

 Print this page

## Second Quarter \* Financial Statement And Dividend 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
Date & Time of Broadcast	14-Nov-2008 06:34:51
Announcement No.	00009

## &gt;&gt; Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2008
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## 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 SECOND QUARTER ENDED 30 SEPTEMBER 2008

1(a) An income statement (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-2008 \$'000	2nd Qtr ended 30-Sep-2007 \$'000	% Change	Half Year ended 30-Sep-2008 \$'000	Half Year ended 30-Sep-2007 \$'000	% Change
Revenue	46,909	58,303	(19.54)	93,601	113,340	(17.42)
Cost of Revenue	(37,011)	(47,133)	(21.48)	(73,490)	(93,587)	(21.47)
Gross Profit	9,898	11,170	(11.39)	20,111	19,753	1.81
Other income including interest income	1,990	7,229	(72.47)	10,149	21,974	(53.81)
General and administrative expenses	(7,485)	(6,546)	14.34	(11,851)	(11,556)	2.55
Profit from operating activities	4,403	11,853	(62.85)	18,409	30,171	(38.98)
Finance costs	(2,756)	(3,063)	(10.02)	(5,403)	(5,506)	(1.87)
Share of associated companies' results (net of tax)	(2,995)	(1,285)	133.07	(6,649)	882	(853.85)
Profit from operating activities before taxation	(1,348)	7,505	(117.96)	6,357	25,547	(75.12)
Taxation	(3,525)	(2,624)	34.35	(5,532)	(6,898)	(19.80)
(Loss)/ profit after taxation	(4,873)	4,881	(199.84)	825	18,649	(95.58)
Attributable to:						
Shareholders of the Company	(4,895)	4,826	(201.43)	671	18,499	(96.37)
Minority interests	22	55	(60.00)	154	150	2.67
	(4,873)	4,881	(199.84)	825	18,649	(95.58)

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

	Group			Group		
	2nd Qtr ended 30-Sep-2008 \$'000	2nd Qtr ended 30-Sep-2007 \$'000	% Change	Half Year ended 30-Sep-2008 \$'000	Half Year ended 30-Sep-2007 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Depreciation	(485)	(699)	(30.62)	(986)	(1,514)	(34.87)
Inventories recognised as an expense	(24,355)	(33,728)	(27.79)	(49,216)	(66,196)	(25.65)
Write back of provision for obsolete inventory	10	114	(91.23)	(1)	102	(100.98)
Write off of inventory	(143)	(380)	(62.37)	(760)	(944)	(19.49)
Provision for doubtful debts	(214)	(122)	75.41	(229)	(309)	(25.89)
Rental expenses	(4,150)	(4,134)	0.39	(8,289)	(8,799)	(5.80)
Foreign exchange (loss)/ gain	(602)	(981)	(38.63)	345	482	(28.42)
Other income including interest income includes:-						
Dividends from quoted investments	1,018	1,101	(7.54)	3,188	2,525	26.26
Changes in fair value of short term investments	(9,317)	(4,365)	113.45	(12,833)	1,615	(894.61)
Interest income	8,082	7,824	3.30	15,544	12,353	25.83
(Loss) / profit on disposal of short term investments	-	(12)	(100.00)	-	490	(100.00)
Amortisation of discount on unquoted bonds	245	236	3.81	479	471	1.70
Management and advisory fees	373	514	(27.43)	789	940	(16.06)

1(a)(ii) Taxation

	2nd Qtr ended		%	Half Year ended		%
	30-Sep-08	30-Sep-07	Change	30-Sep-08	30-Sep-07	Change
	\$'000	\$'000		\$'000	\$'000	
Current Year's tax	2,409	2,650	(9.09)	4,731	5,072	(6.72)
Over provision in prior years	-	-	-	-	(71)	(100.00)
Deferred tax	1,059	(6)	n.m.	711	1,870	(61.98)
Withholding tax	57	(20)	(385.00)	90	27	233.33
	<u>3,525</u>	<u>2,624</u>	34.34	<u>5,532</u>	<u>6,898</u>	(19.80)

