



CHOW GROUP LIMITED CONDENSED INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017
(UNAUDITED)



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CHOW GROUP LIMITED CHAIRMAN'S REVIEW

Dear Shareholders

I am pleased to present the Chow Group Limited Condensed Interim Report for the six months ended 30 September 2017.

The Directors are pleased with the performance of Chow Group Limited for the six months ended 30 September 2017, resulting from the trading performance of Park Avenue Residence. We note that net operating profit has increased by 74% compared to the 30 September 2016 interim accounts.

Key highlights:

	30 Sept 17	30 Sept 16	31 Mar 17
Revenue:	\$1,076,661	\$988,184	\$2,155,410
Net operating profit/(loss)	\$535,815	\$307,984	\$929,329
Profit before tax	\$401,955	\$160,336	\$1,652,127
Profit before tax and Change in fair value of investment property	Nil	\$160,336	\$1,021,563
Total assets	\$19,819,331	\$18,734,876	\$19,808,528

The company also completed 50:1 share consolidation effective 1 November 2017.

I look forward to continuing to further improve our financial performance in the second half and beyond for the benefit of our customers, employees and shareholders.

The Directors consider it appropriate to retain funds for future expansion and accordingly no dividends or distributions were paid or are planned.

We thank you for your ongoing support for Chow Group Limited.

Yours sincerely
CHOW GROUP LIMITED



John Chow
Chairman



CHOW GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Notes	Unaudited 6 months to 30 Sept 2017 NZ\$	Unaudited 6 months to 30 Sept 2016 NZ\$	Audited 12 Months to 31 Mar 2017 NZ\$
Operating Activities				
Revenue	3	1,076,661	988,184	2,155,410
Direct operating expenses	4	(159,381)	(191,369)	(310,645)
Other operating expenses	4	(57,675)	(131,548)	(141,407)
Overheads and administration expenses	4	(323,790)	(357,283)	(783,029)
Total operating expenses		<u>(540,846)</u>	<u>(680,200)</u>	<u>(1,235,081)</u>
Net operating profit		535,815	307,984	920,329
Other Income		1,955	4,195	9,526
Operating Profit		<u>537,770</u>	<u>312,179</u>	<u>929,855</u>
Financing activities				
Finance income		67,753	64,503	128,152
Finance costs		(203,568)	(216,346)	(427,443)
Net finance income/(costs)	5	<u>(135,815)</u>	<u>(151,843)</u>	<u>(299,291)</u>
Other movements				
Change in fair value of investment property		-	-	1,021,563
Profit before income tax		<u>401,955</u>	<u>160,336</u>	<u>1,652,127</u>
Income tax expense		(116,954)	(46,307)	(183,832)
Net profit for the period		<u>285,001</u>	<u>114,029</u>	<u>1,468,295</u>
Other comprehensive income		-	-	-
Total comprehensive income for the period		<u>285,001</u>	<u>114,029</u>	<u>1,468,295</u>
Earnings per share:				
Basic profit per share (cents per share)	6	0.03	0.01	0.18
Diluted Profit per share (cents per share)	6	0.03	0.01	0.18

The attached notes form part of and are to be read in conjunction with these Financial statements.



CHOW GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Share Capital NZ\$	Retained Earnings NZ\$	Total Equity NZ\$
Balance at 31 March 2016	497,205	8,006,653	8,503,858
Net profit for the period	-	114,029	114,029
Other comprehensive income for the period	-	-	-
Balance at 30 September 2016 (unaudited)	497,205	8,120,682	8,617,887
Balance at 31 March 2016	497,205	8,006,653	8,503,858
Net profit for the year	-	1,468,295	1,468,295
Other comprehensive income for the year	-	-	-
Balance at 31 March 2017	497,205	9,474,948	9,972,153
Balance at 31 March 2017	497,205	9,474,948	9,972,153
Net profit for the period	-	285,001	285,001
Other comprehensive income for the period	-	-	-
Balance at 30 September 2017 (unaudited)	497,205	9,759,949	10,257,154

The attached notes form part of and are to be read in conjunction with these Financial statements.



