FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

METRO HOLDINGS LTD

Securities

METRO HOLDINGS LIMITED - SG1I11878499 - M01

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Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached files for:

1. Unaudited Results For Full Year Ended 31 March 2020 ; and
2. Press Release

Additional Details

For Financial Period Ended

31/03/2020

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 FULL YEAR ENDED 31 MARCH 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Group			Group		
	2nd Half Year ended 31-Mar-2020 $'000	2nd Half Year ended 31-Mar-2019 $'000	% Change	Full Year ended 31-Mar-2020 $'000	Full Year ended 31-Mar-2019 $'000	% Change
Revenue						
- Retail	47,194	71,396	(33.9)	108,858	130,575	(16.6)
- Sale of property rights	31,525	20,503	53.8	95,161	34,456	176.2
- Rental income	2,814	3,568	(21.1)	6,235	6,933	(10.1)
	81,533	95,467	(14.6)	210,254	171,964	22.3
Cost of revenue	(73,583)	(88,361)	(16.7)	(190,097)	(161,857)	17.4
Gross profit	7,950	7,106	11.9	20,157	10,107	99.4
Other net income	20,559	18,119	13.5	36,141	33,945	6.5
Fair value (loss)/gain on investment property	(2,452)	14,706	n.m.	(2,452)	14,706	n.m.
General and administrative expenses	(11,599)	(12,247)	(5.3)	(22,115)	(23,974)	(7.8)
Finance costs	(9,775)	(4,428)	120.8	(18,970)	(5,803)	226.9
Share of results of associates, net of tax	(30,454)	9,522	n.m.	(28,965)	13,841	n.m.
Share of results of joint ventures, net of tax	39,801	38,283	4.0	55,935	65,211	(14.2)
Profit from operations before taxation	14,030	71,061	(80.3)	39,731	108,033	(63.2)
Taxation	(2,554)	(8,411)	(69.6)	(6,651)	(11,338)	(41.3)
Profit net of taxation	11,476	62,650	(81.7)	33,080	96,695	(65.8)
Attributable to:						
Owners of the Company	11,276	62,426	(81.9)	32,248	96,282	(66.5)
Non-controlling interests	200	224	(10.7)	832	413	101.5
	11,476	62,650	(81.7)	33,080	96,695	(65.8)

n.m. - not meaningful

Statement of Comprehensive Income

	Group			Group		
	2nd Half Year ended 31-Mar-2020 $'000	2nd Half Year ended 31-Mar-2019 $'000	% Change	Full Year ended 31-Mar-2020 $'000	Full Year ended 31-Mar-2019 $'000	% Change
Profit net of taxation	11,476	62,650	(81.7)	33,080	96,695	(65.8)
Other comprehensive income/ (expense):						
Item that will not be reclassified to profit or loss:						
Share of other comprehensive income of an associate	-	558	n.m.	-	558	n.m.
Items that may be reclassified subsequently to profit or loss:						
Currency translation adjustments on foreign subsidiaries, associates and joint ventures (Note 1)	3,420	8,310	(58.8)	1,075	4,759	(77.4)
Share of other comprehensive expense of associates and joint ventures (Note 2)	(4,496)	(12,263)	(63.3)	(7,259)	(17,502)	(58.5)
Other comprehensive expense, net of tax:	(1,076)	(3,395)	(68.3)	(6,184)	(12,185)	(49.2)
Total comprehensive income for the period	10,400	59,255	(82.4)	26,896	84,510	(68.2)
Total comprehensive income /(expense) attributable to:						
Owners of the Company	13,200	56,860	(76.8)	28,387	83,791	(66.1)
Non-controlling interests	(2,800)	2,395	n.m.	(1,491)	719	n.m.
	10,400	59,255	(82.4)	26,896	84,510	(68.2)

n.m. - not meaningful

Note:

(1) In 2HFY2020, $3.4 million mainly relates to the exchange translation gain of foreign operations' net assets due to the appreciation of USD, HKD and RMB against SGD amounted to $7.2 million, $11.0 million and $14.9 million respectively which was partially offset by depreciation of IDR against SGD amounted to $30.5 million.

(2) In 2HFY2020, $4.5 million mainly relates to the share of other comprehensive income of our associate i.e. Top Spring International Holdings Limited ("Top Spring"), which was due to the weakening of RMB against HKD.

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

	Group			Group		
	2nd Half Year ended 31-Mar-2020 $'000	2nd Half Year ended 31-Mar-2019 $'000	% Change	Full Year ended 31-Mar-2020 $'000	Full Year ended 31-Mar-2019 $'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Depreciation of plant and equipment	(654)	(2,061)	(68.3)	(1,387)	(3,272)	(57.6)
Depreciation of right-of-use assets (Note)	(5,845)	-	n.m.	(11,513)	-	n.m.
Cost of property rights sold	(28,219)	(17,463)	61.6	(85,348)	(29,521)	189.1
Inventories recognised as an expense	(27,221)	(44,791)	(39.2)	(61,691)	(83,161)	(25.8)
Write back of/(allowance for) obsolete inventories	369	(557)	n.m.	351	(575)	n.m.
Inventories written back/(down)	269	(820)	n.m.	(738)	(1,487)	(50.4)
Rental expense	(3,970)	(12,523)	(68.3)	(10,652)	(24,362)	(56.3)
Other net income/(loss) includes:-						
Interest income	11,011	11,671	(5.7)	22,708	19,157	18.5
Dividends from						
- long term investments	1,793	1,663	7.8	4,348	3,753	15.9
- short term investments	848	890	(4.7)	1,805	1,978	(8.7)
Net change in fair value of investments at fair value through profit and loss	(9,398)	3,869	n.m.	(7,898)	9,255	n.m.
- long term investments	(1,363)	2,484	n.m.	(644)	9,084	n.m.
- short term investments	(8,035)	1,385	n.m.	(7,254)	171	n.m.
Gain on disposal of:						
- short term investments	896	-	n.m.	896	-	n.m.
- an associate	10,592	-	n.m.	10,592	-	n.m.
Management fee income from associates	110	177	(37.9)	292	375	(22.1)
Foreign exchange gain/(loss)	2,215	(1,384)	n.m.	121	(2,553)	n.m.

n.m. - not meaningful

Note:

Depreciation of right-of-use assets arise from the Group's adoption of SFRS(I) 16 Leases with effect from 1 April 2019 (see Para 5 on page 16). Prior to the adoption of SFRS(I) 16, the Group recognised operating lease expense as rental expense on a straight-line basis over the term of the leases.

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

	Group			Group		
	2nd Half Year ended 31-Mar-2020 $'000	2nd Half Year ended 31-Mar-2019 $'000	% Change	Full Year ended 31-Mar-2020 $'000	Full Year ended 31-Mar-2019 $'000	% Change
The Group's share of associates' results consists of:						
- Operating results	(14,191)	(1,772)	700.8	(12,949)	(1,438)	800.5
- Fair value (loss)/gain on investment properties	(10,219)	14,320	n.m.	(6,675)	19,099	n.m.
- Non-operating results	-	5,963 #	n.m.	-	5,963 #	n.m.
- Taxation	(4,175)	(7,576)	(44.9)	(6,873)	(8,510)	(19.2)
- Others	(1,869)	(1,413)	32.3	(2,468)	(1,273)	93.9
	(30,454)	9,522	n.m.	(28,965)	13,841	n.m.

n.m. - not meaningful

Note:

In the previous 2nd half year and the year ended 31 March 2019, the non-operating results of associates of $6.0 million included the Group's share of compensation income for aborted investment received by Top Spring.

The Group, in 2HFY2020, has applied the equity method for the operating results of Top Spring using financial statements that are prepared as of a different reporting date from that of the Company, after adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

As Top Spring releases its results on a half-year basis, with the last financial statements as at 31 December 2019, in accordance with the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited, the Group has equity accounted for Top Spring using its actual results for the 6 months to 31 December 2019 and adjusted for the effects of significant transactions or events that occurred between 1 January 2020 and 31 March 2020.

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

	Group			Group		
	2nd Half Year ended 31-Mar-2020 $'000	2nd Half Year ended 31-Mar-2019 $'000	% Change	Full Year ended 31-Mar-2020 $'000	Full Year ended 31-Mar-2019 $'000	% Change
The Group's share of joint ventures' results consists of:						
- Operating results	46,956	23,399	100.7	72,181	56,616	27.5
- Fair value gain on investment properties	3,768	26,578	(85.8)	127	26,042	(99.5)
- Taxation	(10,923)	(11,694)	(6.6)	(16,373)	(17,447)	(6.2)
	39,801	38,283	4.0	55,935	65,211	(14.2)

1(a) (v) Taxation

	Group			Group		
	2nd Half Year ended 31-Mar-2020 $'000	2nd Half Year ended 31-Mar-2019 $'000	% Change	Full Year ended 31-Mar-2020 $'000	Full Year ended 31-Mar-2019 $'000	% Change
Current Year Tax	5,196	2,990	73.8	9,118	4,986	82.9
(Over)/under provision in respect of prior year	(60)	8	n.m.	23	(7)	n.m.
Deferred Tax	(2,218)	5,530	n.m.	(2,729)	6,476	n.m.
(Over)/under provision in respect of prior year	(364)	(117)	211.1	239	(117)	n.m.
	2,554	8,411	(69.6)	6,651	11,338	(41.3)

n.m. - not meaningful

The tax charge of the Group for the 2nd half year period ended 31 March 2020, excluding share of results of associates and joint ventures which is already stated net of tax, is higher than that derived by applying the Singapore statutory income tax rate of 17% applicable to company profits, mainly due to tax charges on dividend income from associates and joint ventures which are eliminated on consolidation and deferred tax expense being withholding tax provided on undistributed profits of joint ventures, expenditure not deductible for tax purposes and included tax expense of $1.3 million on the disposal of the associate in Indonesia, PT Metropolitan Retailmart ("PT MRM").

