

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

METRO HOLDINGS LTD

Securities

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Please refer to the attached files for:

- (1) Unaudited results for half year ended 30 September 2023; and
- (2) Press Release

Additional Details

For Financial Period Ended

30/09/2023

Attachments



[MHL-1HFY2024.pdf](#)



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**Metro Holdings Limited
and its Subsidiaries**
(Company Registration No. 197301792W)

Unaudited Condensed Interim Financial Statements
For the six months ended 30 September 2023

Metro Holdings Limited and its Subsidiaries

Condensed Interim Financial Statements for the six months ended 30 September 2023

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Metro Holdings Limited and its Subsidiaries

Condensed Interim Consolidated Income Statement For the six months ended 30 September 2023

		Group		
	Note	6 months ended 30-Sep-2023 \$'000	6 months ended 30-Sep-2022 \$'000	% Change
Revenue				
- Retail		45,594	47,308	(3.6)
- Sale of property rights		1,827	3,467	(47.3)
- Rental income		2,740	3,112	(12.0)
	4	<u>50,161</u>	<u>53,887</u>	(6.9)
Cost of revenue	5	<u>(45,050)</u>	<u>(44,682)</u>	0.8
Gross profit		5,111	9,205	(44.5)
Other net income	6	14,312	9,659	48.2
General and administrative expenses		(9,950)	(10,599)	(6.1)
Finance costs	7	(15,359)	(11,043)	39.1
Share of results of associates, net of tax	12	3,217	8,555	(62.4)
Share of results of joint ventures, net of tax	13	<u>13,613</u>	<u>14,943</u>	(8.9)
Profit from operations before taxation	8	10,944	20,720	(47.2)
Taxation	9	<u>(2,783)</u>	<u>(3,915)</u>	(28.9)
Profit net of taxation		<u>8,161</u>	<u>16,805</u>	(51.4)
Attributable to:				
Owners of the Company		8,192	16,887	(51.5)
Non-controlling interests		<u>(31)</u>	<u>(82)</u>	(62.2)
		<u>8,161</u>	<u>16,805</u>	(51.4)
		Cents	Cents	
Earnings per share				
Basic	10	<u>1.0</u>	<u>2.0</u>	(50.0)
Diluted	10	<u>1.0</u>	<u>2.0</u>	(50.0)

Metro Holdings Limited and its Subsidiaries

Condensed Interim Consolidated Statement of Comprehensive Income For the six months ended 30 September 2023

	Group		
	6 months ended 30-Sep-2023 \$'000	6 months ended 30-Sep-2022 \$'000	% Change
Profit net of taxation	8,161	16,805	(51.4)
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity investments at FVOCI (Note 1)	(801)	(13,798)	(94.2)
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustments on foreign subsidiaries, associates and joint ventures (Note 2)	(12,693)	(18,612)	(31.8)
Share of other comprehensive expense of associates and joint ventures (Note 3)	(8,136)	(12,404)	(34.4)
Other comprehensive expense, net of tax	(21,630)	(44,814)	(51.7)
Total comprehensive expense for the period	<u>(13,469)</u>	<u>(28,009)</u>	(51.9)
Total comprehensive (expense)/income attributable to:			
Owners of the Company	(13,518)	(28,169)	(52.0)
Non-controlling interests	49	160	(69.4)
	<u>(13,469)</u>	<u>(28,009)</u>	(51.9)

Note:

(1) The net change in fair value of equity investments at fair value through other comprehensive income (FVOCI) of \$0.8 million (1HFY2023: \$13.8 million) mainly relates to fair value loss of \$0.5 million (1HFY2023: 12.6 million) in the Group's long term investment in Daiwa House Logistics Trust.

(2) In 1HFY2024, currency translation adjustments of \$12.7 million mainly relates to the exchange translation loss of foreign operations' net assets due to the depreciation of RMB (\$21.2 million) and GBP (\$0.9 million) against SGD. These were partially offset by appreciation of HKD (\$7.2 million) and USD (\$2.4 million) against SGD.

In 1HFY2023, currency translation adjustments of \$18.6 million mainly relates to the exchange translation loss of foreign operations' net assets due to the depreciation of RMB (\$34.7 million) against SGD. These were partially offset by appreciation of HKD (\$11.5 million), USD (\$7.2 million) and IDR (\$0.9 million) against SGD.

(3) In 1HFY2024, share of other comprehensive expense of \$8.1 million, was largely attributable to our associate i.e. Top Spring International Holdings Limited ("Top Spring"), as a result of depreciating RMB against HKD.

In 1HFY2023, share of other comprehensive expense of \$12.4 million, was largely attributable to our associate i.e. Top Spring, as a result of depreciating RMB against HKD.