The tax charge for the Group is higher than that derived by applying the standard rate of tax applicable to company profits mainly because of losses in certain subsidiaries and jointly controlled entities which are not available for set off against Group results 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-Sep-2008	31-Mar-2008	30-Sep-2008	31-Mar-2008
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	11,473	11,874	8,784	9,162
Investment properties	528,668	498,568	-	-
Subsidiaries	-	-	17,174	17,174
Amounts due from subsidiaries	-	-	549,421	530,903
Associated companies	40,456	47,917	500	500
Amounts due from associated companies	245,536	203,975	-	-
Investments	114,837	165,517	-	-
	<u>940,970</u>	<u>927,851</u>	<u>575,879</u>	<u>557,739</u>
<b>Current assets</b>				
Inventories	11,602	11,303	-	-
Accounts receivable	15,696	14,780	18,309	17,660
Deposits and prepayments	3,388	3,272	222	158
Tax recoverable	760	1,426	760	1,426
Short term investments	90,460	101,549	-	-
Cash and bank balances	155,606	173,743	43,703	39,391
	<u>277,512</u>	<u>306,073</u>	<u>62,994</u>	<u>58,635</u>
<b>Current liabilities</b>				
Bank borrowings	115,160	108,039	47,695	46,125
Accounts payable	72,830	77,697	22,504	43,501
Provision for taxation	11,951	13,497	-	-
	<u>199,941</u>	<u>199,233</u>	<u>70,199</u>	<u>89,626</u>
<b>Net current assets / (liabilities)</b>	<b>77,571</b>	<b>106,840</b>	<b>(7,205)</b>	<b>(30,991)</b>
<b>Non-current liabilities</b>				
Bank borrowings	82,555	80,770	-	-
Amounts owing to subsidiaries	-	-	344,806	300,273
Deferred taxation	70,207	65,702	555	424
	<u>(152,762)</u>	<u>(146,472)</u>	<u>(345,361)</u>	<u>(300,697)</u>
<b>Net assets</b>	<b>865,779</b>	<b>888,219</b>	<b>223,313</b>	<b>226,051</b>
<b>Shareholders' equity</b>				
Share capital	126,155	126,155	126,155	126,155
Warrant reserve	4,315	-	4,315	-
Reserves	729,583	753,421	92,843	99,896
	<u>860,053</u>	<u>879,576</u>	<u>223,313</u>	<u>226,051</u>
Minority interests	5,726	8,643	-	-
<b>Total Equity</b>	<b>865,779</b>	<b>888,219</b>	<b>223,313</b>	<b>226,051</b>

1bii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Sept-2008		As at 31-Mar-2008	
Secured	Unsecured	Secured	Unsecured
60,811,532	54,348,200	55,607,519	52,431,400

Amount repayable after one year

As at 30-Sept-2008		As at 31-Mar-2008	
Secured	Unsecured	Secured	Unsecured
82,555,000	-	80,770,000	-

Details of any collateral

Investment properties with a net book value as at 30 September 2008 totalling \$181.89 million have been mortgaged to banks for banking facilities granted to jointly controlled entities. Total loans drawn on such facilities as at 30 September 2008 amounted to \$88.82 million. Short term loans of HK\$99.4 million (equivalent to S\$18.3 million) and US\$25.4 million (equivalent to S\$36.2 million) granted to subsidiaries were secured by S\$ equivalent fixed deposits.