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	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
	$'000	$'000	$'000	$'000
Non-current assets				
Plant and equipment	1,465	2,128	22	30
Right-of-use assets	62,590	-	3,840	-
Investment property	109,022	112,029	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	542,055	474,675
Associates	795,642	758,058	500	500
Joint ventures	337,269	232,782	-	-
Long term investments				
- Fair value through profit or loss	99,873	101,196	-	-
Deferred tax asset	1,121	-	-	-
	1,406,982	1,206,193	564,207	492,995
Current assets				
Development properties	166,735	167,787	-	-
Inventories	10,159	13,695	-	-
Prepayments	1,499	707	-	-
Accounts and other receivables	94,030	53,520	415	2,273
Amounts due from subsidiaries	-	-	290,970	259,196
Amounts due from associates	8,321	1,976	-	-
Amounts due from joint ventures	188,258	191,849	4,296	4,169
Short term investments	10,988	31,400	-	-
Pledged fixed bank deposits	-	37,242	-	-
Cash and cash equivalents	349,367	195,316	63,703	33,743
	829,357	693,492	359,384	299,381
Current liabilities				
Borrowings	145,165	80,484	18,789	-
Accounts and other payables	48,006	60,881	6,280	6,407
Amounts due to subsidiaries	-	-	192,886	274,465
Amount due to a joint venture	-	22,357	-	-
Lease liabilities	10,573	-	523	-
Provision for taxation	4,875	2,654	111	26
	208,619	166,376	218,589	280,898
Net current assets	620,738	527,116	140,795	18,483
Non-current liabilities				
Borrowings	348,348	149,187	348,348	149,187
Amounts due to joint ventures	73,813	20,210	-	-
Lease liabilities	53,871	-	3,483	-
Deferred income	2,100	7,436	-	-
Deferred taxation	20,891	22,321	7	26
	(499,023)	(199,154)	(351,838)	(149,213)
Net assets	1,528,697	1,534,155	353,164	362,265
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	1,332,130	1,342,350	185,215	194,316
	1,500,079	1,510,299	353,164	362,265
Non-controlling interests	28,618	23,856	-	-
Total equity	1,528,697	1,534,155	353,164	362,265

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31-Mar-2020		As at 31-Mar-2019	
Secured	Unsecured	Secured	Unsecured
-	145,165,000	57,084,000	23,400,000

Amount repayable after one year

As at 31-Mar-2020		As at 31-Mar-2019	
Secured	Unsecured	Secured	Unsecured
-	348,348,000	-	149,187,000

Borrowings repayable after one year (unsecured) relates to the $150 million 4% Notes due 2021 issued on 25 October 2018 and the $200 million 4.3% Notes due 2024 issued on 2 April 2019 by the Company pursuant to its $1 billion Multicurrency Debt Issuance Programme.

Details of any collateral for banking facilities

Subsidiaries:

There was no loan drawn on secured banking facilities as at 31 March 2020 (31 March 2019: $57.1 million (equivalent to GBP32.4 million)). There was no fixed deposits pledged to the banks for such facilities as at 31 March 2020 (31 March 2019: $37.2 million).

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

Consolidated Statement of Cash Flows for the period ended

	Group		Group	
	2nd Half Year ended 31-Mar-2020	2nd Half Year ended 31-Mar-2019	Full Year ended 31-Mar-2020	Full Year ended 31-Mar-2019
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Operating profit/(loss) before reinvestment in working capital	4,528	230	15,045	(5,095)
Decrease/(increase) in development properties	14,826	(87,835)	(16,701)	(114,428)
Decrease in inventories	1,249	821	3,149	1,193
(Increase)/decrease in accounts and other receivables	(3,331)	550	(46,422)	83,115
(Decrease)/increase in accounts and other payables	(29,212)	13,359	(20,426)	7,273
Cash used in operations	(11,940)	(72,875)	(65,355)	(27,942)
Interest expense paid	(13,472)	(4,289)	(17,762)	(5,664)
Interest income received	27,433	7,927	41,232	14,217
Income taxes paid	(1,875)	(945)	(5,737)	(3,860)
Net cash flows from/(used in) operating activities	146	(70,182)	(47,622)	(23,249)
Cash flows from investing activities				
Purchase of plant & equipment	(346)	(1,323)	(724)	(1,967)
(Increase)/decrease in long term investments	(1,064)	(12,195)	2,658	(12,077)
Purchase of short term investments	-	-	-	(967)
Proceeds from disposal of				
- plant and equipment	-	1	7	1
- short term investments	14,053	-	14,053	-
- an associate	23,750	-	23,750	-
Investment in associates	(87,792)	(6,128)	(93,429)	(20,725)
Investment in joint ventures	(500)	-	(40,758)	-
Increase in amounts due from associates	(13,816)	(143,430)	(16,372)	(207,614)
Decrease/(increase) in amounts due from joint ventures	39,715	-	(11,789)	31,859
Increase in amounts due to joint ventures	18,495	-	30,915	43,407
Dividends received from:				
- long term investments	1,793	1,663	4,348	3,753
- short term investments	848	890	1,805	1,978
- associates	7,125	8,037	16,892	21,526
- joint ventures	-	-	-	7,888
Changes in pledged fixed bank deposits	15,000	81,268	37,242	121,167
Net cash flows from/(used in) investing activities	17,261	(71,217)	(31,402)	(11,771)
Cash flows from financing activities				
Drawdown of borrowings	91,843	172,450	290,414	172,450
Repayment of borrowings	-	(44,100)	(23,400)	(74,054)
Payment of lease liabilities (Note on page 9)	(6,279)	-	(12,465)	-
Dividends paid	-	-	(37,262)	(41,402)
Advances from non-controlling interests	-	-	7,481	-
Contributions from non-controlling interest	6,253	6,861	6,253	14,552
Net cash flows from financing activities	91,817	135,211	231,021	71,546
Net increase/(decrease) in cash and cash equivalents	109,224	(6,188)	151,997	36,526
Effect of exchange rate changes in cash and cash equivalents	3,290	(1,182)	2,054	(574)
Cash & cash equivalents at beginning of financial period	236,853	202,686	195,316	159,364
Cash & cash equivalents at end of financial period	349,367	195,316	349,367	195,316

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

	Group		Group	
	2nd Half Year ended 31-Mar-2020 $'000	2nd Half Year ended 31-Mar-2019 $'000	Full Year ended 31-Mar-2020 $'000	Full Year ended 31-Mar-2019 $'000
Reconciliation between profit from operations before taxation and operating cash flows before changes in working capital:				
Profit from operations before taxation	14,030	71,061	39,731	108,033
Adjustments for:				
Fair value loss/(gain) on investment property	2,452	(14,706)	2,452	(14,706)
Finance costs	9,775	4,428	18,970	5,803
Depreciation of plant and equipment	654	2,061	1,387	3,272
Depreciation of right-of-use assets (Note)	5,845	-	11,513	-
Share of results of associates	30,454	(9,522)	28,965	(13,841)
Dilution loss on interest in associates	-	86	55	158
Share of results of joint ventures	(39,801)	(38,283)	(55,935)	(65,211)
Interest income	(11,011)	(11,671)	(22,708)	(19,157)
Dividends from				
- long term investments	(1,793)	(1,663)	(4,348)	(3,753)
- short term investments	(848)	(890)	(1,805)	(1,978)
Inventories written (back)/down	(269)	820	738	1,487
(Write-back of)/allowance for obsolete inventories	(369)	557	(351)	575
Allowance for doubtful debts	-	-	-	1
Impairment of plant and equipment	-	990	-	990
Plant and equipment written off	-	-	-	43
Gain on disposal of				
- plant and equipment	-	(1)	(7)	(1)
- short term investments	(896)	-	(896)	-
- an associate	(10,592)	-	(10,592)	-
Net change in fair value of investments at fair value through profit and loss	9,398	(3,869)	7,898	(9,255)
Foreign exchange adjustments	(2,501)	832	(22)	2,445
Operating profit/(loss) before reinvestment in working capital	4,528	230	15,045	(5,095)

Note:

Payment on lease liabilities and depreciation of right-of-use assets arise from the Group's adoption of SFRS(I) 16 Leases with effect from 1 April 2019 (see Para 5 on page 16).