Metro Holdings Limited and its Subsidiaries
**Condensed Interim Balance Sheets
As at September 2023**

Balance Sheets as at	Note	Group		Company	
		30-Sep-2023 \$'000	31-Mar-2023 \$'000	30-Sep-2023 \$'000	31-Mar-2023 \$'000
Non-current assets					
Plant and equipment		1,363	1,844	77	131
Right-of-use assets		38,468	43,733	5,458	5,779
Investment property	11	102,364	106,196	-	-
Subsidiaries		-	-	46,828	46,828
Amounts due from subsidiaries		-	-	560,760	685,690
Associates	12	933,532	955,908	500	500
Joint ventures	13	365,069	340,737	-	-
Long term investments	14	110,586	109,065	-	-
		<u>1,551,382</u>	<u>1,557,483</u>	<u>613,623</u>	<u>738,928</u>
Current assets					
Development properties		144,221	145,555	-	-
Inventories		10,111	11,283	-	-
Prepayments		1,243	714	-	-
Accounts and other receivables	15	58,938	62,491	416	1,586
Amounts due from subsidiaries		-	-	399,063	261,778
Amounts due from associates	12	75,068	65,610	-	-
Amounts due from joint ventures	13	135,074	158,836	4,176	4,055
Short term investments	14	14,014	14,580	-	-
Cash and cash equivalents		263,288	329,305	103,453	118,431
		<u>701,957</u>	<u>788,374</u>	<u>507,108</u>	<u>385,850</u>
Current liabilities					
Borrowings	16	285,841	139,201	249,851	29,832
Accounts and other payables		47,285	49,234	7,773	7,847
Amounts due to subsidiaries		-	-	211,762	242,503
Lease liabilities		11,568	11,454	604	595
Provision for taxation		5,352	8,046	262	350
		<u>350,046</u>	<u>207,935</u>	<u>470,252</u>	<u>281,127</u>
Net current assets		<u>351,911</u>	<u>580,439</u>	<u>36,856</u>	<u>104,723</u>
Non-current liabilities					
Borrowings	16	262,229	455,802	262,229	455,802
Amounts due to joint ventures	13	131,228	135,584	-	-
Lease liabilities		32,499	38,303	5,144	5,448
Deferred income		3,618	3,154	-	-
Deferred taxation		24,503	23,763	37	37
		<u>454,077</u>	<u>656,606</u>	<u>267,410</u>	<u>461,287</u>
Net assets		<u>1,449,216</u>	<u>1,481,316</u>	<u>383,069</u>	<u>382,364</u>
Equity attributable to owners of the Company					
Share capital	17	169,717	169,717	169,717	169,717
Treasury shares	17	(1,768)	(1,768)	(1,768)	(1,768)
Reserves		<u>1,256,592</u>	<u>1,288,741</u>	<u>215,120</u>	<u>214,415</u>
		<u>1,424,541</u>	<u>1,456,690</u>	<u>383,069</u>	<u>382,364</u>
Non-controlling interests		<u>24,675</u>	<u>24,626</u>	<u>-</u>	<u>-</u>
Total equity		<u>1,449,216</u>	<u>1,481,316</u>	<u>383,069</u>	<u>382,364</u>

Metro Holdings Limited and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the six months ended 30 September 2023**

<u>Group</u>	Share Capital \$'000	Treasury Shares \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2023	169,717	(1,768)	(14,063)	(67,679)	6,330	2,831	1,361,322	1,456,690	24,626	1,481,316
Profit/(loss) for the period	-	-	-	-	-	-	8,192	8,192	(31)	8,161
<u>Other comprehensive income/(expense)</u>										
Net change in fair value of equity investment at FVOCI	-	-	(801)	-	-	-	-	(801)	-	(801)
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	(12,773)	-	-	-	(12,773)	80	(12,693)
Share of other comprehensive (expense)/income of associates and joint ventures	-	-	-	(8,263)	-	127	-	(8,136)	-	(8,136)
Other comprehensive (expense)/income for the financial year, net of tax	-	-	(801)	(21,036)	-	127	-	(21,710)	80	(21,630)
Total comprehensive (expense)/income for the financial year	-	-	(801)	(21,036)	-	127	8,192	(13,518)	49	(13,469)
<u>Contributions by and distributions to owners</u>										
Dividends paid (Note 18)	-	-	-	-	-	-	(18,631)	(18,631)	-	(18,631)
Total contributions by and distributions to owners	-	-	-	-	-	-	(18,631)	(18,631)	-	(18,631)
<u>Others</u>										
Transfer to statutory reserve fund	-	-	-	-	111	-	(111)	-	-	-
At 30 September 2023	169,717	(1,768)	(14,864)	(88,715)	6,441	2,958	1,350,772	1,424,541	24,675	1,449,216

Metro Holdings Limited and its Subsidiaries

Condensed Interim Statements of Changes in Equity (cont'd) **For the six months ended 30 September 2023**

Group	Share Capital \$'000	Treasury Shares \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2022	169,717	(1,768)	2,421	41,590	5,952	544	1,361,390	1,579,846	26,012	1,605,858
Profit/(loss) for the period	-	-	-	-	-	-	16,887	16,887	(82)	16,805
<u>Other comprehensive income/(expense)</u>										
Net change in fair value of equity investment at FVOCI	-	-	(13,798)	-	-	-	-	(13,798)	-	(13,798)
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	(18,854)	-	-	-	(18,854)	242	(18,612)
Share of other comprehensive (expense)/income of associates and joint ventures	-	-	-	(15,008)	-	2,604	-	(12,404)	-	(12,404)
Other comprehensive (expense)/income for the financial year, net of tax	-	-	(13,798)	(33,862)	-	2,604	-	(45,056)	242	(44,814)
Total comprehensive (expense)/income for the financial year	-	-	(13,798)	(33,862)	-	2,604	16,887	(28,169)	160	(28,009)
<u>Contributions by and distributions to owners</u>										
Dividends paid (Note 18)	-	-	-	-	-	-	(24,841)	(24,841)	-	(24,841)
Total contributions by and distributions to owners	-	-	-	-	-	-	(24,841)	(24,841)	-	(24,841)
<u>Others</u>										
Transfer to statutory reserve fund	-	-	-	-	69	-	(69)	-	-	-
At 30 September 2022	169,717	(1,768)	(11,377)	7,728	6,021	3,148	1,353,367	1,526,836	26,172	1,553,008