1c) 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 ended

	Group	
	2nd Qtr ended 30-Sep-2008 \$'000	2nd Qtr ended 30-Sep-2007 \$'000
<b>Cash flows from operating activities</b>		
Operating profit before reinvestment in working capital	6,184	8,531
Increase in inventories	(37)	(395)
Decrease in accounts receivable	405	2,091
Decrease in short term investments	-	822
Decrease in accounts payable	(9,005)	(20,756)
Cash applied in operations	(2,453)	(9,707)
Interest expense paid	(2,756)	(3,063)
Interest income received	1,288	4,357
Income taxes paid	(2,567)	(2,422)
Net cash used in operating activities	(6,488)	(10,835)
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(241)	(314)
Proceed from sale of property, plant & equipment	22	150
Proceed from issue of warrants	4,415	-
Repayment of shareholders loan relating to long-term investment	-	7,610
Increase in amount owing by associated companies	(7,194)	(32,028)
Changes in fixed deposits held as security	(2,857)	2,158
Dividend received from quoted and unquoted investments	1,018	1,101
Net cash used in investing activities	(4,837)	(21,323)
<b>Cash flows from financing activities</b>		
Drawdown/(repayment) of bank borrowings (net)	8,210	(6,771)
Dividends paid during the period	(6,308)	(25,862)
Net cash provided by /(used in) financing activities	1,902	(32,633)
<b>Net decrease in cash and cash equivalents</b>	(9,423)	(64,791)
<b>Cash &amp; cash equivalents at beginning of financial period</b>	107,760	104,573
<b>Cash &amp; cash equivalents at end of financial period</b>	98,337	39,782

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

	Group	
	2nd Qtr ended 30-Sep-2008 \$'000	2nd Qtr ended 30-Sep-2007 \$'000
Reconciliation between profit from operating activities before taxation and exceptional items and operating profit before reinvestment in working capital:		
(Loss)/profit from operating activities before taxation and exceptional items	(1,348)	7,505
Adjustments for:		
Interest expense	2,756	3,063
Depreciation of property, plant and equipment	485	699
Share of results of associated companies	2,995	1,285
Interest and investment income	(9,100)	(8,925)
Amortisation of discount on unquoted bonds	(245)	(236)
Write off of inventory	143	380
Profit on disposal of property, plant & equipment	(13)	(77)
Write back of provision for obsolete stock	(10)	(114)
Provision for doubtful debts	214	122
Changes in fair value in short term investments	9,317	4,365
Foreign exchange adjustments	990	464
Operating profit before reinvestment in working capital	<u>6,184</u>	<u>8,531</u>

Note A : Cash and cash equivalents

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents at the end of the financial period comprised the following:

	Group	
	Half year ended 30-Sept-2008 \$'000	Half year ended 30-Sept-2007 \$'000
Cash and deposits	155,606	103,000
Less: Fixed deposits pledged as security for credit facilities granted to subsidiary companies	(57,269)	(63,218)
	<u>98,337</u>	<u>39,782</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

	Group		Company	
	2nd Quarter ended	2nd Quarter ended	2nd Quarter ended	2nd Quarter ended
	30-Sep-2008	30-Sep-2007	30-Sep-2008	30-Sep-2007
	\$'000	\$'000	\$'000	\$'000
<b>Share Capital</b>				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
<b>Warrant Reserve</b>				
Balance at beginning of financial period	-	-	-	-
Proceeds from issue of 63,077,667 warrants	4,415	-	4,415	-
Expenses relating to warrant issue	(100)	-	(100)	-
Balance at end of financial period	4,315	-	4,315	-
<b>Revaluation Reserve</b>				
Balance at beginning and end of financial period	8,740	2,017	6,301	2,017
<b>Fair Value Reserve</b>				
Balance at beginning of financial period	49,048	56,749	-	-
Foreign currency translation for the period	(457)	-	-	-
Fair value adjustment on investments	(43,264)	34,498	-	-
Balance at end of financial period	5,327	91,247	-	-