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Shareholders' Equity

Group	Share Capital $'000	Treasury Shares $'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 2019 (as previously stated)	169,717	(1,768)	(7,007)	4,321	1,006	1,348,933	**1,515,202**	23,856	**1,539,058**
Effects of adoption of SFRS(I) 1-23 (Refer Para 5 on page 16)	-	-	-	-	-	(4,903)	**(4,903)**	-	**(4,903)**
At 1 April 2019 (as restated)	169,717	(1,768)	(7,007)	4,321	1,006	1,344,030	**1,510,299**	23,856	**1,534,155**
Effects of adoption of SFRS(I) 16 (Refer Para 5 on page 16)	-	-	-	-	-	(1,345)	**(1,345)**	-	**(1,345)**
At 1 April 2019 (as adjusted)	169,717	(1,768)	(7,007)	4,321	1,006	1,342,685	**1,508,954**	23,856	**1,532,810**
Profit for the period	-	-	-	-	-	20,972	**20,972**	632	**21,604**
Other comprehensive income/(expense)									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	(3,022)	-	-	-	**(3,022)**	677	**(2,345)**
Share of other comprehensive expense of associates and joint ventures	-	-	(2,238)	-	(525)	-	**(2,763)**	-	**(2,763)**
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(5,260)	-	(525)	-	**(5,785)**	677	**(5,108)**
Total comprehensive (expense)/income for the financial period	-	-	(5,260)	-	(525)	20,972	**15,187**	1,309	**16,496**
Contributions by and distributions to owners									
Dividends paid	-	-	-	-	-	(37,262)	**(37,262)**	-	**(37,262)**
Total contributions by and distributions to owners	-	-	-	-	-	(37,262)	**(37,262)**	-	**(37,262)**
Others									
Transfer to statutory reserve fund	-	-	-	180	-	(180)	-	-	-
At 30 September 2019	169,717	(1,768)	(12,267)	4,501	481	1,326,215	**1,486,879**	25,165	**1,512,044**

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

Group	Share Capital $'000	Treasury Shares $'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 October 2019	169,717	(1,768)	(12,267)	4,501	481	1,326,215	**1,486,879**	25,165	**1,512,044**
Profit for the period	-	-	-	-	-	11,276	**11,276**	200	**11,476**
Other comprehensive income/(expense)									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	6,420	-	-	-	**6,420**	(3,000)	**3,420**
Share of other comprehensive expense of associates and joint ventures	-	-	(4,449)	-	(47)	-	**(4,496)**	-	**(4,496)**
Other comprehensive income/(expense) for the financial period, net of tax	-	-	1,971	-	(47)	-	**1,924**	(3,000)	**(1,076)**
Total comprehensive income/(expense) for the financial period	-	-	1,971	-	(47)	11,276	**13,200**	(2,800)	**10,400**
Changes in ownership interests in a subsidiary									
Interest in a subsidiary	-	-	-	-	-	-	**-**	6,253	**6,253**
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	6,253	**6,253**
Others									
Transfer to statutory reserve fund	-	-	-	233	-	(233)	-	-	-
At 31 March 2020	169,717	(1,768)	(10,296)	4,734	434	1,337,258	**1,500,079**	28,618	**1,528,697**

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

Group	Share Capital $'000	Treasury Shares $'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 2018 (as previously stated)	169,717	(1,768)	5,237	4,081	1,811	1,294,479	**1,473,557**	8,585	**1,482,142**
Effects of adoption of SFRS(I) 1-23 (Refer Para 5 on page 16)	-	-	-	-	-	(5,914)	**(5,914)**	-	**(5,914)**
At 1 April 2018 (as restated)	169,717	(1,768)	5,237	4,081	1,811	1,288,565	**1,467,643**	8,585	**1,476,228**
Profit for the period	-	-	-	-	-	33,856	**33,856**	189	**34,045**
Other comprehensive income/(expense)									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	(1,686)	-	-	-	**(1,686)**	(1,865)	**(3,551)**
Share of other comprehensive expense of associates and joint ventures	-	-	(5,025)	-	(214)	-	**(5,239)**	-	**(5,239)**
Other comprehensive expense for the financial period, net of tax	-	-	(6,711)	-	(214)	-	**(6,925)**	(1,865)	**(8,790)**
Total comprehensive (expense)/income for the financial period	-	-	(6,711)	-	(214)	33,856	**26,931**	(1,676)	**25,255**
Changes in ownership interests in a subsidiary									
Interest in a subsidiary	-	-	-	-	-	-	-	7,691	**7,691**
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	7,691	**7,691**
Contributions by and distributions to owners									
Dividends paid	-	-	-	-	-	(41,402)	**(41,402)**	-	**(41,402)**
Total contributions by and distributions to owners	-	-	-	-	-	(41,402)	**(41,402)**	-	**(41,402)**
Others									
Transfer to statutory reserve fund	-	-	-	110	-	(110)	-	-	-
At 30 September 2018	169,717	(1,768)	(1,474)	4,191	1,597	1,280,909	**1,453,172**	14,600	**1,467,772**

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

Group	Share Capital $'000	Treasury Shares $'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 October 2018	169,717	(1,768)	(1,474)	4,191	1,597	1,280,909	**1,453,172**	14,600	**1,467,772**
Profit for the period	-	-	-	-	-	62,426	**62,426**	224	**62,650**
Other comprehensive income/(expense)									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	6,139	-	-	-	**6,139**	2,171	**8,310**
Share of other comprehensive (expense)/income of associates and joint ventures	-	-	(11,672)	-	(591)	558	**(11,705)**	-	**(11,705)**
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(5,533)	-	(591)	558	**(5,566)**	2,171	**(3,395)**
Total comprehensive (expense)/income for the financial period	-	-	(5,533)	-	(591)	62,984	**56,860**	2,395	**59,255**
Changes in ownership interests in a subsidiary									
Interest in a subsidiary	-	-	-	-	-	-	**-**	6,861	**6,861**
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	6,861	**6,861**
Contributions by and distributions to owners									
Dividends unclaimed	-	-	-	-	-	267	**267**	-	**267**
Total contributions by and distributions to owners	-	-	-	-	-	267	**267**	-	**267**
Others									
Transfer to statutory reserve fund	-	-	-	130	-	(130)	**-**	-	**-**
At 31 March 2019	169,717	(1,768)	(7,007)	4,321	1,006	1,344,030	**1,510,299**	23,856	**1,534,155**

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

Company	Share Capital $'000	Treasury Shares $'000	Revenue Reserve $'000	**Total Equity $'000**
At 1 April 2019 (as previously stated)	169,717	(1,768)	194,316	**362,265**
Effects of adoption of SFRS(I)16 (Refer Para 5 on page 16)	-	-	(125)	(125)
At 1 April 2019 (as adjusted)	169,717	(1,768)	194,191	**362,140**
Profit for the period, representing total comprehensive income for the financial period	-	-	1,912	**1,912**
Contributions by and distribution to owners				
Dividends paid	-	-	(37,262)	**(37,262)**
At 30 September 2019	169,717	(1,768)	158,841	**326,790**
Profit for the period, representing total comprehensive income for the financial period	-	-	26,374	**26,374**
At 31 March 2020	169,717	(1,768)	185,215	**353,164**
At 1 April 2018	169,717	(1,768)	132,438	**300,387**
Profit for the period, representing total comprehensive income for the financial period	-	-	56,823	**56,823**
Contributions by and distribution to owners				
Dividends paid	-	-	(41,402)	**(41,402)**
At 30 September 2018	169,717	(1,768)	147,859	**315,808**
Profit for the period, representing total comprehensive income for the financial period	-	-	46,457	**46,457**
At 31 March 2019	169,717	(1,768)	194,316	**362,265**

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

As at 31 March 2020, there were 3,512,800 treasury shares (as at 31 March 2019: 3,512,800).

The Company did not issue any shares during the 6 months ended 31 March 2020.

There were no convertible instruments outstanding as at 31 March 2020 (31 March 2019: 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 31 March 2020 (end of current financial period)	As at 31 March 2019 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	828,035,874	828,035,874

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

The Company did not sell, transfer, cancel or use any treasury shares in the 2nd half year ended 31 March 2020.

1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not have any subsidiary holdings in the 2nd half year ended 31 March 2020.

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 modifications 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 2019.

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 as that of the audited financial statements for the year ended 31 March 2019, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 April 2019 as follows:

SFRS(I) 16: Leases
SFRS(I) INT 23: Uncertainty over Income Tax Treatments
Amendments to SFRS(I) 9: Financial Instruments - Prepayment Features with Negative Compensation
Amendments to SFRS(I) 1-28: Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures
Amendments to SFRS(I) 1-19: Employee Benefits - Plan Amendment, Curtailment or Settlement
Amendments to SFRS(I) 1-23 Borrowing costs eligible for capitalisation
Annual Improvements to SFRS(I)s 2015-2017

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change. (cont'd)

The adoption of the above SFRS(I) did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements except for the following:

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial years beginning on or after 1 April 2019. The Group has applied the modified retrospective approach with no restatement on comparative information for the year prior to first adoption.

The Group applied SFRS(I) 16 on 1 April 2019. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 April 2019.

The Group measure, on a lease-by-lease basis, the right-of-use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the Group's incremental borrowing rate as of 1 April 2019.

The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. At commencement date of a lease, a lessee will recognise an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) and a liability to make a lease payment (i.e. the lease liability). Lessees will be required to recognise separately the depreciation expense on the right-of-use asset and the interest expense on the lease liability.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The Group has recognised right-of-use assets of $46.2 million and lease liabilities of $47.5 million, with a corresponding decrease in retained earnings of $1.3 million as at 1 April 2019.