Metro Holdings Limited and its Subsidiaries

Condensed Interim Statements of Changes in Equity (cont'd)
For the six months ended 30 September 2023

<u>Company</u>	Share Capital \$'000	Treasury Shares \$'000	Revenue Reserve \$'000	Total Equity \$'000
At 1 April 2023	169,717	(1,768)	214,415	382,364
Profit for the period, representing total comprehensive income for the financial period	-	-	19,336	19,336
<u>Contributions by and distribution to owners</u>				
Dividends paid (Note 18)	-	-	(18,631)	(18,631)
At 30 September 2023	169,717	(1,768)	215,120	383,069
At 1 April 2022	169,717	(1,768)	204,370	372,319
Profit for the period, representing total comprehensive income for the financial period	-	-	28,286	28,286
<u>Contributions by and distribution to owners</u>				
Dividends paid (Note 18)	-	-	(24,841)	(24,841)
At 30 September 2022	169,717	(1,768)	207,815	375,764

Metro Holdings Limited and its Subsidiaries

**Condensed Interim Consolidated Cash Flow Statement
For the six months ended 30 September 2023**

	Group	
	6 months ended 30-Sep-2023 \$'000	6 months ended 30-Sep-2022 \$'000
Cash flows from operating activities		
Operating profit before reinvestment in working capital	812	4,739
Decrease in development properties	1,449	2,451
Decrease/(increase) in inventories	1,055	(1,360)
Decrease in accounts and other receivables	4,112	689
(Decrease)/increase in accounts and other payables	(1,956)	5,936
Cash flows from operations	5,472	12,455
Interest expense paid	(14,802)	(10,681)
Interest income received	16,542	16,227
Income taxes paid	(5,113)	(2,998)
Net cash flows from operating activities	2,099	15,003
Cash flows from investing activities		
Purchase of plant & equipment	(76)	(539)
Increase in long term investments	(1,113)	(6,031)
Investment in associates	(988)	(11,543)
Decrease/(increase) in amounts due from associates	2,289	(3,582)
Increase in amounts due from joint ventures	(17,415)	(3,408)
Dividends received from:		
- long term investments	2,387	4,335
- short term investments	432	359
- associates	2,080	3,703
- joint ventures	20,103	15,181
Net cash flows from/(used in) investing activities	7,699	(1,525)
Cash flows from financing activities		
Drawdown of long term borrowings	6,608	-
(Repayment)/drawdown of short term borrowings (net)	(55,727)	20,138
Payment of lease liabilities	(6,386)	(5,298)
Dividends paid	(18,631)	(24,841)
Net cash flows used in financing activities	(74,136)	(10,001)
Net (decrease)/increase in cash and cash equivalents	(64,338)	3,477
Effect of exchange rate changes in cash and cash equivalents	(1,679)	(1,545)
Cash & cash equivalents at beginning of financial period	329,305	331,360
Cash & cash equivalents at end of financial period	263,288	333,292

Metro Holdings Limited and its Subsidiaries

**Condensed Interim Consolidated Cash Flow Statement (cont'd)
For the six months ended 30 September 2023**

	Group	
	6 months ended 30-Sep-2023 \$'000	6 months ended 30-Sep-2022 \$'000
Reconciliation between profit from operations before taxation and operating cash flows before changes in working capital:		
Profit from operations before taxation	10,944	20,720
Adjustments for:		
Finance costs	15,359	11,043
Depreciation of plant and equipment	556	604
Depreciation of right-of-use assets	5,266	4,281
Share of results of associate, net of tax	(3,217)	(8,555)
Share of results of joint ventures, net of tax	(13,613)	(14,943)
Interest income	(12,918)	(9,951)
Dividends from		
- long term investments	(2,674)	(4,626)
- short term investments	(432)	(359)
Inventories written down	77	47
Allowance for/(write-back of) obsolete inventories	40	(191)
Allowance for doubtful debts	-	23
Net change in fair value of investments at fair value through profit and loss	317	3,719
Unrealised foreign exchange adjustments	1,107	2,927
Operating profit before reinvestment in working capital	<u>812</u>	<u>4,739</u>

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

1. Corporate information

Metro Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 391A Orchard Road, #19-00, Tower A, Ngee Ann City, Singapore 238873.

The principal activities of the Company are those of a management, property investment and holding company.

The principal activities of the Group are those of management and holding companies, retailers and department store operators, property investment and developers.

The condensed interim consolidated financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associates and joint ventures.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The condensed interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2023. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

2.2 *New and amended standards adopted by the Group*

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 April 2023. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.3 *Use of judgement and estimates*

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's financial statements as at and for the year ended 31 March 2023.