CHOW GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

		Unaudited as at 30 Sept 2017 NZ\$	Unaudited as at 30 Sept 2016 NZ\$	Audited as at 31 Mar 2017 NZ\$
SHAREHOLDERS EQUITY				
Contributed capital	7	497,205	497,205	497,205
Retained earnings		9,759,949	8,120,682	9,474,948
Total shareholders funds		10,257,154	8,617,887	9,972,153
<i>Represented by:</i>				
CURRENT ASSETS				
Cash and cash equivalents		893,935	793,142	945,966
Trade and other receivables	8	11,523	5,713	16,546
Related party receivables	10	2,148,308	2,036,810	2,087,843
Prepayments		36,485	68,256	27,144
Available-for-sale financial assets		161,550	161,550	161,550
Total current assets		3,251,801	3,065,471	3,239,049
NON-CURRENT ASSETS				
Property plant and Equipment		17,530	-	19,479
Investment property	11	16,550,000	15,545,719	16,550,000
Deferred tax		-	123,386	-
Total non-current assets		16,567,530	15,669,105	16,569,479
Total assets		19,819,331	18,734,576	19,808,528
CURRENT LIABILITIES				
Trade creditors and other payables	9	165,391	500,666	299,922
Related party payables	10	2,385,757	2,262,480	2,402,988
Loans and borrowings		402,933	432,000	404,666
Income tax payable		132,602	123,949	100,720
Total current liabilities		3,086,683	3,319,095	3,208,296
NON-CURRENT LIABILITIES				
Loans and borrowings		6,291,667	6,696,333	6,491,668
Deferred tax		183,827	101,261	136,411
Total non-current liabilities		6,475,494	6,797,594	6,628,079
Total liabilities		9,562,177	10,116,689	9,836,375
Net assets		10,257,154	8,617,887	9,972,153

For and on behalf of the Board of Directors who approved these consolidated interim financial statements for issue on 14 December 2017.

John Chow
Chairman

Brent King
Director

The attached notes form part of and are to be read in conjunction with these Financial statements.



CHOW GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

AS AT 30 SEPTEMBER 2017

	Unaudited 6 months to 30 Sept 2017 NZ\$	Unaudited 6 months to 30 Sept 2016 NZ\$	Audited 12 months to 31 Mar 2017 NZ\$
Cash flows from operating activities			
Cash receipts from customers	1,051,962	1,144,117	2,199,571
Interest received	7,380	7,389	26,053
Dividends received	1,955	-	9,526
Net GST (paid)/received	(40,223)	(32,729)	31,061
Payments to suppliers and employees	(612,825)	(647,981)	(1,203,660)
Interest paid	(136,338)	(152,904)	(323,388)
Income tax paid	(37,656)	(2,377)	(4,108)
Net cash inflow from operating activities	234,255	315,515	735,055
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	(24,346)
Payments for construction work in progress	-	(35,719)	-
Payment for additions in relation to investment property	-	-	(18,437)
Net cash outflow from investing activities	-	(35,719)	(42,783)
Cash flows from financing activities			
Repayment of borrowings	(201,734)	(216,000)	(447,999)
Repayment of borrowings from related parties	(84,552)	(147,103)	(174,756)
Net cash inflow/(outflow) from financing activities	(286,286)	(363,103)	(622,755)
Net (decrease) / increase in cash and cash equivalents	(52,031)	(83,307)	69,517
Cash and cash equivalents at the beginning of the period	945,966	876,449	876,449
Cash and cash equivalents acquired on purchase of subsidiary	-	-	-
Cash and cash equivalents at the end of the period	893,935	793,142	945,966

The attached notes form part of and are to be read in conjunction with these Financial statements.



CHOW GROUP LIMITED
 RECONCILIATION OF NET PROFIT WITH CASH FLOWS
 FROM OPERATING ACTIVITIES
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Unaudited 6 months to 30 Sept 2017 NZ\$	Unaudited 6 months to 30 Sept 2016 NZ\$	Audited 12 Months to 31 Mar 2017 NZ\$
Cash Flows from operating activities			
Net Profit for the period	285,001	114,029	1,468,295
Add/(Less) non-cash items:			
Management fees paid	-	28,500	150,000
Interest paid to related parties	67,231	63,442	104,056
Interest income from related parties	(60,374)	(57,114)	(102,104)
Net movement in deferred tax	47,416	(46,480)	112,056
Change in fair value of investment property	-	-	(1,021,563)
Depreciation	1,948	-	4,870
Provision for doubtful debts	-	-	21,170
Movement in working capital items:			
Trade and other receivables	5,023	67,424	35,422
Prepayments	(9,341)	(1,800)	39,312
Income tax	31,882	90,897	67,668
Trade and other payables	(134,531)	56,617	(144,127)
Net cash inflows from operating activities	234,255	315,515	735,055

The attached notes form part of and are to be read in conjunction with these Financial statements.