Clarification on SFRS(I) 1-23 Borrowing Costs

Following the Agenda Decision finalised by the IFRS Interpretation Committee (IFRIC) in Q1 2019 relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group had ceased capitalisation of borrowing costs on development properties where revenue is recognised over time.

The Group's share of borrowing costs previously capitalised by a joint venture of $5.9 million has been reclassified to retained earnings as at 1 April 2018 for the Group.

6. Earnings per ordinary share of the group for the current financial 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 the weighted average number of ordinary shares on issue	3.9 cents	11.6 cents
(b) On a fully diluted basis	3.9 cents	11.6 cents

Earnings per share is calculated on the Group's profit attributable to owners of the Company of $32,248,000 (period ended 31 March 2019: $96,282,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 31 March 2020 (period ended 31 March 2019: 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 31 March 2020.

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 - 31 March 2020	$1.81	$0.43
(b) 31 March 2019	$1.82	$0.44

Net asset value per ordinary share for the Group is calculated on the equity attributable to owners of the Company as at 31 March 2020 of $1,500,079,000 (31 March 2019: $1,510,299,000) divided by the total number of issued shares excluding treasury shares as at 31 March 2020 of 828,035,874 (31 March 2019: 828,035,874).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a) Review of Group Results for 2nd Half Year ended 31 March 2020 against 2nd Half Year ended 31 March 2019.

The Group's revenue of $81.5 million for the second financial half year to 31 March 2020 ("2HFY2020") decreased by 14.6% over 2HFY2019's $95.5 million. Revenue from the property division for 2HFY2020 increased to $34.3 million from 2HFY2019's $24.1 million, lifted by higher contributions of $11.0 million from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Revenue from GIE Tower, Guangzhou, decreased by $0.8 million from $3.6 million in 2HFY2019 to $2.8 million in 2HFY2020 mainly due to rental rebates extended to help tenants cushion the business impact arising from the COVID-19 pandemic. The retail division reported lower sales by $24.2 million from $71.4 million in 2HFY2019 to $47.2 million in 2HFY2020 mainly due to closure of Metro Centrepoint in October 2019 upon lease expiry as well as lower sales in the departmental store in Singapore due to shortening of operating hours in February and March 2020, arising from the COVID-19 pandemic.

Overall gross profit increased to $8.0 million in 2HFY2020 from $7.1 million in 2HFY2019 mainly due to increase in gross profit from the retail division in the absence of provision for stock obsolescence made in 2HFY2019, which was partially offset by lower contributions from the 2 departmental stores in Singapore.

Other net income was higher by $2.4 million from $18.1 million in 2HFY2019 to $20.5 million in 2HFY2020 mainly due to divestment gain of $10.6 million from the disposal of the Group's 50% equity interest in its associate, PT MRM, gains on disposal of short term investments of $0.9 million and foreign exchange differences of $3.6 million. These were partially offset by unrealised fair value loss of short term and long term investments of $9.4 million in 2HFY2020 as compared to unrealised fair value gain of $3.9 million in 2HFY2019 due to the outbreak of COVID-19 in beginning of year 2020.

GIE Tower, Guangzhou recorded a fair value loss on investment property of $2.5 million in 2HFY2020 as compared to a fair value gain of $14.7 million in 2HFY2019.

Share of associates' loss of $30.5 million in 2HFY2020, as compared to share of profit of $9.5 million in 2HFY2019 mainly due to higher share of operating losses (net of tax) by $19.3 million attributed to Top Spring of $17.9 million and Shanghai Plaza of $2.9 million, comprising $4.3 million of rental rebates and waivers granted to tenants arising from the COVID-19 pandemic. In addition, at the associate level, the Group recorded a fair value loss (net of tax) on investment properties owned by associates of $10.1 million in 2HFY2020, as compared to fair value gain (net of tax) of $10.5 million in 2HFY2019 due to one-off capitalised acquisition costs from our newly acquired 20% stake in a portfolio of properties in Australia and fair value loss from our properties in PRC in 2HFY2020 as compared to 2HFY2019.

Share of profit of joint ventures of $39.8 million in 2HFY2020, a marginal increase by $1.5 million from $38.3 million in 2HFY2019 mainly due to higher share of operating profits (net of tax) by $18.0 million arising from higher contributions from The Crest, Metro City and Metro Tower, partially offset by rental rebates and waivers of $8.1 million granted to tenants arising from the COVID-19 pandemic. The Group also recorded lower fair value gain (net of tax) on investment properties owned by joint ventures of $16.5 million from $20.7 million in 2HFY2019 to $4.2 million in 2HFY2020 mainly due to revaluation loss which arose from our properties in PRC, partially offset by revaluation gain from our newly acquired 50% stake in Tampines Grande, Singapore.

Finance costs increased to $9.8 million in 2HFY2020 from $4.4 million in 2HFY2019 mainly due to interest expense of $4.3 million on the $200 million 4.3% Notes due 2024 issued on 2 April 2019 by the Company pursuant to its $1 billion Multicurrency Debt Issuance Programme and interest expense of $0.8 million recognised on the lease liabilities arising from the adoption of SFRS(I) 16 Leases (see Para 5 on page 16).

As a result of the foregoing, profit before taxation decreased to $14.0 million in 2HFY2020 from $71.1 million in 2HFY2019.

Segmental Results for 2nd Half Year ended 31 March

Business segment

2020	Property $'000	Retail $'000	Group $'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	47,194	47,194
- Sale of property rights	31,525	-	31,525
- Rental income	2,814	-	2,814
	34,339	47,194	81,533
Segment results	6,637	10,273	16,910
Fair value loss on investment property	(2,452)	-	(2,452)
Finance costs	(9,040)	(735)	(9,775)
Share of associates' results, net of tax	(30,596)	142	(30,454)
Share of joint ventures' results, net of tax (Note)	39,801	-	39,801
Profit from operations before taxation	4,350	9,680	14,030
Taxation			(2,554)
Profit net of taxation			11,476
Attributable to:			
Owners of the Company			11,276
Non-controlling interests			200
			11,476

Note:

Share of joint ventures' results, net of tax

	$'000
Segment revenue	90,269
Segment results	51,305
Fair value gain on investment properties	3,768
Finance costs	(4,349)
Profit from operations before taxation	50,724
Taxation	(10,923)
Profit net of taxation	39,801

Segmental Results for 2nd Half Year ended 31 March (cont'd)

Business segment

2019

	Property $'000	Retail $'000	Group $'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	71,396	71,396
- Sale of property rights	20,503	-	20,503
- Rental income	3,568	-	3,568
	24,071	71,396	95,467
Segment results	14,726	(1,748)	12,978
Fair value gain on investment property	14,706	-	14,706
Finance costs	(4,428)	-	(4,428)
Share of associates' results, net of tax	9,456	66	9,522
Share of joint ventures' results, net of tax (Note)	38,283	-	38,283
Profit/(loss) from operations before taxation	72,743	(1,682)	71,061
Taxation			(8,411)
Profit net of taxation			62,650
Attributable to:			
Owners of the Company			62,426
Non-controlling interests			224
			62,650

Note:

Share of joint ventures' results, net of tax

	$'000
Segment revenue	39,450
Segment results	24,378
Fair value gain on investment properties	26,578
Finance costs	(979)
Profit from operations before taxation	49,977
Taxation	(11,694)
Profit net of taxation	38,283

Geographical Segments

	Asean $'000	People's Republic of China $'000	Group $'000
Segment revenue			
2020	78,719	2,814	81,533
2019	91,899	3,568	95,467

Segmental Results - Property Division

Revenue from the property division for 2HFY2020 increased to $34.3 million from 2HFY2019's $24.1 million, lifted by higher contributions of $11.0 million from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, which was partially offset by rental rebates of $0.8 million extended to tenants of GIE Tower, Guangzhou, arising from the COVID-19 pandemic.

GIE Tower, Guangzhou recorded a fair value loss on investment property of $2.5 million in 2HFY2020 as compared to a fair value gain of $14.7 million in 2HFY2019.

Segment results of the property division, excluding associates and joint ventures, reported a lower profit of $6.6 million in 2HFY2020 as compared to $14.7 million in 2HFY2019 mainly due to unrealised fair value loss of short term and long term investments of $9.4 million in 2HFY2020 due to the outbreak of COVID-19 in beginning of year 2020, as compared to unrealised fair value gain of $3.9 million in 2HFY2019. The impact was mitigated by foreign exchange gain of $2.2 million in 2HFY2020 versus a loss of $1.4 million in 2HFY2019 and divestment gain on short term investments of $0.9 million.

Share of associates' loss of $30.6 million in 2HFY2020, as compared to share of associates' profit of $9.5 million in 2HFY2019 mainly due to higher share of operating losses (net of tax) of $19.4 million attributed to Top Spring of $17.9 million and Shanghai Plaza of $2.9 million, comprising $4.3 million of rental rebates and waivers granted to tenants arising from the COVID-19 pandemic. In addition, at the associate level, the Group recorded a fair value loss (net of tax) on investment properties owned by associates of $10.1 million in 2HFY2020, as compared to fair value gain (net of tax) of $10.5 million in 2HFY2019 due to one-off capitalised acquisition costs from our newly acquired 20% stake in a portfolio of properties in Australia and fair value loss from our properties in PRC in 2HFY2020 as compared to 2HFY2019.