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue

		Group 6 months ended 30 September	
	Note	2023	2022
		\$'000	\$'000
Revenue from contracts with customers	(a)	47,421	50,775
Rental income from an investment property		2,740	3,112
		50,161	53,887

(a) Disaggregation of revenue:

Segments	Retail		Property		Total revenue	
	6 months ended		6 months ended		6 months ended	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets						
Singapore	45,594	47,308	–	–	45,594	47,308
Indonesia	–	–	1,827	3,467	1,827	3,467
Total revenue from contracts with customers	45,594	47,308	1,827	3,467	47,421	50,775
Major revenue streams						
Sales of goods	34,330	35,156	–	–	34,330	35,156
Net commission from concessionaires	11,264	12,152	–	–	11,264	12,152
Sales of property rights	–	–	1,827	3,467	1,827	3,467
Total revenue from contracts with customers	45,594	47,308	1,827	3,467	47,421	50,775

Revenue from contracts with customers are recognised at a point in time.

The gross revenue from concessionaire sales is analysed as follows:

	Group 6 months ended 30 September	
	2023	2022
	\$'000	\$'000
Gross revenue from concessionaire sales	40,188	42,752

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

5. Cost of revenue

	Group 6 months ended 30 September	
	2023	2022
	\$'000	\$'000
Retail	43,002	41,449
Property		
- Cost of property rights sold	1,581	2,715
- Rental	467	518
	<hr/>	<hr/>
	45,050	44,682

6. Other net income

	Group 6 months ended 30 September	
	2023	2022
	\$'000	\$'000
Interest income from:		
- Financial instruments at amortised cost	12,918	9,951
Dividends, gross from:		
- Long term investments	2,674	4,626
- Short term investments	432	359
	<hr/>	<hr/>
	3,106	4,985
Net change in fair value of investments at fair value through profit or loss:		
- Long term investments	248	(1,878)
- Short term investments	(565)	(1,841)
	<hr/>	<hr/>
	(317)	(3,719)
Foreign exchange loss	(2,756)	(2,599)
Other rental income	666	362
Sundry income	695	679
	<hr/>	<hr/>
	14,312	9,659

7. Finance costs

	Group 6 months ended 30 September	
	2023	2022
	\$'000	\$'000
Interest on borrowings carried at amortised cost	9,318	5,023
Interest on notes carried at amortised cost	4,427	4,459
Interest on lease liabilities	696	859
Others	918	702
	<hr/>	<hr/>
	15,359	11,043

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

8. Profit from operations before taxation

Profit from operations before taxation is stated after charging/(crediting):

	Group	
	6 months ended	
	30 September	
	2023	2022
	\$'000	\$'000
Rental expense ⁽¹⁾	2,865	2,665
Depreciation of plant and equipment	556	604
Depreciation of right-of-use assets ⁽²⁾	5,266	4,281
Inventories written down	77	47
Allowance for/(write-back of) obsolete inventories	40	(191)
Allowance for doubtful debts	—	23

⁽¹⁾ Rental expense includes total contingent rents recognised as an expense for the financial period amounting to \$244,000 (2022: \$272,000).

⁽²⁾ During the previous financial period, these were presented net of rental rebate of \$985,000.

9. Taxation

Tax expense for the period was derived at by applying the varying statutory tax rates on the taxable profit/(loss) and taxable/deductible temporary differences of the different countries in which the Group operates.

	Group	
	6 months ended	
	30 September	
	2023	2022
	\$'000	\$'000
Current taxation		
- Current income taxation	1,340	3,375
- Over provision in respect of prior financial years	(52)	(88)
	1,288	3,287
Deferred taxation		
- Origination and reversal of temporary differences	1,495	8
Withholding tax	—	620
Income tax expense recognised in the consolidated income statement	2,783	3,915

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

10. Earnings per share

Basic earnings per share is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Group 6 months ended 30 September	
	2023 Cents	2022 Cents
Basic	1.0	2.0
Diluted	1.0	2.0
	\$'000	\$'000
Profit net of taxation attributable to owners of the Company, used in the computation of basic and diluted earnings per share	8,192	16,887

	Group 30 September	
	2023 No. of shares '000	2022 No. of shares '000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	828,036	828,036

As at 30 September 2023, there are no dilutive potential ordinary shares (30 September 2022: Nil).

11. Investment property

	Group	
	30 September 2023 \$'000	31 March 2023 \$'000
Balance sheet:		
Balance at 1 April	106,196	115,744
Adjustments to fair value	—	776
Foreign exchange adjustments	(3,832)	(10,324)
	102,364	106,196

Valuation of investment property

Investment property is stated at fair value, which has been determined based on valuation at the end of the reporting period. Valuation is performed by accredited independent valuer with recent experience in the location and category of the property being valued.

The accounting for the investment property was based on market conditions prevailing as at 30 September 2023.

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

12. Associates

	Group		Company	
	30 September	31 March	30 September	31 March
	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000
<u>Non-current</u>				
Investment in associates	390,494	399,284	500	500
Add:				
Amounts due from associates	543,038	556,624	–	–
	<u>933,532</u>	<u>955,908</u>	<u>500</u>	<u>500</u>
<u>Current</u>				
Amounts due from associates	75,068	65,610	–	–

The Group's share of associates' results, adjusted for the proportion of ownership interest by the Group, is as follows:

	Group	
	6 months ended	
	30 September	
	2023	2022
	\$'000	\$'000
Operating results	4,164	11,860
Fair value adjustments on investment properties	(2,000)	2,615
Non-operating results ⁽¹⁾	2,130	–
Taxation	(1,397)	(5,773)
Others	320	(147)
	<u>3,217</u>	<u>8,555</u>

⁽¹⁾ In the half year ended 30 September 2023, the non-operating results of associates of \$2.1 million included the Group's share of non-operating results from Top Spring International Holdings Limited ("Top Spring") which included compensation income received from Hong Kong's government for land parcels in Yuen Long.

