Amounts due to subsidiaries	-	-	117,697	46,065
Deferred income	12,046	12,010	-	-
Deferred taxation	15,951	15,479	6	9
	<u>(27,997)</u>	<u>(27,489)</u>	<u>(117,703)</u>	<u>(46,074)</u>
Net assets	<u>1,371,749</u>	<u>1,379,492</u>	<u>293,053</u>	<u>294,213</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	1,200,000	1,207,698	125,104	126,264
	<u>1,367,949</u>	<u>1,375,647</u>	<u>293,053</u>	<u>294,213</u>
Non-controlling interests	3,800	3,845	-	-
Total equity	<u>1,371,749</u>	<u>1,379,492</u>	<u>293,053</u>	<u>294,213</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-2016		As at 31-Mar-2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30-Jun-2016		As at 31-Mar-2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

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-2016 \$'000	1st Qtr ended 30-Jun-2015 (restated) \$'000
Cash flows from operating activities		
Operating profit/(loss) before reinvestment in working capital	213	(5,073)
(Increase)/decrease in inventories	(766)	602
Decrease/(increase) in accounts and other receivables	3,104	(807)
Increase in accounts and other payables	1,940	4,363
Cash flows from/(used in) operations	4,491	(915)
Interest expense paid	-	(256)
Interest income received	2,385	2,055
Income taxes paid	(207)	(193)
Net cash flows from operating activities	<u>6,669</u>	<u>691</u>
Cash flows from investing activities		
Purchase of plant & equipment	(268)	(120)
Decrease/(increase) in available-for-sale investments	104	(876)
Purchase of short term investments	(19,999)	-
Proceeds from liquidation of associates	128	-
Proceeds from disposal of short term investments	1,317	-
Proceeds from disposal of available-for-sale investments	-	808
Proceeds from disposal of plant and equipment	40	-
Investment in associates	(3,684)	-
Decrease in amount due to associate	(17)	-
(Increase)/decrease in amounts due from associates	(362)	12,093
(Increase)/decrease in amounts due from joint ventures	(4,224)	76,807
Dividends received from quoted investments	1,294	1,648
Dividends received from associates	10,985	24,151
Dividends received from a joint venture	-	112,450
Changes in pledged fixed and bank deposits	-	(60)
Currency realignment	(2,335)	1,381
Net cash flows (used in)/generated from investing activities	<u>(17,021)</u>	<u>228,282</u>
Cash flows from financing activities		
Repayment of bank borrowings	-	(223)
Currency realignment	-	(2,284)
Net cash flows used in financing activities	<u>-</u>	<u>(2,507)</u>
Net (decrease)/increase in cash and cash equivalents	(10,352)	226,466
Effect of exchange rate changes in cash and cash equivalents	(4,205)	(4,301)
Cash & cash equivalents at beginning of financial period	493,606	349,987
Cash & cash equivalents at end of financial period	<u><u>479,049</u></u>	<u><u>572,152</u></u>

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

	Group	
	1st Qtr ended 30-Jun-2016 \$'000	1st Qtr ended 30-Jun-2015 (restated) \$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit before taxation	11,086	42,590
Adjustments for:		
Interest expense	-	256
Depreciation of plant and equipment	494	858
Share of associates' results, net of tax	(4,803)	(4,582)
Share of joint ventures' results, net of tax	(6,489)	(46,978)
Interest and investment income	(3,679)	(3,703)
Inventories written down	286	619
Gain on disposal of plant and equipment	(40)	-
Plant and equipment written off	1	-
Allowance for obsolete inventories	10	18
Changes in fair value of short term investments	(514)	2,129
Gain on disposal of short term investments	(64)	-
Gain on disposal of available-for-sale investments	-	(297)
Foreign exchange adjustments	3,925	4,017
Operating profit/(loss) before reinvestment in working capital	<u>213</u>	<u>(5,073)</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

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 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	Capital Reserve \$'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 2015	169,717	(1,768)	9,954	6,319	50,314	3,395	315	1,135,721	1,373,967	3,350	1,377,317
Profit for the period	-	-	-	-	-	-	-	37,542	37,542	29	37,571
<u>Other comprehensive income/(expense)</u>											
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	-	(17,274)	-	-	-	(17,274)	(73)	(17,347)
Available-for-sale financial assets - net fair value changes	-	-	-	6,941	-	-	-	-	6,941	443	7,384
Translation and other reserve of joint ventures transferred to profit or loss upon disposal	-	-	(9,954)	-	(2,375)	-	-	-	(12,329)	-	(12,329)
Share of other comprehensive expense of associates and joint ventures	-	-	-	-	(1,454)	-	(5)	-	(1,459)	-	(1,459)
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(9,954)	6,941	(21,103)	-	(5)	-	(24,121)	370	(23,751)
Total comprehensive (expense)/income for the financial period	-	-	(9,954)	6,941	(21,103)	-	(5)	37,542	13,421	399	13,820
<u>Others</u>											
Transfer to statutory reserve fund	-	-	-	-	-	75	-	(75)	-	-	-
At 30 June 2015	169,717	(1,768)	-	13,260	29,211	3,470	310	1,173,188	1,387,388	3,749	1,391,137