Share of profit of joint ventures of $39.8 million in 2HFY2020, a marginal increase by $1.5 million from $38.3 million in 2HFY2019 mainly due to higher share of operating profits (net of tax) by $18.0 million arising from higher contributions from The Crest, Metro City and Metro Tower, partially offset by rental rebates and waivers of $8.1 million granted to tenants arising from the COVID-19 pandemic. The Group also recorded lower fair value gain (net of tax) on investment properties owned by joint ventures of $16.5 million from $20.7 million in 2HFY2019 to $4.2 million in 2HFY2020 mainly due to revaluation loss which arose from our properties in PRC, partially offset by revaluation gain from our newly acquired 50% stake in Tampines Grande, Singapore.

Finance costs increased to $9.0 million in 2HFY2020 from $4.4 million in 2HFY2019 mainly due to interest expense of $4.3 million on the $200 million 4.3% Notes due 2024 issued on 2 April 2019 by the Company pursuant to its $1 billion Multicurrency Debt Issuance Programme.

The average occupancy of the Group's five investment properties held by a subsidiary and joint ventures as at 31 March 2020 was 94.3%.

The portfolio summary of the Group's Investment Properties as at 31 March 2020 was as follows:

	Percentage Owned	*Tenure*	*No. of Tenants*	*Occupancy Rate (%)*
Owned by a Subsidiary				
GIE Tower, Guangzhou	100%	50 year term from 1994	36	93.8%
Owned by Joint Ventures				
Metro City, Shanghai	60%	36 year term from 1993	176	94.8%
Metro Tower, Shanghai	60%	50 year term from 1993	35	94.3%
5 Chancery Lane, London	50%	Freehold	1	100.0%
7 & 9 Tampines Grande	50%	99 year term from 2007	16	88.6%

Segmental Results - Retail Division

Revenue from the Singapore operations of the retail division for 2HFY2020 decreased to $47.2 million from 2HFY2019's $71.4 million mainly due to closure of Metro Centrepoint in October 2019 upon lease expiry as well as lower sales in the departmental store in Singapore due to shortening of operating hours in February and March 2020, arising from the COVID-19 pandemic. Segment results improved to $10.3 million in 2HFY2020 from a loss of $1.7 million in 2HFY2019 mainly due to the divestment gain of $10.6 million from the disposal of the Group's 50% equity interest in its associate in Indonesia.

Excluding the above divestment gain of $10.6 million, the segment loss decreased to $0.3 million in 2HFY2020 from $1.7 million in 2HFY2019 mainly due to absence of impairment of fixed assets and provision for stock obsolescence made in the prior year. Pressure on margins amidst a highly competitive trading environment and impact from COVID-19 pandemic affected the results.

The retail division's associate company, PT MRM which operates 11 Metro stores spread across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado was divested on 12 December 2019.

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

Right-of-use assets (Non-current assets) of $62.6 million and lease liabilities (Current and Non-current liabilities) of $64.4 million as at 31 March 2020 arose from the Group's adoption of SFRS(I) 16 Leases with effect from 1 April 2019 (see Para 5 on page 16).

Associates (Non-current assets) and Amounts due from associates (Current assets) increased from $756.1 million as at 30 September 2019 to $804.0 million as at 31 March 2020 mainly due to acquisition of a 20% stake in a portfolio of 14 quality freehold office and retail properties in Australia for $92.5 million in 2HFY2020; and additional funding of $15.7 million to an associate in the PRC. These were partially offset by repayment of interest of $14.8 million from an UK associate and dividend distribution from associates of $7.1 million in 2HFY2020. The 50% equity interest in the associate, PT MRM was disposed of and net proceeds of $23.8 million from the disposal was received in December 2019.

In addition, in 2HFY2020 the Group extended a shareholder loan of $27.0 million to the recent acquired associate, Starry New Limited, as the Group's share of funding into real estate financial debt instrument. This was funded by the repayment of shareholder loan from an associate, South Bright Investment Limited.

Joint Ventures (Non-current assets) and Amounts due from joint ventures (Current assets) increased from $514.4 million as at 30 September 2019 to $525.5 million as at 31 March 2020 mainly due to share of profit of $39.8 million and currency translation gain in 2HFY2020, which was partially offset by repayment of shareholder loan of $39.2 million from a joint venture.

Short term investments (Current assets) decreased from $32.2 million as at 30 September 2019 to $11.0 million as at 31 March 2020 mainly due to sale and unrealised fair value loss of short term investments arising from the COVID-19 pandemic.

Pledged fixed bank deposits (Current assets) of $15.0 million as at 30 September 2019 was unpledged in 2HFY2020.

Bank borrowings (Current liabilities) increased to $145.2 million as at 31 March 2020 from $55.0 million as at 30 September 2019 due to loan drawn on banking facilities for funding of the investment in office and retail properties in Australia.

Amounts due to joint ventures (Non-current liabilities) increased to $73.8 million as at 31 March 2020 from $52.9 million as at 30 September 2019 mainly due to funding from joint ventures in the PRC for the Group's investments in the PRC.

Consequently, Cash and cash equivalents increased from $236.9 million as at 30 September 2019 to $349.4 million as at 31 March 2020 after taking into account the above-mentioned funds flow.

There were no other material factors that affected the cash flow, working capital, assets and liabilities of the Group during the current financial quarter reported on.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There have been no material variances with 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.

COVID-19

The COVID-19 pandemic is inflicting high human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures of business to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result, the global economy is projected to contract sharply by -3.0% in 2020, a more than 6% drop from the +3.3% growth that the International Monetary Fund estimated in January[1].

Property Division

China

Due to extreme measures including the total lockdown of entire cities in Hubei to contain the COVID-19 pandemic, China's economy contracted for the first time in nearly three decades. China's GDP contracted by 6.8% in 1Q 2020, a reversal from the 6.0% growth in 4Q 2019. While monetary policy has been loosened to support the economy, prospects remain uncertain as long as global economic activity remains disrupted[2]. Rental rebates and waivers as well as extension of payment terms were granted to some tenants at Metro City, Metro Tower and GIE Tower who faced cashflow difficulties due to the closure of business operations. After the lockdown was lifted and businesses resumed in our properties, the spending level of the customers have gradually recovered mainly due to promotion and huge discounts offered. Nonetheless, the shadow of a potential second COVID-19 wave in Beijing and the trade tensions between the United States and China may likely weigh down the economy. That said, leasing activities for the three office buildings in Bay Valley are gradually improving. Asset enhancement works for Shanghai Plaza and the prime commercial mall in Chengdu have resumed and leasing activities are in progress.

For Hong Kong SAR, the government imposed strict COVID-19 containment measures, including (i) closure of schools, (ii) ban on gatherings of more than eight people in a public place, (iii) 14-day compulsory quarantine for travellers from overseas countries and areas and Mainland China, (iv) temporary entry ban on Hong Kong SAR non-resident from overseas countries from March 25, (v) reduction and partial suspension of transit services at Hong Kong International Airport, and (vi) closure of selected social gathering establishments and businesses. Reflecting these containment measures, the economy contracted by 8.9% year-on-year in 1Q 2020[3].

For the near-term, our associate namely Top Spring continues to be subject to the China market headwinds.

Singapore

Singapore's GDP contracted 0.7% on a year-on-year basis in the first quarter of 2020. Singapore's Ministry of Trade and Industry ("MTI") downgraded 2020 GDP growth forecast to -7.0 to -4.0%[4]. Muted economic performance and uncertainty in the Singapore property market has affected residential sales[5]. Sales of the residential project, The Crest at Prince Charles Crescent in Singapore, will be subject to the impact of cooling measures in the Singapore property market as well as COVID-19 pandemic. Despite the circuit breaker, sales have continued online through The Crest APP, Facebook, Zoom, Webinars, E-brochures and virtual tours. The Group's premium Grade-A office towers acquired in May 2019 at Tampines Regional Centre's average occupancy rate remains high and leasing is underway.

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[1] *https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020*
[2] *https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#C*
[3] *https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#H*
[4] *https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-First-Quarter-2020/PR_1Q20.pdf*
[5] *https://www.cbre.com.sg/about/media-centre/singapore-market-outlook-2020*

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)

Indonesia

Indonesia's 2019 GDP growth is estimated at just over 5% as inflation dipped below 3% in December 2019. Joko Widodo (Jokowi) was re-elected in 2019 for a second five-year term meaning several years of political stability for developers, buyers and tenants of real estate. It was also announced in 2019 that Indonesia's capital city would relocate out of Jakarta to a land between the cities of Samarinda and Balikpapan on the island of Borneo in East Kalimantan. While the short to medium term impact on Jakarta is likely to be limited, in the longer term it is likely to help reduce overcrowding and congestion.

It may also provide some scope for renovation and regeneration of some areas in Jakarta[6]. Due to the COVID-19 pandemic restrictions, all shops in the Bekasi and Bintaro malls are closed except for Transmart, resulting in a slowdown in sales, construction and cash collection for our residential units. Despite this, sales have continued online through Facebook, Instagram, Zoom and YouTube.