As Top Spring releases its results on a half-year basis, with the last financial statements as at 30 June 2023, 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 announced results for the 6 months to 30 June 2023 and adjusted for the effects of significant transactions or events that occurred between 1 July 2023 and 30 September 2023.

The accounting for the interests in associates was based on market conditions prevailing as at 30 September 2023. Investment properties of the Group's associates which are material properties to the Group were stated at fair valuation as at 30 September 2023 as determined by independent professional valuers, whilst the fair values of certain associates' investment properties were based on independent professional valuations as at 31 March 2023 whereby the Group has assessed the fair values as at 30 September 2023 in consultation with external valuers.

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

13. Joint ventures

	Group		Company	
	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
<u>Non-current</u>				
Investment in joint ventures	265,826	260,756	–	–
Add:				
Amounts due from joint ventures	99,243	79,981	–	–
	<u>365,069</u>	<u>340,737</u>	<u>–</u>	<u>–</u>
Amounts due to joint ventures	<u>131,228</u>	<u>135,584</u>	<u>–</u>	<u>–</u>
<u>Current</u>				
Amounts due from joint ventures	<u>135,074</u>	<u>158,836</u>	<u>4,176</u>	<u>4,055</u>

The summarised financial information of the joint ventures, adjusted for the proportion of ownership interest by the Group, is as follows:

	Group 6 months ended 30 September	
	2023 \$'000	2022 \$'000
Operating results	17,710	24,480
Fair value adjustments on investment properties	(1,179)	(5,352)
Taxation	(2,918)	(4,185)
	<u>13,613</u>	<u>14,943</u>

The accounting for the interests in joint ventures was based on market conditions prevailing as at 30 September 2023. Investment properties of the Group's joint ventures which are material properties to the Group were stated at fair valuation as at 30 September 2023 as determined by independent professional valuers, whilst the fair values of certain joint ventures' investment properties were based on independent professional valuations as at 31 March 2023 whereby the Group has assessed the fair values as at 30 September 2023 in consultation with external valuers.

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023

14. Investments

	Group	
	30 September	31 March
	2023	2023
	\$'000	\$'000
<i>Current:</i>		
<i>Financial assets at fair value through profit or loss</i>		
Equity securities (quoted)	14,014	14,580
<i>Non-current:</i>		
<i>Financial assets at fair value through other comprehensive income</i>		
Equity securities (quoted)	33,405	33,919
<i>Financial assets at fair value through profit or loss</i>		
Equity securities (unquoted)	73,759	70,699
Equity securities (quoted)	3,422	4,447
	77,181	75,146
	110,586	109,065

Metro Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023**

15. Accounts and other receivables

		Group		Company	
	Note	30 September 2023 \$'000	31 March 2023 \$'000	30 September 2023 \$'000	31 March 2023 \$'000
<i><u>Current</u></i>					
Trade receivables		44,198	46,148	–	–
Deposits		2,175	2,151	214	214
VAT receivables		10,249	10,540	–	–
Other receivables		2,316	3,652	202	1,372
		<u>58,938</u>	<u>62,491</u>	<u>416</u>	<u>1,586</u>
<i>Financial assets</i>					
<i><u>Current</u></i>					
Accounts and other receivables		48,689	51,951	416	1,586
Amounts due from subsidiaries		–	–	399,063	261,778
Amounts due from associates	12	75,068	65,610	–	–
Amounts due from joint ventures	13	135,074	158,836	4,176	4,055
<i><u>Non-current</u></i>					
Amounts due from subsidiaries		–	–	112,455	236,955
Amounts due from associates		224,120	224,120	–	–
Amounts due from joint ventures		16,603	28,281	–	–
Total receivables (current and non-current)		499,554	528,798	516,110	504,374
Add:					
Cash and cash equivalents		263,288	329,305	103,453	118,431
Total financial assets carried at amortised cost		<u>762,842</u>	<u>858,103</u>	<u>619,563</u>	<u>622,805</u>

Metro Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
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16. Borrowings

	Note	Group		Company	
		30 September	31 March	30 September	31 March
		2023	2023	2023	2023
		\$'000	\$'000	\$'000	\$'000
Current					
Bank borrowings					
- Unsecured		85,990	139,201	50,000	29,832
Unsecured borrowings under the multicurrency debt issuance programme					
- 4.30% p.a. fixed rate SGD notes (repayable in April 2024)	(a)	199,851	—	199,851	—
		<u>285,841</u>	<u>139,201</u>	<u>249,851</u>	<u>29,832</u>
Non-current					
Bank borrowings					
- Unsecured		262,229	256,097	262,229	256,097
Unsecured borrowings under the multicurrency debt issuance programme					
- 4.30% p.a. fixed rate SGD notes (repayable in April 2024)	(a)	—	199,705	—	199,705
		<u>262,229</u>	<u>455,802</u>	<u>262,229</u>	<u>455,802</u>
Maturity of borrowings					
Repayable:					
Within 1 year		285,841	139,201	249,851	29,832
Within 2 to 5 years		262,229	455,802	262,229	455,802
		<u>548,070</u>	<u>595,003</u>	<u>512,080</u>	<u>485,634</u>

- (a) On 2 April 2019, the Company issued \$200 million of unsecured fixed rate notes under its \$1 billion multicurrency debt issuance programme which was established on 4 October 2018. The notes will mature in April 2024 and bear an interest of 4.30% per annum payable semi-annually in arrears.