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 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>
At 1 April 2015	169,717	(1,768)	103,720	271,669
Profit for the period, representing total comprehensive income for the financial period	-	-	151,851	151,851
At 30 June 2015	<u>169,717</u>	<u>(1,768)</u>	<u>255,571</u>	<u>423,520</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 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.

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

As at 30 June 2016, there were 3,512,800 treasury shares (as at 30 June 2015: 3,512,800).

The Company did not issue any shares during the 3 months ended 30 June 2016.

There were no convertible instruments outstanding as at 30 June 2016 (30 June 2015: 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 2016 (end of current financial period)	As at 31 March 2016 (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, 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 1st Quarter period ended 30 June 2016.

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 2016.

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 2016, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2016.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 April 2016 are:

Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangibles*

Amendments to FRS 27 *Separate Financial Statements*

Amendments to FRS 111 *Joint Arrangements*

Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosures of Interests in Other Entities* and FRS 28 *Investments in Associates and Joint Ventures*

Improvements to FRSs (November 2014)

Amendments to FRS 1 *Presentation of Financial Statements*

The Group has assessed and does not expect any significant financial impact on the financial statements from the adoption of these amendments to FRSs.

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	1.2 cents	4.5 cents
(b) On a fully diluted basis	1.2 cents	4.5 cents

Earnings per share is calculated on the Group's profit attributable to shareholders of the Company of \$9,742,000 (period ended 30 June 2015: \$37,542,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 June 2016 (period ended 30 June 2015: 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 2016.

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	\$1.65	\$0.35
(b) 31 March 2016	\$1.66	\$0.36

Net asset value for the Group is calculated on the equity attributable to owners of the Company as at 30 June 2016 of \$1,367,949,000 (31 March 2016: \$1,375,647,000) divided by the total number of issued shares excluding treasury shares as at 30 June 2016 of 828,035,874 (31 March 2016: 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 2016 against 1st Quarter ended 30 June 2015

The Group's turnover of \$31.9 million for the first financial quarter to 30 June 2016 ("1QFY2017") decreased by 25.4% over 1QFY2016's \$42.7 million as the retail division had closed the Metro Sengkang and Metro City Square department stores. This together with the cessation of the rental contribution from Frontier Koishikawa Building which ceased on its disposal, resulted in gross profit for 1QFY2017 declining to \$1.5 million as compared to 1QFY2016's \$2.9 million.

General and administrative expenses decreased to \$6.9 million for 1QFY2017 from \$14.2 million for 1QFY2016 mainly due to unrealised foreign exchange losses on bank balances being lower by \$1.2 million and the previous 1QFY2016 included overhead costs of \$3.6 million (net of exchange gains) relating to the disposal of EC Mall.

Share of results of associates increased to \$4.8 million in 1QFY2017 from \$4.6 million in 1QFY2016 mainly due to a contribution from the recognition on handover, of sale of properties of the Hatbox project of \$2.2 million and a \$1.8 million increase in unrealised fair value gains on investment properties, partially offset by a \$4.8 million rise in tax expenses.

Share of results of joint ventures decreased to \$6.5 million in 1QFY2017 from \$47.0 million in 1QFY2016 mainly because the previous 1QFY2016 included a gain, from the disposal of the Group's 50% interest in the joint ventures owning EC Mall, Beijing, in the People's Republic of China, of \$41.7 million (but before expenses of \$3.6 million (net) classified under general and administrative expenses (see note under 1(a)(v) on page 5)).

Consequently, without the significant one-off gain of \$38.1 million on disposal of EC Mall, Beijing, in the previous 1QFY2016, profit before taxation decreased to \$11.1 million in 1QFY2017 from \$42.6 million in 1QFY2016.