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

	Group		Company	
	2nd Quarter ended 30-Sep-2008 \$'000	2nd Quarter ended 30-Sep-2007 \$'000	2nd Quarter ended 30-Sep-2008 \$'000	2nd Quarter ended 30-Sep-2007 \$'000
<b>Foreign Currency Translation Reserve</b>				
Balance at beginning of financial period	(17,294)	(6,397)	-	-
Foreign currency translation for the financial period	24,361	(11,828)	-	-
Balance at end of financial period	7,067	(18,225)	-	-
<b>Revenue Reserve</b>				
Balance at beginning of financial period	719,652	708,341	92,016	49,388
Profit attributable for the financial period	(4,895)	4,826	834	6,635
Dividend, less income tax	(6,308)	(25,862)	(6,308)	(25,862)
Balance at end of financial period	708,449	687,305	86,542	30,161
<b>Total shareholders' equity</b>	<b>860,053</b>	<b>888,499</b>	<b>223,313</b>	<b>158,333</b>
<b>Minority Interest</b>				
Balance at beginning of financial period	8,060	9,207	-	-
Net profit for the period	22	55	-	-
Foreign currency translation for the period	406	(236)	-	-
Fair value adjustment on investments	(2,762)	2,202	-	-
Balance at end of financial period	5,726	11,228	-	-
<b>Total equity</b>	<b>865,779</b>	<b>899,727</b>	<b>223,313</b>	<b>158,333</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 for 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 at the end of the corresponding period of the immediately preceding financial year.

During the financial period, a total of 63,077,667 warrants were issued pursuant to a renounceable non-underwritten rights issue of up to 63,077,667 warrants at a subscription price of S\$0.07 for each warrant, on the basis of one warrant, each warrant carrying the right to subscribe for one (1) new share in the issue share capital of the company at an exercise price of S\$0.63, for every ten (10) existing ordinary shares in the Company.

As at 30 September 2008, there were 63,077,667 warrants (as at 30 September 2007 : Nil) that could be exercised into ordinary shares.

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 2008 (end of current financial period)	As at 31 March 2008 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	630,776,676	630,776,676

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.

Not applicable.

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 financial statements for the current financial period as compared to the most recently audited financial statements as at 31 March 2008.

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 (loss)/ profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	(0.77) cents	0.76 cents
(b) On a fully diluted basis	(0.77) cents	N.A.

Earnings per share is calculated on the Group's (loss)/ profit attributable to shareholders of the Company divided by the weighted average number of ordinary shares of 630,776,676 for the quarter ended 30 September 2008 (quarter ended 30 September 2007: 630,776,676).

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 2008. The adjusted weighted average number of ordinary shares applicable to diluted earnings per share was 631,825,060.

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 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	136.4 cents	35.5 cents
(b) 31 March 2008	139.4 cents	35.8 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

8a) Segmental Results for Second Quarter ended 30 September

Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2008				
Sales to external customers	12,078	34,831	-	46,909
Inter-segment sales	217	-	(217)	-
Segment revenue	<u>12,295</u>	<u>34,831</u>	<u>(217)</u>	<u>46,909</u>
Segment results	3,916	487	-	4,403
Finance costs	(2,756)	-	-	(2,756)
Share of results of associated companies	<u>(3,504)</u>	<u>509</u>	<u>-</u>	<u>(2,995)</u>
(Loss) / Profit before taxation	<u>(2,344)</u>	<u>996</u>	<u>-</u>	<u>(1,348)</u>
Taxation				<u>(3,525)</u>
Loss for the period				<u><u>(4,873)</u></u>
Attributable to:				
Shareholders of the Company				(4,895)
Minority interests				<u>22</u>
				<u><u>(4,873)</u></u>

8a) Segmental Results for Second Quarter ended 30 September (Cont'd)

Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2007				
Sales to external customers	10,235	48,068	-	58,303
Inter-segment sales	217	-	(217)	-
Segment revenue	<u>10,452</u>	<u>48,068</u>	<u>(217)</u>	<u>58,303</u>
Segment results	9,250	2,603	-	11,853
Finance costs	(3,063)	-	-	(3,063)
Share of results of associated companies	<u>(2,447)</u>	<u>1,162</u>	<u>-</u>	<u>(1,285)</u>
Profit before taxation	3,740	3,765	-	7,505
Taxation				<u>(2,624)</u>
Profit for the period				<u>4,881</u>
Attributable to:				
Shareholders of the Company				4,826
Minority interests				<u>55</u>
				<u>4,881</u>