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

17. Share capital and treasury shares

(a) *Share capital*

	Group and Company			
	30 September 2023		31 March 2023	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid:				
<i>Ordinary shares</i>				
Balance at beginning and end of the financial period	831,549	169,717	831,549	169,717

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The total number of issued ordinary shares, excluding treasury shares as at 30 September 2023 and 31 March 2023 was 828,035,874.

There were no convertible instruments outstanding as at 30 September 2023 (30 September 2022: Nil).

The Company did not have any subsidiary holdings in the half year ended 30 September 2023 (30 September 2022: Nil).

(b) *Treasury shares*

	Group and Company			
	30 September 2023		31 March 2023	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Balance at beginning and end of the financial period	3,513	1,768	3,513	1,768

Treasury shares relate to ordinary shares of the Company that are held by the Company.

The Company did not sell, transfer, cancel or use any treasury shares in the half year ended 30 September 2023.

18. Dividends

	Group and Company	
	6 months ended 30 September 2023	2022
	\$'000	\$'000
Dividends paid during the financial period:		
Final exempt (one-tier) dividend for 2023 of 2.0 cents (2022: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend for 2023 of 0.25 cents (2022: 1.0 cents) per ordinary share	2,070	8,280
	18,631	24,841

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

19. Related party disclosures

In addition to the related party information disclosed elsewhere in the interim financial statements, the significant transactions between the Group and related parties on terms agreed between the parties are as follows:

(a) *Services and other fees*

	Group	
	6 months ended	
	30 September	
	2023	2022
	\$'000	\$'000
Interest income from associates	(6,107)	(6,107)
Interest income from joint ventures	(420)	(321)
Service fee received from associates	(29)	(29)
Service fee received from joint ventures	(73)	(99)
Interest expense paid to joint ventures	722	610

20. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- (i) The property sector is involved in the leasing of shopping and office spaces owned by the Group and investing in property-related investments.
- (ii) The retail segment is involved in the business of retailing and operating of departmental stores.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Metro Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023**

20. Segment information (cont'd)

Business segments

	Property \$'000	Retail \$'000	Total \$'000
30 September 2023			
Segment revenue			
- Sales of goods and net commission from concessionaires	–	45,594	45,594
- Sales of property rights	1,827	–	1,827
- Rental income	2,740	–	2,740
	4,567	45,594	50,161
Segment results ⁽¹⁾	8,799	674	9,473
Finance costs	(14,750)	(609)	(15,359)
Share of associates' results, net of tax	3,217	–	3,217
Share of joint ventures' results, net of tax	13,613	–	13,613
Segment profit from operations before taxation	10,879	65	10,944
Taxation	(2,736)	(47)	(2,783)
Profit net of taxation	8,143	18	8,161
	Property \$'000	Retail \$'000	Total \$'000
30 September 2022			
Segment revenue			
- Sales of goods and net commission from concessionaires	–	47,308	47,308
- Sales of property rights	3,467	–	3,467
- Rental income	3,112	–	3,112
	6,579	47,308	53,887
Segment results ⁽¹⁾	4,970	3,295	8,265
Finance costs	(10,280)	(763)	(11,043)
Share of associates' results, net of tax	8,555	–	8,555
Share of joint ventures' results, net of tax	14,943	–	14,943
Segment profit from operations before taxation	18,188	2,532	20,720
Taxation	(3,451)	(464)	(3,915)
Profit net of taxation	14,737	2,068	16,805

⁽¹⁾ Segment results include gross profit, other net income and general and administrative expenses. (refer to Condensed Interim Consolidated Income Statement on page 1)

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023

20. Segment information (cont'd)

	Property \$'000	Retail \$'000	Total \$'000
30 September 2023			
<i>Assets and liabilities</i>			
Segment assets	670,836	73,760	744,596
Associates	1,008,600	–	1,008,600
Joint ventures	500,143	–	500,143
Total assets	2,179,579	73,760	2,253,339
Segment liabilities	711,044	63,224	774,268
Provision for taxation	4,469	883	5,352
Deferred tax liabilities	24,503	–	24,503
Total liabilities	740,016	64,107	804,123
31 March 2023			
<i>Assets and liabilities</i>			
Segment assets	737,862	86,904	824,766
Associates	1,021,518	–	1,021,518
Joint ventures	499,573	–	499,573
Total assets	2,258,953	86,904	2,345,857
Segment liabilities	762,684	70,048	832,732
Provision for taxation	6,647	1,399	8,046
Deferred tax liabilities	23,763	–	23,763
Total liabilities	793,094	71,447	864,541

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

20. Segment information (cont'd)

Geographical information

Revenue and profit from operations before taxation information based on the geographical location of the customers and assets respectively, are as follows:

	Asean ⁽¹⁾	People's Republic of China	Australia	Others ⁽²⁾	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
30 September 2023					
Segment revenue from external customers	47,421	2,740	–	–	50,161
(Loss)/profit from operations before taxation	(3,171)	14,888	275	(1,048)	10,944
30 September 2022					
Segment revenue from external customers	50,775	3,112	–	–	53,887
(Loss)/profit from operations before taxation	(819)	12,727	2,560	6,252	20,720

⁽¹⁾ Asean includes retail segment, investment holding companies and costs of provision of corporate and management services.