CHOW GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The reporting entity is Chow Group Limited and its subsidiary (the Group), which are for-profit entities incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the Alternative Market of the New Zealand Stock Exchange (NZAX) and the addresses of its registered office and principal place of business are disclosed in the directory to the interim report. The Company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and its financial statements comply with the Companies Act 2013 and the Financial Markets Conduct Act 2013.

The consolidated interim financial statements of Chow Group Limited as at and for the six months ended 30 September 2017 comprise the Company and its legal subsidiary. The principal activity of the Group was providing accommodation in an investment property developed to provide those services.

These financial statements were authorised for issue by the Board of directors on the date stated at page 3.

(b) Basis of Consolidation

The Group financial statements consolidate the financial statements of the Parent and all entities over which the Parent is deemed to have controlling relationship (defined as "subsidiaries"). An entity is defined as a subsidiary when the Group is exposed, or has rights, to variable returns from its relationship with the entity and has the ability to affect those returns through its power over the entity.

When the Group has less than a majority of the voting power or similar rights of another entity, the Group considers all relevant facts and circumstances in assessing whether it has power over the other entity.

The Group re-assesses whether or not it controls another entity if facts and circumstances indicate that there are changes in one or more of the three elements of control. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The subsidiary has a 31 March balance date and consistent accounting policies are applied.

The consolidation of the Parent and the subsidiary involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of Group financial position, performance and cash flows.

(c) Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The condensed financial statements for the six months ended 30 September 2017 have been prepared in accordance with NZ IAS 34, Interim Financial Reporting and should be read in conjunction with the financial statements published in the annual report for the year ended 31 March 2017, which have been prepared in accordance with IFRS.

The financial statements are presented in New Zealand dollars (NZD), which is the Group's functional and presentation currency.



1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in Accounting Policies and Disclosures

There have been no changes in accounting policies and methods of computation since the last Annual Report. For detailed accounting policies please refer to note 1 in the 2017 Annual Report.

These policies have been consistently applied to all periods presented, unless otherwise stated.

(e) Segment Reporting

The Group operates in one business segment being accommodation and hospitality, and one geographic location being in New Zealand. The amounts disclosed in the Statement of Comprehensive Income and Statement of Financial Position reflect the operations and assets of the segment.

The Group has determined that its chief operating decision makers are the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

Geographical Segments

All operations, assets and revenues were generated within New Zealand.

Major Customers

The Company had no major customers representing greater than 10% of the Company's total revenue.



CHOW GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

2. **DIVIDENDS DECLARED AND PAID**

No Dividends were declared or paid relating to the Group results for the six months ended 30 September 2017 (30 September 2016: \$nil and 31 March 2017: \$nil).

3. **REVENUE**

	Unaudited 6 months to 30 Sept 2017 NZ\$	Unaudited 6 months to 30 Sept 2016 NZ\$	Audited 12 Months to 31 Mar 2017 NZ\$
Accommodation income	1,069,836	933,414	2,143,002
Rental income	6,825	54,770	12,408
Revenue	1,076,661	988,184	2,155,410

4. **EXPENSES**

	Unaudited 6 months to 30 Sept 2017 NZ\$	Unaudited 6 months to 30 Sept 2016 NZ\$	Audited 12 Months to 31 Mar 2017 NZ\$
Bad debts	9,722	-	21,170
Wages, salaries and other staff costs	149,659	191,369	289,475
Direct Operating expenses	159,381	191,369	310,645
Management fees paid to related parties	75,000	28,500	150,000
Rates	32,378	22,101	54,174
Repairs and maintenance	20,537	24,247	30,432
Other operating expenses, overheads and administrative expenses	253,550	413,983	689,830
Total Operating Expenses	540,846	680,200	1,235,081