United Kingdom

Central London office take-up was down in 1Q 2020 to 2 million sqft amidst the COVID-19 pandemic, with office vacancy rates maintaining at 5.7%. Rent holiday requests have risen but headline rents are holding. Delays to developments are inevitable and investment deals are slowing[7]. Our office property at 5 Chancery Lane continues to be fully leased through 2023. Manchester residential prices are forecast to grow around 3.2% per annum over the next five years, while rental growth is expected to average 3.1% per annum[8]. Despite the temporary closure of the Middlewood Locks marketing suite due to the COVID-19 pandemic, the team has shifted marketing online via website listings, Instagram, virtual tours and mortgage webinars.

Australia

On 5 May, the Reserve Bank of Australia ("RBA") reaffirmed targets for the cash rate and the yield on 3-year Australian government bonds of 25 bps[9]. The central scenario is for the Australian economy to grow by around 2.75% this year and 3% next year[10]. Property buyer focus is still on Sydney and Melbourne CBD office assets and retail non-discretionary properties in Sydney, Brisbane and Melbourne[11]. The Group has recently acquired in November 2019, a 20% equity stake in a portfolio of 14 quality freehold properties comprising 4 office buildings and 10 retail centres. The 4 office buildings are strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth. The other 10 retail centres are located regionally with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities of the community within the primary residential catchment area.

Others

The Group's portfolio of investments, held at fair value through profit or loss, will continue to be subject to fluctuations in their fair value. 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, as its net assets which represent investment properties and projects are denominated in Chinese Renminbi, Hong Kong dollar, British pounds, Indonesian rupiah and Australian dollars.

[6] *https://www.jll.co.id/en/trends-and-insights/research/jakarta-property-market-review-4q19*
[7] *https://www.knightfrank.com/research/london-offices-spotlight-q1-2020-7101.aspx*
[8] *https://residential.jll.co.uk/insights/research/regional-forecasts-2020*
[9] *https://www.rba.gov.au/media-releases/2020/mr-20-13.html*
[10] *https://www.rba.gov.au/publications/smp/2020/feb/*
[11] *http://pdf.savills.asia/asia-pacific-research/asia-pacific-research/apiq-q4-2019.pdf*

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)

Retail Division

The retail division continues to operate amidst difficult trading conditions. Metro Centrepoint ceased operations in October 2019 upon lease expiry. In December 2019, Metro divested its Indonesian retail business to our existing partner for a profit whilst retaining a trademark licensing fee, in line with the Group's long-term strategy of rationalising the retail business. In compliance with the Singapore Government's circuit breaker measures first announced in April 2020 and extended to 1 June 2020, Metro has temporarily closed our corporate office and all retail stores in Singapore for the safety of our staff and customers. The Group's online retail business continues to remain operational. All other corporate activities during this period will be conducted through telecommuting.

The Group

Metro operates across five key countries mainly in China, Singapore, Indonesia, the UK and Australia. Each country is in a different phase of the COVID-19 pandemic situation being subject to different lockdown rules as well as different fiscal and monetary stimulus being rolled out by different government to support the economy. Amidst the evolving COVID-19 pandemic situation which has created huge uncertainty and volatility in the market, Metro continues to take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows and liquidity, reducing operational costs, whilst proactive asset management of our investment portfolios, and leveraging on the Group's resources and unutilised credit facilities.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

Yes

(b) (i) Amount per share (cents)

Name of Dividend	Tax exempt (one tier) Final
Dividend Type	Cash
Dividend Amount per share (in cent)	2 cents per ordinary share

(ii) Previous corresponding period (cents)

Name of Dividend	Tax exempt (one tier) Final
Dividend Type	Cash
Dividend Amount per share (in cent)	2 cents per ordinary share

Name of Dividend	Special Tax exempt (one-tier) Final
Dividend Type	Cash
Dividend Amount per share (in cent)	2.5 cents per ordinary share

(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).

The proposed final dividend is a tax exempt dividend.

(d) The date the dividend is payable.

The dividend payment date will be announced later.

(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.

The record date for the purposes of determining entitlement to the dividend will be announced later.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

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. 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. <u>Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.</u>

Business segment

2020	Property $'000	Retail $'000	Group $'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	108,858	108,858
- Sale of property rights	95,161	-	95,161
- Rental income	6,235	-	6,235
	101,396	108,858	210,254
Segment results	23,823	10,360	34,183
Fair value loss on investment property	(2,452)	-	(2,452)
Finance costs	(17,636)	(1,334)	(18,970)
Share of associates' results, net of tax	(29,695)	730	(28,965)
Share of joint ventures' results, net of tax (Note)	55,935	-	55,935
Profit from operations before taxation	29,975	9,756	39,731
Taxation			(6,651)
Profit net of taxation			33,080
Attributable to:			
Owners of the Company			32,248
Non-controlling interests			832
			33,080

<u>Note:</u>
Share of joint ventures' results, net of tax

	$'000
Segment revenue	138,612
Segment results	78,820
Fair value gain on investment properties	127
Finance costs	(6,639)
Profit from operations before taxation	72,308
Taxation	(16,373)
Profit net of taxation	55,935

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (cont'd)

Business segment

2019	Property $'000	Retail $'000	Group $'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	130,575	130,575
- Sale of property rights	34,456	-	34,456
- Rental income	6,933	-	6,933
	41,389	130,575	171,964
Segment results	27,133	(7,055)	20,078
Fair value gain on investment property	14,706	-	14,706
Finance costs	(5,803)	-	(5,803)
Share of associates' results, net of tax	13,141	700	13,841
Share of joint ventures' results, net of tax (Note)	65,211	-	65,211
Profit/(loss) from operations before taxation	114,388	(6,355)	108,033
Taxation			(11,338)
Profit net of taxation			96,695
Attributable to:			
Owners of the Company			96,282
Non-controlling interests			413
			96,695

Note:

Share of joint ventures' results, net of tax

	$'000
Segment revenue	105,411
Segment results	59,128
Fair value gain on investment properties	26,042
Finance costs	(2,512)
Profit from operations before taxation	82,658
Taxation	(17,447)
Profit net of taxation	65,211

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (cont'd)

Geographical Segments

Segment revenue	Asean $'000	China $'000		Group $'000
2020	204,019	6,235		210,254
2019	165,031	6,933		171,964

Profit/(loss) from operations before taxation	Asean $'000	China $'000	Others $'000	Group $'000
2020	18,908	20,781	42	39,731
2019	(238)	79,562	28,709	108,033

Others includes investment properties and projects mainly in the UK and Australia.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Turnover

Group turnover for the financial year to 31 March 2020 ("FY2020") increased to $210.3 million from $172.0 million in the previous year ("FY2019") as the property division recognised higher revenue of $95.2 million in FY2020 as compared to $34.5 million in FY2019 from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Revenue from GIE Tower, Guangzhou, decreased by $0.7 million from $6.9 million in FY2019 to $6.2 million in FY2020 due to rental rebates extended to help tenants cushion the business impact arising from the COVID-19 pandemic. The retail division reported lower sales from $130.6 million in FY2019 to $108.9 million in FY2020 mainly due to closure of Metro Centrepoint in October 2019 upon lease expiry as well as lower sales in the departmental store in Singapore due to shortening of operating hours in February and March 2020, arising from the COVID-19 pandemic. Gross profit for FY2020 increased to $20.2 million from $10.1 million in FY2019.

Profit Before Tax

The Group's profit before tax for the year decreased to $39.7 million in FY2020 from $108.0 million in FY2019.

Segment results increased to $34.2 million in FY2020 from $20.1 million in FY2019 mainly due to the divestment gain of $10.6 million from the disposal of the Group's 50% equity interest in its associate in Indonesia.

Other net income was higher by $2.2 million from $33.9 million in FY2019 to $36.1 million in FY2020 mainly due to divestment gain of $10.6 million from the disposal of the Group's 50% equity interest in its associate, PT MRM, higher interest income of $3.6 million, gains on disposal of short term investments of $0.9 million and foreign exchange differences of $2.7 million. These were partially offset by unrealised fair value loss of short term and long term investments of $7.9 million in FY2020 mainly due to outbreak of COVID-19 in the beginning of year 2020, as compared to unrealised fair value gain of $9.3 million in FY2019.

GIE Tower, Guangzhou recorded a fair value loss on investment property of $2.5 million in FY2020 as compared to a fair value gain of $14.7 million in FY2019.

Share of associates' loss of $29.0 million in FY2020, as compared to share of profit of $13.8 million in FY2019 mainly due to higher share of operating losses (net of tax) by $21.2 million attributed to Top Spring of $17.8 million and Shanghai Plaza of $7.8 million, comprising $4.3 million of rental rebates and waivers granted to tenants arising from the COVID-19 pandemic. In addition, at the associate level, the Group recorded a fair value loss (net of tax) on investment properties owned by associates of $7.4 million in FY2020, as compared to fair value gain (net of tax) of $14.1 million in FY2019 due to one-off capitalised acquisition costs from our newly acquired 20% stake in a portfolio of properties in Australia and lower fair value gain from our properties in PRC in FY2020 as compared to FY2019.