⁽²⁾ Others include investment properties and projects (held through associates and joint ventures) mainly in the United Kingdom as well as long term investments in quoted and unquoted securities that mainly invests in the United States, Europe and Japan.

21. Fair value of assets and liabilities

(a) *Fair value hierarchies*

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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**Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023**

21. Fair value of assets and liabilities (cont'd)

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	30 September 2023			
	Fair value measurements at the end of the reporting period using			
Group	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant un-observable inputs (Level 3) \$'000	Total \$'000
Recurring fair value measurements				
<i>Financial assets:</i>				
<u>Current</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	14,014	—	—	14,014
<u>Non-current</u>				
<i>Financial assets at fair value through other comprehensive income</i>				
- Quoted equity instruments	33,405	—	—	33,405
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	3,422	—	—	3,422
- Unquoted equity instruments	—	—	73,759	73,759
Total long term financial assets	36,827	—	73,759	110,586
Financial assets as at 30 September 2023	50,841	—	73,759	124,600
<i>Non-financial asset:</i>				
Investment property (Note 11)	—	—	102,364	102,364
Non-financial asset as at 30 September 2023	—	—	102,364	102,364

Metro Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023**

21. Fair value of assets and liabilities (cont'd)

(b) Assets measured at fair value (cont'd)

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	31 March 2023			
	Fair value measurements at the end of the reporting period using			
Group	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant un-observable inputs (Level 3) \$'000	Total \$'000
Recurring fair value measurements				
<i>Financial assets:</i>				
<u>Current</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	14,580	—	—	14,580
<u>Non-current</u>				
<i>Financial assets at fair value through other comprehensive income</i>				
- Quoted equity instruments	33,919	—	—	33,919
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	4,447	—	—	4,447
- Unquoted equity instruments	—	—	70,699	70,699
Total long term financial assets	38,366	—	70,699	109,065
Financial assets as at 31 March 2023	52,946	—	70,699	123,645
<i>Non-financial asset:</i>				
Investment property (Note 11)	—	—	106,196	106,196
Non-financial asset as at 31 March 2023	—	—	106,196	106,196

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

21. Fair value of assets and liabilities (cont'd)

(c) Level 1 fair value measurements

The fair value of quoted equity instruments are determined directly by reference to their published market bid price at the end of the reporting date.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair Value at 30 September 2023 \$'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- Unquoted equity instruments	6,000	Market comparable	Not applicable	Not applicable
- Unquoted equity instruments	67,759	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investment property	102,364	Average of direct capitalisation method and direct comparison method ⁽²⁾	- Capitalisation rate ⁽³⁾ - Rental rate ⁽⁴⁾ - Comparable price ⁽⁵⁾	5.5% per annum RMB 107 to RMB 143 per square meter per month Retail and office: RMB 18,848 to RMB 22,447 per square meter Carpark space: RMB 300,000 per carpark lot

Metro Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023**

21. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair Value at 31 March 2023 \$'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- Unquoted equity instruments	6,000	Market comparable	Not applicable	Not applicable
- Unquoted equity instruments	64,699	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investment property	106,196	Average of direct capitalisation method and direct comparison method ⁽²⁾	- Capitalisation rate ⁽³⁾ - Rental rate ⁽⁴⁾ - Comparable price ⁽⁵⁾	5.5% per annum RMB 107 to RMB 143 per square meter per month Retail and office: RMB 18,848 to RMB 22,447 per square meter Carpark space: RMB 300,000 per carpark lot

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

21. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

- (1) The fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee company.
- (2) Adjustments are made for any difference in the nature, location or condition of the specific property.
- (3) An increase/(decrease) in the capitalisation rate would result in a (decrease)/increase in the fair value of the investment property.
- (4) An increase/(decrease) in the rental rate would result in an increase/(decrease) in the fair value of the investment property.
- (5) An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the investment property.

The valuation of the investment property is generally sensitive to changes in yield and rental rates. A significant increase/decrease in yield and rental adjustments based on management's assumptions would result in a significantly higher/lower fair value measurement.

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	30 September 2023		
	Financial assets at fair value through profit or loss (Unquoted equity instruments) \$'000	Investment property \$'000	Total \$'000
Group			
Opening balance	70,699	106,196	176,895
Total gains or losses for the financial period			
- Fair value gain recognised in profit or loss	1,712	—	1,712
Additions	1,328	—	1,328
Redemptions	(215)	—	(215)
Foreign exchange differences	235	(3,832)	(3,597)
Closing balance	73,759	102,364	176,123

Metro Holdings Limited and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 30 September 2023**

21. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets measured at fair value (cont'd)

	31 March 2023		
Group	Financial assets at fair value through profit or loss (Unquoted equity instruments) \$'000	Investment property \$'000	Total \$'000
Opening balance	78,062	115,744	193,806
Total gains or losses for the financial year			
- Fair value (loss)/gain recognised in profit or loss	(12,530)	776	(11,754)
Additions	6,492	—	6,492
Redemptions	(1,194)	—	(1,194)
Foreign exchange differences	(131)	(10,324)	(10,455)
Closing balance	70,699	106,196	176,895

(iii) Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations in light of the prevailing conditions at 30 September 2023.