5. **FINANCE INCOME AND COSTS**

	Unaudited 6 months to 30 Sept 2017 NZ\$	Unaudited 6 months to 30 Sept 2016 NZ\$	Audited 12 Months to 31 Mar 2017 NZ\$
Financing income			
Interest income - other sources	7,379	7,389	14,257
Interest income - related party	60,374	57,114	113,895
Total finance income	67,753	64,503	128,152
Financing costs			
Interest expense	136,337	152,904	300,844
Interest expense - related party	67,231	63,442	126,599
Total interest expense on borrowings	203,568	216,346	427,443
Net finance income/(costs)	(135,815)	(151,843)	(299,291)

6. **EARNINGS PER SHARE**

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	30 Sept 2017 NZ\$	30 Sept 2016 NZ\$	31 Mar 2017 NZ\$
Profit after taxation	285,001	114,029	1,468,295
Weighted average number of ordinary shares on issue	822,903,748	822,903,748	822,903,748
Basic profit per share in cents	0.03	0.01	0.18
Diluted profit per share in cents	0.03	0.01	0.18



CHOW GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

7. CONTRIBUTED CAPITAL

As a result of a reverse acquisition in the prior year, the financial statements have been prepared as a continuation of the financial statements of 16 Park Avenue Limited, as such the carrying amount of contributed capital reflects the value of shares issued by 16 Park Avenue Limited. However, as Chow Group Limited is the legal parent of the group and the NZAX listed entity, the number of shares shown below represents the number of shares issued by that entity.

Balance as at 30 September 2016 and 31 March 2017	822,903,748	497,205
Movements during the current period	-	-
Balance at 30 September 2017	822,903,748	497,205

All ordinary shares carry equal rights in respect of voting and receipt of dividends. Ordinary shares do not have a par value.

8. TRADE AND OTHER RECEIVABLES

	Unaudited as at 30 Sept 2017 NZ\$	Unaudited as at 30 Sept 2016 NZ\$	Audited as at 31 Mar 2017 NZ\$
Trade debtors	11,523	5,706	37,716
GST receivable	-	7	-
Less allowance for impairment	-	-	(21,170)
Total Trade and other receivables	11,523	5,713	16,546

9. TRADE CREDITORS AND OTHER PAYABLES

	Unaudited as at 30 Sept 2017 NZ\$	Unaudited as at 30 Sept 2016 NZ\$	Audited as at 31 Mar 2017 NZ\$
Trade creditors	60,076	264,239	66,435



CHOW GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

10. RELATED PARTY TRANSACTIONS

Related party transactions arise when a person(s) has control or significant influence over the reporting entity or where two entities are controlled or jointly controlled by a person(s) that has control or significant influence over the reporting entity.

10.1. Related Parties:

Common directors and shareholders (**John Chow and Michael Chow**)

1135 Arawa Street Limited
 318 Lambton Quay Limited
 AE Management Limited
 AE Wellington Property Limited
 CGML Limited
 GS Entertainment Limited
 Park Avenue Project Limited
 YKC Limited

Common directors and shareholders (**Brent King**)

Investment Research Group Limited

Unless otherwise stated, transactions with related parties in the years reported did not include any special terms, conditions or guarantees.

The Group has not incurred any costs with regard to key management personnel compensation. These costs have been incurred by related parties external to the Group.

10.2. Related party balances at period ended:

	Unaudited as at 30 Sept 2017 NZ\$	Unaudited as at 30 Sept 2016 NZ\$	Audited as at 31 Mar 2017 NZ\$
1135 Arawa Street Limited	222,494	210,356	216,255
AE Management Limited	87	80	82
AE Wellington Property Limited	1,910,630	1,817,125	1,861,997
GS Entertainment Limited	9,783	9,249	9,509
Courtenay Capital Investments Limited	5,314	-	-
Total related party receivables	2,148,308	2,036,810	2,087,843
318 Lambton Quay Limited	1,318,857	1,273,760	1,309,417
CGML Limited	709,875	652,595	748,019
Park Avenue Project Limited	355,520	336,125	345,552
YKC Limited	1,505	-	-
Total related party payables	2,385,757	2,262,480	2,402,988

10.3. Related party Transactions:

Revenue

Related party interest income

16 Park Avenue Limited received \$6,239 (30 September 2016: \$5,899; 31 March 2017: \$11,797) from 1135 Arawa Street Limited.