Share of profit of joint ventures of $55.9 million in FY2020, lower by $9.3 million from $65.2 million in FY2019 mainly due to lower fair value gain (net of tax) on investment properties owned by joint ventures of $18.9 million from $20.3 million in FY2019 to $1.4 million in FY2020 arising from revaluation loss on our properties in PRC, which was partially offset by revaluation gain from our newly acquired 50% stake in Tampines Grande, Singapore. This was mitigated by higher share of operating profits (net of tax) by $9.6 million arising from higher contributions from The Crest, Metro City and Metro Tower, after $8.1 million rental rebates and waivers granted to tenants arising from the COVID-19 pandemic.

Finance costs increased to $19.0 million in FY2020 from $5.8 million in FY2019 mainly due to increase in interest expense of $12.5 million arising from the $150 million 4% Notes due 2021 issued on 25 October 2018 and the $200 million 4.3% Notes due 2024 issued on 2 April 2019 by the Company pursuant to its $1 billion Multicurrency Debt Issuance Programme and interest expense of $1.5 million recognised on the lease liabilities arising from the adoption of SFRS(I) 16 Leases (see Para 5 on page 16).

Investments / Balance Sheet

Associates (Non-current assets) and Amounts due from associates (Current assets) increased from $760.0 million as at 31 March 2019 to $804.0 million as at 31 March 2020 mainly due to investment in 20% stake in a portfolio of 14 quality freehold office and retail properties in Australia for $92.5 million; and additional funding of $37.5 million to associates in the PRC. These were partially offset by repayment of loan and interest of $30.1 million from an UK associate; dividend distribution from associates of $16.9 million; and share of loss of $29.0 million in FY2020. The 50% equity interest in the associate, PT MRM was divested and net disposal proceeds of $23.8 million was received in December 2019.

In addition, in FY2020, the Group extended a shareholder loan of $27.0 million to the recent acquired associate, Starry New Limited, as the Group's share of funding into real estate financial debt instrument. This was funded by the repayment of shareholder loan from an associate, South Bright Investment Limited.

Joint ventures (Non-current assets) and Amounts due from joint ventures (Current assets) increased from $424.6 million as at 31 March 2019 to $525.5 million as at 31 March 2020 mainly due to investment in a joint venture, Xiamen CICC Qihang Equity Investment Partnership (Limited Partnership) of $39.4 million (RMB200 million) for the 25% equity stake in a mall, which is part of a landmark mixed-use development, The Atrium, PRC; $51.5 million extended to the newly incorporated joint venture, Ascend TGrande Pte Ltd, for the acquisition of Tampines Grande, two blocks of premium Grade-A office property in Singapore; and share of profit of $55.9 million in FY2020. These were partially offset by repayment of shareholder loan of $39.2 million from a joint venture.

Development properties (Current assets) decreased marginally to $166.7 million as at 31 March 2020 from $167.8 million as at 31 March 2019. This relates to the residential development properties in Jakarta, Indonesia, held for sales. During the financial year, the progressive cost recognition for the development properties was $93.3 million, which was partially offset by progressive sale recognition of property rights of residential units of $76.6 million.

Accounts and other receivables (Current assets) increased from $53.5 million as at 31 March 2019 to $94.0 million as at 31 March 2020 mainly due to sale recognition of property rights of $95.2 million, which was partially offset by receipts for the sale of property rights of $49.2 million, relating to the residential development properties in Jakarta, Indonesia, held for sales in FY2020.

Short term investments (Current assets) decreased from $31.4 million as at 31 March 2019 to $11.0 million as at 31 March 2020 mainly due to sale and unrealised fair value loss of short term investments arising from the COVID-19 pandemic in FY2020.

Pledged fixed bank deposits (Current assets) of $37.2 million as at 31 March 2019 was unpledged during FY2020.

Borrowings (Current liabilities) increased from $80.5 million as at 31 March 2019 to $145.2 million as at 31 March 2020 mainly due to loan drawn on banking facilities for funding of the joint venture investment in a portfolio of fourteen office and retail properties in Australia.

Amounts due to joint ventures (Current and Non-current liabilities) increased to $73.8 million as at 31 March 2020 from $42.6 million as at 31 March 2019 mainly due to funding from joint ventures in the PRC for the Group's investments in the PRC.

Borrowings (Non-current liabilities) increased from $149.2 million as at 31 March 2019 to $348.3 million as at 31 March 2020 due to the $200 million 4.3% Notes due 2024 issued on 2 April 2019 by the Company pursuant to its $1 billion Multicurrency Debt Issuance Programme.

As a result of the above redeployment of funds and after taking into account a dividend of $37.3 million paid to shareholders, Cash and cash equivalents increased to $349.4 million as at 31 March 2020 from $195.3 million as at 31 March 2019.

17. A breakdown of sales as follows:-

	31-Mar-2020 Group	31-Mar-2019 Group (restated)	Increase/ (Decrease)
	$'000	$'000	%
Sales reported for the first half year	128,721	76,497	68.3
Operating profit after tax before deducting non-controlling interests reported for the first half year	21,604	34,045	(36.5)
Sales reported for the second half year	81,533	95,467	(14.6)
Operating profit after tax before deducting non-controlling interests reported for the second half year	11,476	62,650	(81.7)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Total Annual Dividend

	Year Ended	
	31-Mar-2020	31-Mar-2019
	$'000	$'000
Ordinary final dividend	16,561	16,561
Special dividend (Final)	-	20,701
Total	16,561	37,262

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mdm Ong Sioe Hong	70	Aunt of substantial shareholders, Ong Ling Ling, Ong Jenn, Ong Ching Ping and Ong Sek Hian (Wang ShiXian)	Managing Director of Metro (Pte) Ltd since March 1994 and appointed Executive Chairman in 2012. Responsible for overall corporate strategies of Metro (Pte) Ltd and its subsidiaries, the retail division of the Group.	N.A.

BY ORDER OF THE BOARD
Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries
Date: 25 June 2020

NEWS RELEASE

METRO HOLDINGS RECORDS REVENUE OF S$210.3 MILLION AND PROFIT AFTER TAX OF S$33.1 MILLION FOR FY2020

- ***Revenue increases 22.3% mainly from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta***
- ***FY2020's profit before tax decreases to S$39.7 million from FY2019's S$108.0 million, mainly due to the fair value adjustments and rental rebates and waivers granted to tenants arising from COVID-19 pandemic while mitigated by a one-off divestment gain***
- ***Maintains a strong balance sheet with Net Assets at S$1.5 billion***
- ***Expands regional footprint by investing in a portfolio of 14 office and retail properties in Australia***
- ***Rationalises retail business with the closure of Metro Centrepoint upon lease expiry and the divestment of its 50% equity stake in Indonesian associate company, PT Metropolitan Retailmart ("PT MRM")***
- ***Proposes final dividend of 2.0 Singapore cents per ordinary share***

Singapore, 25 June 2020 – Main Board-listed Metro Holdings Limited ("**Metro**" or the "**Group**") ("美罗控股有限公司"), a property investment and development group backed by established retail operations, registered revenue of S$210.3 million for the full year ended 31 March 2020 ("**FY2020**"), an improvement of S$38.3 million or 22.3% as compared to the same corresponding period a year ago ("**FY2019**"), largely due to the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta.

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Co. Registration No.: 197301792W

The Group’s FY2020 profit before tax was S$39.7 million, as compared to S$108.0 million in FY2019. This was mainly due to the fair value loss of the Group’s investment properties held by our subsidiary, associates and joint ventures of S$8.5 million in FY2020 versus a fair value gain of S$49.1 million in FY2019. In addition, arising from the COVID-19 pandemic, the Group recorded a fair value loss of S$7.9 million on the short term and long term investments in FY2020 versus a fair value gain of S$9.3 million in FY2019, and S$13.1 million of rental rebates and waivers granted to tenants for properties held by our subsidiary, associates and joint ventures. All these were partially mitigated by the divestment gain of S$10.6 million from the disposal of the Group’s 50% equity stake in its retail associate in Indonesia, PT MRM.

Key Investments and Strategic Moves in FY2020

Metro made two strategic acquisitions in its existing key markets in China and Singapore. In April 2019, the Group grew its presence in Singapore by acquiring a 50% stake in 7 and 9 Tampines Grande, two blocks of premium Grade-A Green Mark Platinum Award office buildings strategically located at Tampines Regional Centre. Subsequent to this, in May 2019, the Group expanded its footprint to Chengdu, China with the acquisition of a 25% stake in a prime commercial mall (“**The Mall**”) that is part of a landmark mixed-use development, The Atrium (“晶融汇”).

Furthermore, in November 2019, the Group expanded its regional footprint by acquiring a 20% stake in a portfolio of 14 quality freehold office and retail properties in Australia. This investment is in line with the Group’s strategy to drive the diversification of its investment portfolio across the region and generate a stable and recurring income stream to the Group. To align the interest with its strategic partner and to grow its asset management arm, the Group invested a 20% equity stake in a newly incorporated asset and investment management company namely Sim Lian - Metro Capital Pte. Ltd. in November 2019 to manage the portfolio in Australia.