	Asean \$'000	Hong Kong and China \$'000	Group \$'000
2008			
Segment revenue	<u>34,831</u>	<u>12,078</u>	<u>46,909</u>
2007			
Segment revenue	<u>48,068</u>	<u>10,235</u>	<u>58,303</u>

## 8b) Review

Group turnover for the second financial quarter to 30 September 2008 ("2QFY2009") declined to \$46.9 million from \$58.3 million in the previous corresponding quarter ("2QFY2008") because the previous corresponding quarter included sales of the Metro Tampines department store which closed in August 2007. A loss before tax of \$1.3 million was reported compared to a profit before tax of \$7.5 million in 2QFY2008 mainly due to a decrease in the fair value of the Group's portfolio of short term investments.

Higher rental income of \$1.1 million from Metro City Shanghai and \$0.6 million from Metro City Beijing and a strengthening of the Chinese yuan against the Singapore dollar accounted for the improvement in the property division's revenue for the quarter from \$10.2 million to \$12.1 million. Metro City Shanghai and Metro Tower maintained high occupancy amidst rising rental rates whilst Metro City Beijing's occupancy declined as adjustments were made to its tenants listing in order to achieve a more successful and appropriate retail mix to cater to the customers in its catchment area. GIE Tower maintained its occupancy rate for the quarter. However, a decline of \$9.3 million (unrealized) in 2QFY2009 of the fair value of the Group's portfolio of short term investments, which mainly comprises of units in REITS, drove down the property division's operating results, with a consequential loss before tax of \$2.3 million.

The portfolio summary of the Group's completed Properties as at 30 September 2008 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	124	99.3%
Metro City, Beijing	50%	40 year term from 2004	172	75.3%
GIE Tower, Guangzhou	100%	50 year term from 1994	34	68.6%
Metro Tower, Shanghai	60%	50 year term from 1993	24	100%

Although turnover of the retail division's continuing stores rose from \$30.7 million in 2QFY2008 to \$34.8 million in 2QFY2009, this was insufficient to offset Metro Tampines' strongly supported closing down sales of \$17.4 million in 2QFY2008. Profit before tax of the retail division consequently declined. Gross margins however remained steady. Sales of the retail division's Indonesian associate also grew in 2QFY2009. However, profitability was adversely affected by higher costs as well as start up costs of the new department store.

For 2QFY2009, Investments decreased by \$40.0 million mainly due to a decline (unrealized) of \$43.3 million in the fair value of the Group's investment in Shui On Land Ltd. 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.

Further to the announcement dated 21 July 2008, proceedings continue on the two law suits filed in the High Court of Malaya at Kuala Lumpur. There have been no material developments to date and the Company will make further announcements as and when there are any material developments.

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 had 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.

The Group's four completed properties are expected to continue to generate a steady flow of rental. Notwithstanding the relative strength of the Chinese economy, the global economic slowdown is expected to impact the GDP growth rate of the Chinese economy, which will consequently have a knock-on effect on the Group's real estate operations in the PRC.

Of the Group's four properties under development, held by associates, the Gurney Plaza Extension is expected to be the first to be completed, with a soft opening in late November 2008 and occupancy of 90%. Due to delays caused by the Beijing Olympics, the 1 Financial Street Project is only expected to complete its fitting out work towards the end of the current financial year with the other two Beijing properties opening in 2QFY2010. Volatile market conditions will continue to adversely affect the fair value of the Group's portfolio of quoted equity investments.

With the global economic downturn affecting the Singapore and Indonesian economies, a slowdown in the trading environment of the retail division is expected. Steps will be taken to manage costs and maintain sales performance.

11. Dividends

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share ( in cent)	1 cent per ordinary share (less tax)
Tax rate	18%

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount per share ( in cent)	3 cents per ordinary share (less tax)
Tax rate	18%



(c) Date payable

Not applicable.

(d) Book closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

No interim dividend has been declared for the quarter ended 30 September 2008.

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 half year 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 14 November 2008