Segmental Results for 1st Quarter ended 30 June

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)	6,489	-	6,489
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>

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

Business segment

2015

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue	<u>2,502</u>	<u>40,212</u>	<u>42,714</u>
Segment results	(5,428)	(1,157)	(6,585)
Changes in fair value of short term investments	(2,129)	-	(2,129)
Interest on borrowings	(256)	-	(256)
Share of associates' results, net of tax	4,109	473	4,582
Share of joint ventures' results, net of tax (Note)	<u>46,978</u>	-	<u>46,978</u>
Profit/(loss) from operations before taxation	<u>43,274</u>	<u>(684)</u>	<u>42,590</u>
Taxation			<u>(5,019)</u>
Profit net of taxation			<u><u>37,571</u></u>
Attributable to:			
Owners of the Company			37,542
Non-controlling interests			<u>29</u>
			<u><u>37,571</u></u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>20,801</u>
Segment results	63,264
Fair value loss on investment properties	(2,688)
Interest on borrowings	<u>(2)</u>
Profit from operations before taxation	60,574
Taxation	<u>(13,596)</u>
Profit net of taxation	<u><u>46,978</u></u>

Geographical Segments

	Asean \$'000	People's Republic of China \$'000	Japan \$'000	Group \$'000
Segment revenue				
2016	<u>30,227</u>	<u>1,661</u>	<u>-</u>	<u>31,888</u>
2015	<u><u>40,212</u></u>	<u><u>1,765</u></u>	<u><u>737</u></u>	<u><u>42,714</u></u>

Segmental Results - Property Division

Turnover of the property division, comprising the 100% directly held properties, for 1QFY2017 decreased to \$1.7 million from 1QFY2016's \$2.5 million with the disposal of Frontier Koishikawa in August 2015 and a decrease in revenue due to a weakening of the Renminbi of 4.2%. Segment results of the property division, excluding associates and joint ventures, reported a gain of \$0.9 million in 1QFY2017 against a loss of \$5.4 million in 1QFY2016 mainly due to lower unrealised exchange losses on bank balances and an absence of overhead costs relating to the disposal of EC Mall.

The average occupancy of the Group's three investment properties held by a subsidiary and joint ventures as at 30 June 2016 was 90.2%.

The portfolio summary of the Group's Investment Properties as at 30 June 2016 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	30	85.6%
<i><u>Owned by Joint Ventures</u></i>				
Metro City, Shanghai	60%	36 year term from 1993	141	91.4%
Metro Tower, Shanghai	60%	50 year term from 1993	26	93.6%

Segmental Results - Retail Division

Sales of the Singapore operations of the retail division for 1QFY2017 decreased to \$30.2 million from 1QFY2016's \$40.2 million as sales of Metro City Square and Metro Sengkang ceased with their closure. Lower operating losses at Metro Centrepoint assisted in mitigating the impact of the lack of contribution from the closed department stores.

The retail division's associated company in Indonesia continued to report strong competition especially for its Jakarta stores. Overall profitability improved marginally.

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 \$396.8 million as at 31 March 2016 to \$390.4 million as at 30 June 2016 mainly due to dividend distribution of \$11.0 million and currency translation adjustment of foreign associates, partially offset by a capital contribution into InfraRed NF China Real Estate Fund II (A), L.P. of \$3.7 million and the Group's share of associates' results for 1QFY2017 of \$4.8 million.

Amounts due from joint ventures (Non-current assets) increased from \$129.0 million as at 31 March 2016 to \$132.8 million as at 30 June 2016 mainly due to an amount of \$4.1 million advanced to a United Kingdom joint venture during 1QFY2017.

Short term investments increased to \$53.2 million as at 30 June 2016 from \$33.9 million as at 31 March 2016 mainly due to an investment of \$20.0 million.

Consequently, Cash and cash equivalents fell from \$493.6 million as at 31 March 2016 to \$479.0 million as at 30 June 2016.

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, asset enhancement work continues on the last level of Metro City, Shanghai. Sales of the residential project, The Crest at Prince Charles Crescent in Singapore, continue to be weak as market sentiment of the residential property sector in Singapore remains cautious.

Our associate in Nanchang has sold and recognised almost all of the residential and ancillary retail properties of the residential sites. Its future contribution for the next phase will be principally from the recognition of the presales of office and skirt retail space with over half presold. Gross margins of the office component are however significantly below those 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.

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)

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.

The challenges of a competitive and discounted trading environment, a slower domestic economy and high operating costs will continue to have an impact on the retail division. Top line revenue will continue to be lower without the sales contribution from Metro Sengkang and Metro City Square which have closed. The Centrepoint's makeover continues to affect Metro Centrepoint's sales activities in 2QFY2017.

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 - None

(ii) Previous corresponding period - 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 2016.

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 10 August 2016