On the retail front, as part of the Group's long-term strategy of rationalising its retail business, it has closed Metro Centrepoint upon the lease expiry in October 2019 and divested its 50% equity stake in its retail associate in Indonesia, PT MRM, in December 2019. PT MRM operates 11 department stores spread across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado. This divestment represents a good opportunity for the Group to realise and unlock its value, thus delivering value to our shareholders.

Metro Group Chief Executive Officer, Yip Hoong Mun ("叶康文"), said "The acquisitions of two blocks of premium Grade-A office tower namely 7 & 9 Tampines Grande in Singapore and 25% stake in a prime commercial mall in Chengdu, China enhance our presence in the respective key markets. The recent investment in the portfolio of quality assets in Australia diversifies our regional footprint and will further grow the income profile of Metro.

We would continue to focus on both property investment and development in our five key markets in Singapore, China, Indonesia, the United Kingdom, and more recently, Australia."

Review of Financial Performance

Property Division

The Property Division's revenue increased by S$60.0 million to S$101.4 million in FY2020, up from S$41.4 million in FY2019 mainly from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Revenue from GIE Tower, Guangzhou, decreased by S$0.7 million from S$6.9 million in FY2019 to S$6.2 million in FY2020 due to rental rebates extended to help tenants cushion the business impact arising from the COVID-19 pandemic.

The average occupancy rate for Metro's five investment properties – GIE Tower in Guangzhou; Metro City and Metro Tower in Shanghai, China; the fully-leased freehold office property at 5 Chancery Lane in Central London, the United Kingdom (the "**UK**"); and 7 & 9 Tampines Grande, Singapore – was 94.3% as at 31 March 2020.

Property segment profit, excluding associates and joint ventures, reported a decrease to S$23.8 million in FY2020 as compared to S$27.1 million in FY2019. This is mainly due to unrealised fair value loss of S$7.9 million on short term and long term investments in FY2020 due to the outbreak of COVID-19 in beginning of year 2020, as compared to FY2019's fair value gain of S$9.3 million, partially mitigated by foreign exchange gain of S$2.7 million and gain on disposal of short term investments of S$0.9 million. The Property segment benefited from S$9.8 million contributions from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta.

GIE Tower, Guangzhou, recorded a fair value loss of S$2.5 million in FY2020, as compared to a fair value gain of S$14.7 million in FY2019.

The Group recorded share of associates' loss of S$29.7 million in FY2020, as compared to share of profit of S$13.1 million in FY2019 mainly due to higher share of operating losses (net of tax) by S$21.3 million comprising $4.3 million of rental rebates and waivers granted to tenants arising from the COVID-19 pandemic. In addition, at the associate level, the Group recorded a fair value loss (net of tax) on investment properties owned by associates of S$7.4 million in FY2020, as compared to fair value gain (net of tax) of S$14.1 million in FY2019 due to one-off capitalised acquisition costs from our newly acquired 20% stake in a portfolio of properties in Australia and lower fair value gain from our properties in PRC in FY2020 as compared to FY2019.

Share of profit of joint ventures of S$55.9 million in FY2020, lower by S$9.3 million from S$65.2 million in FY2019 mainly due to lower fair value gain (net of tax) on investment properties owned by joint ventures of S$18.9 million from S$20.3 million in FY2019 to S$1.4 million in FY2020 arising from revaluation loss on our properties in PRC, which was partially offset by revaluation gain from our newly acquired 50% stake in Tampines Grande, Singapore. This was mitigated by higher share of operating profits (net of tax) by S$9.6 million arising from higher contributions from The Crest, Metro City and Metro Tower, after S$8.1 million rental rebates and waivers granted to tenants arising from the COVID-19 pandemic.

Additionally, the co-investments with InfraRed NF China Real Estate Fund III L.P. in real estate financial debt instruments will continue to provide recurring income streams.

Retail Division

Metro's retail revenue decreased to S$108.9 million in FY2020 from S$130.6 million in FY2019 mainly due to the closure of Metro Centrepoint in October 2019 upon lease expiry as well as lower sales in the departmental store in Singapore due to shortening of operating hours in February and March 2020, arising from the COVID-19 pandemic.

Despite the lower revenue, the Group recorded a segment profit of S$10.4 million, mainly due to the divestment gain of S$10.6 million from the sale of the Group's 50% equity interest in its associate company in Indonesia, PT MRM, which operated 11 Metro stores spread across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado.

Excluding this divestment gain, Metro retail's Singapore operation recorded a lower operating loss of S$0.2 million in FY2020 versus S$7.1 million operating loss in FY2019 mainly due to higher profit and absence of provision for stock obsolescence and impairment of fixed assets recorded in FY2019.

In compliance with the Singapore Government's circuit breaker measures, Metro has temporarily closed its two retail stores in Singapore from early April 2020 to 18 June 2020 for the safety of our staff and customers. The Group's online retail business continues to remain operational.

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S$1.5 billion as of 31 March 2020.

Proposed Dividend

To reward loyal shareholders, the Board has recommended an ordinary final dividend of 2.0 Singapore cents per share and this translates to a payout ratio of 51.4% of the Group's net profit attributable to shareholders for FY2020.

Outlook

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), said "Global economy is experiencing an uncertain and volatile climate due to the trade tensions between the United States and China, and is now further exacerbated by the COVID-19 pandemic. The unprecedented global economic crisis and the post-COVID-19 pandemic impact will fundamentally transform the business landscape of the world which we know today.

Amidst the uncertain economic outlook and evolving COVID-19 pandemic situation, Metro continues to take proactive measures to strengthen our financial position, including preserving cash, optimizing cash flows and liquidity, and also actively manage our existing investment portfolio for optimal returns.

We would continue to demonstrate our ability to capitalise on opportunities with prudent capital structure and to be well-positioned to ride the next upcycle."

The average occupancy rate of Metro's five investment properties remains high at 94.3% as at 31 March 2020 and these properties will continue to contribute stable and recurring income.

Recognising the challenging business environment caused by the COVID-19 pandemic, Metro has been working closely with its tenants and is providing short-term rental relief on a case-by-case basis. While Metro's properties in China, Metro City, Metro Tower and GIE Tower, continue to maintain a high average occupancy rate of more than 90%, the Group has extended rental rebates and waivers as well as extension of payment terms to some tenants who faced cashflow difficulties due to the suspension of business operations. Following the lifting of the lockdown measures in China, leasing activities for the three office buildings in Bay Valley are gradually improving. Asset enhancement works for Shanghai Plaza and the prime commercial mall in Chengdu have resumed and leasing activities are in progress.

In Singapore, the Group's premium Grade-A office towers at Tampines Regional Centre's average occupancy rate remains high and leasing is underway. Meanwhile, sales of the residential project, The Crest at Prince Charles Crescent, is subject to the impact of cooling measures in the Singapore property market and the COVID-19 pandemic. Despite the circuit breaker, sales have continued online through The Crest APP, Facebook, Zoom, Webinars, E-brochures and virtual tours.

In Indonesia, due to the COVID-19 pandemic restrictions, all shops in the Bekasi and Bintaro malls are closed except for Transmart, resulting in a slowdown in sales, construction and cash collection for the Group's residential units. Despite this, sales have continued online through Facebook, Instagram, Zoom and YouTube.

In the UK, Central London office take-up was down in 1Q 2020 to 2 million sqft amidst the COVID-19 pandemic, with office vacancy rates maintaining at 5.7%. Rent holiday requests have risen but headline rents are holding. Delays to developments are inevitable and investment deals are slowing[1]. Our office property at 5 Chancery Lane continues to be fully leased through 2023. Manchester residential prices are forecast to grow around 3.2% per annum over the next five years, while rental growth is expected to average 3.1% per annum[2]. Despite the temporary closure of the Middlewood Locks marketing suite due to the COVID-19 pandemic, the team has shifted marketing online via website listings, Instagram, virtual tours and mortgage webinars.

In Australia, the recently acquired 20% equity stake in a portfolio of 14 quality freehold properties comprising four office buildings and 10 retail centres are registering a high average occupancy rate of more than 95%. The four office buildings are strategically located in the core central business district ("**CBD**") of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth. The other 10 retail centres are located regionally with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities of the community within the primary residential catchment area.

ABOUT METRO HOLDINGS LIMITED

Listed on the Main Board of the SGX-ST in 1973, Metro Holdings started out in 1957 as a textile store on 72 High Street. Over the years, Metro has grown to become a property and retail group with investments and operations in the region.

Today, the Group operates two core business segments – property investment and development, and retail – and focuses on key markets in Singapore, China, Indonesia, the UK and Australia.

[1] https://www.knightfrank.com/research/london-offices-spotlight-q1-2020-7101.aspx
[2] https://residential.jll.co.uk/insights/research/regional-forecasts-2020

Property Investment and Development

The Group's property arm owns and manages several prime retail and office properties in first tier cities in China, such as Shanghai and Guangzhou, and up-and-coming high growth cities like Chengdu. Through strategic partnerships and joint ventures, the Group has expanded its portfolio to cover a fuller spectrum of properties in Singapore, China, Indonesia, the UK and Australia.

Retail

Metro's retail arm serves customers through two Metro department stores in Singapore. The Metro shopping brand is an established household name in the retail industry and offers a wide range of quality merchandise.

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