16 Park Avenue Limited received \$5 (30 September 2016: \$2; 31 March 2017: \$2) from AE Management Limited.

16 Park Avenue Limited received \$53,719 (30 September 2016: \$50,954; 31 March 2017: \$101,577) from AE Wellington Property Limited.

16 Park Avenue Limited received \$274 (30 September 2016: \$259; 31 March 2017: \$519) from GS Entertainment Limited.

Chow Group Limited received \$137 (30 September 2016: \$NIL; 31 March 2017: \$NIL) from Courtenay Capital Investments Limited.



CHOW GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

10.3. Related party Transactions:

Related Party Interest Expense

16 Park Avenue Limited paid \$37,440 (30 September 2016: \$35,718; 31 March 2017: \$71,373) to 318 Lambton Quay Limited.
 16 Park Avenue Limited paid \$NIL (30 September 2016: \$9,425; 31 March 2017: \$NIL) to AE Wellington Property Limited.
 Chow Group Limited paid \$84 (30 September 2016: \$NIL; 31 March 2017: \$NIL) to AE Wellington Property Limited.
 16 Park Avenue Limited paid \$817 (30 September 2016: \$677; 31 March 2017: \$1,355) to CGML Limited
 Chow Group Limited paid \$18,888 (30 September 2016: \$17,622; 31 March 2017: \$35,020) to CGML Limited
 16 Park Avenue Limited paid \$9,969 (30 September 2016: \$NIL; 31 March 2017: \$18,851) to Park Avenue Project Limited
 16 Park Avenue Limited paid \$32 (30 September 2016: \$NIL; 31 March 2017: \$NIL) to YKC Limited

Management Expense

16 Park Avenue Limited paid \$75,000 (30 September 2016: \$28,500; 31 March 2017: \$114,000) to CGML Limited.
 Chow Group Limited has paid \$NIL (30 September 2016: \$NIL; 31 March 2017: \$36,000) to CGML Limited.

Advisory Fees

Chow Group Limited paid \$NIL to Investment Research Group Limited (30 September 2016: \$25,000; 31 March 2017: \$31,500).

Directors Fees

Chow Group Limited paid \$30,386 in directors fees (30 September 2016: \$36,000; 31 March 2017: \$72,000).

11. INVESTMENT PROPERTY

	Unaudited as at 30 Sept 2017 NZ\$	Unaudited as at 30 Sept 2016 NZ\$	Audited as at 31 Mar 2017 NZ\$
Opening balance	16,550,000	15,510,000	15,510,000
Additions : Completed developments transferred from Work in progress	-	35,719	18,437
Change in fair value for the year	-	-	1,021,563
Closing balance	16,550,000	15,545,719	16,550,000
Consists of:			
Land and Buildings at fair value	16,550,000	15,545,719	16,550,000
Closing balance	16,550,000	15,545,719	16,550,000

Investment property comprises property in Auckland, which is held to earn rents and for capital appreciation purposes.

Bank loans and borrowings are secured over the investment property and therefore the Group is restricted in its ability to realise its investment property. Commitments to purchase, construct or develop investment property or for repairs, maintenance and enhancements are disclosed at note 12 to the interim financial statements.



CHOW GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

11. INVESTMENT PROPERTY (Continued)

Measurement of fair value - Investment property

The fair value of investment properties have been recognised in the financial statements as at 31 March 2017 with reference to valuations completed by an independent valuer. The valuation has been completed in accordance with the International Valuation Standards, in particular IVS 300 - Valuations for Financial Reporting and NZIFRS 13 - Fair Value Measurement.

The carrying value of the investment property as at 30 September 2017 is based on the 31 March 2017 independent property valuation (30 September 2016 based on 31 March 2016). Management have reviewed the key assumptions used in that valuation and are satisfied that the assumptions are still appropriate as at 30 September 2017 and therefore that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the interim reporting period.

In determining fair value, a single year net operating income applicable to each investment property has been divided by the net market capitalisation rate. The capitalisation rate reflects both the quantum value of the property, its modern fitout and its performance since opening in 2015.

The table below analyses the non-financial assets carried at fair value, by a valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The investment properties of the Group have been valued by the following independent valuer:

Property	Valuer 2017	Effective date	Fair value level
10 - 14 Park Avenue	Anthony Long, Colliers	March 2017	3
16 - 20 Park Avenue	Anthony Long, Colliers	March 2017	3

Fair value is determined annually by independent registered valuers with sufficient experience with respect to both the location and the nature of investment property. In deriving a fair value all assumptions are based, where possible, on market based evidence and transactions for properties with similar locations, construction detail and accommodation profile. The adopted market value was computed using the Capitalisation approaches.

The following table analyses the investment property carried at fair value, by valuation method

	Unaudited as at 30 Sept 2017 NZ\$	Unaudited as at 30 Sept 2016 NZ\$	Audited as at 31 Mar 2017 NZ\$
10 - 14 Park Avenue	5,400,000	5,021,538	5,400,000
16 - 20 Park Avenue	11,150,000	10,524,181	11,150,000
	16,550,000	15,545,719	16,550,000

Valuation techniques used to derive level 3 fair values

In the absence of current prices in an active market, the valuations are prepared based on a capitalisation of net income approach. A market yield is applied to the estimated net income to arrive at the gross property valuation.



CHOW GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

11. INVESTMENT PROPERTY (Continued)

Information about fair value measurements using significant inputs

2017	Valuation	Significant unobservable	Relationship of unobservable
10 - 14 Park Avenue	Capitalisation of Net Income	Average Room Rate (\$260/week) Other Income (\$15/week) Carparks (\$15/week) Net Income (\$418,946 per annum)	Average room rate, other income, carparks, net income and growth was higher/ (lower);
		Expected market rental growth (0%)	Expected market rental growth was higher/ (lower);
		Occupancy rate (95%)	The occupancy rate were higher/ (lower);
		Net market capitalisation rate (7.75%)	Net market capitalisation rate were lower/ (higher)
16 - 20 Park Avenue	Capitalisation of Net Income	Average Room Rate (\$300/week) Other Income (\$15/week) Carparks (\$15/week)	Average room rate, other income, carparks, net income and growth was higher/ (lower);
		Expected market rental growth (0%)	Expected market rental growth was higher/ (lower);
		Occupancy rate (90%)	The occupancy rate were higher/ (lower);
		Net market capitalisation rate (7.75%)	Net market capitalisation rate were lower/ (higher)

The key inputs used to measure fair value of investment properties, along with their sensitivity to significant increase or decrease, are stated below:

Significant Input	Description	Fair Value measurement sensitivity to significant		Valuation method
		Increase in Input	Decrease in Input	
Market capitalisation rate	The capitalisation rate is applied to the market income to assess an investment property's value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market taking into account location, room and occupancy rates, market rentals, size and quality of the investment property.	Decrease	Increase	Capitalisation
Market rental	The valuer's assessment of net market income for both room rental rates and spaces of the investment property.	Increase	Decrease	Capitalisation



CHOW GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

12. COMMITMENTS

As at 30 September 2017, Chow Group Limited had no unspent capital commitments in relation to construction obligations (30 September 2016: \$NIL; 31 March 2017: \$NIL).

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS SINCE LAST ANNUAL BALANCE SHEET DATE

There were no changes in contingent liabilities and contingent assets that would require disclosure for the six month period ended 30 September 2017. (30 September 2016: \$NIL; 31 March 2017: \$NIL). There are no contingent liabilities as at 30 September 2017 (30 September 2016: \$NIL; 31 March 2017: \$15,000).

14. EVENTS AFTER THE REPORTING PERIOD

On 1 November 2017 Chow Group Limited completed a consolidation of ordinary shares on issue. Every 50 ordinary shares issued by Chow Group Limited was consolidated into 1 ordinary share. The result of the consolidation was that the number of shares issued by Chow Group Limited reduced from 822,903,748 at 30 September 2017 to 16,458,120 on 1 November 2017.



REGISTERED OFFICE

Shed 19, Princes Wharf
137 Quay Street, Auckland 1010
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AUDITORS

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PO Box 3899
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BANKERS

ASB Bank Ltd
ANZ Bank New Zealand Ltd

SHARE REGISTRY

Link Market Services
Level 11, Deloitte Centre
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PO Box 91976
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INVESTMENT BANKERS

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SOLICITORS

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