Metro Holdings Limited and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2023

22. Net asset value

	Group		Company	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	\$	\$	\$	\$
Net asset value per ordinary share	1.72	1.76	0.46	0.46

Net asset value per ordinary share for the Group is calculated on the equity attributable to owners of the Company as at 30 September 2023 of \$1,424,541,000 (31 March 2023: \$1,456,690,000) divided by the total number of issued shares excluding treasury shares as at 30 September 2023 of 828,035,874 (31 March 2023: 828,035,874).

**Other Information Required by Listing Rule
Appendix 7.2**

OTHER INFORMATION

1. Review

The condensed interim balance sheets of Metro Holdings Limited and its subsidiaries as at 30 September 2023 and the related condensed interim consolidated income statement and statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated cash flow statement for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2(a) Review of Group Results for Half Year ended 30 September 2023 (1HFY2024) against Half Year ended 30 September 2022 (1HFY2023)

The Group's revenue of \$50.2 million for the first half financial year to 30 September 2023 decreased by 6.9% over 1HFY2023's \$53.9 million. Revenue from the property division for 1HFY2024 decreased to \$4.6 million from 1HFY2023's \$6.6 million mainly due to lower contributions from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$1.7 million at \$1.8 million in 1HFY2024 from \$3.5 million in 1HFY2023. Rental revenue from GIE Tower, Guangzhou, decreased to \$2.7 million in 1HFY2024 from \$3.1 million in 1HFY2023.

The retail division reported lower revenue by \$1.7 million at \$45.6 million in 1HFY2024 from \$47.3 million in 1HFY2023 mainly due to lower sales from Metro Paragon and Metro Causeway Point in Singapore.

Correspondingly, overall gross profit decreased to \$5.1 million in 1HFY2024 from \$9.2 million in 1HFY2023 in line with lower revenue.

Other net income was higher by \$4.6 million at \$14.3 million in 1HFY2024 from \$9.7 million in 1HFY2023 mainly due to higher interest income by \$3.0 million and lower net fair value loss of long term and short term investments by \$3.4 million in 1HFY2024. These were partially offset by lower dividend income from long term investments by \$2.0 million.

Share of profit of associates decreased by \$5.3 million at \$3.2 million in 1HFY2024 from \$8.5 million in 1HFY2023 mainly due to (1) its share of fair value loss (net of tax) on investment properties of \$1.9 million in 1HFY2024 as compared to a fair value gain (net of tax) on investment properties of \$1.9 million in 1HFY2023, resulting in a fair value loss adjustment by \$3.8 million mainly attributed to the 30% stake in six purpose-built student accommodation ("PBSA") properties in the United Kingdom ("UK"); and (2) lower share of associate's operating profit by \$1.5 million mainly from the Australia and UK properties due to rising interest costs. These were partially mitigated by lower share of operating loss from Shanghai Plaza by \$1.2 million.

Share of profit of joint ventures decreased by \$1.3 million at \$13.6 million in 1HFY2024 from \$14.9 million in 1HFY2023 mainly due to lower share of joint ventures' operating profits (net of tax) by \$4.4 million mainly from Asia Green by \$1.3 million due to the rising interest costs, the China investment properties by \$1.8 million and the absence of contribution from 5 Chancery Lane in UK, which is currently undergoing the planned asset enhancement works expected to be completed by 1Q2026. These were partially mitigated by lower fair value loss (net of tax) on investment properties by \$3.1 million in 1HFY2024 attributed to its lower fair value loss by \$2.5 million from Metro City, Shanghai and higher fair value gain adjustment from The Atrium Mall, Chengdu by \$0.6 million.

Finance costs increased by \$4.3 million at \$15.3 million in 1HFY2024 from \$11.0 million in 1HFY2023 mainly due to rising interest rates from bank borrowings, which was mitigated by lower bank borrowings from partial repayment of short term borrowings.

As a result of the foregoing, profit before taxation decreased to \$10.9 million in 1HFY2024 from \$20.7 million in 1HFY2023.

Segmental Results for Half Year ended 30 September
(Refer to Segment information on page 21)

Segmental Results - Property Division

Revenue from the property division for 1HFY2024 decreased to \$4.6 million from 1HFY2023's \$6.6 million mainly due to lower sales of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$1.7 million in 1HFY2024 from \$3.5 million in 1HFY2023. Rental revenue from GIE Tower, Guangzhou, decreased to \$2.7 million in 1HFY2024 from \$3.1 million in 1HFY2023.

Segment results of the property division, excluding finance costs and share of results of associates and joint ventures, reported a higher profit of \$8.8 million in 1HFY2024 as compared to \$5.0 million in 1HFY2023. Other net income was higher by \$4.1 million at \$12.9 million in 1HFY2024 from \$8.8 million in 1HFY2023 mainly due to higher interest income by \$2.8 million and lower net fair value loss of long term and short term investments by \$3.4 million in 1HFY2024. These were partially offset by lower dividend income from long term investments by \$2.0 million.

Share of profit of associates decreased by \$5.3 million at \$3.2 million in 1HFY2024 from \$8.5 million in 1HFY2023 mainly due to (1) its share of fair value loss (net of tax) on investment properties of \$1.9 million in 1HFY2024 as compared to a fair value gain (net of tax) on investment properties of \$1.9 million in 1HFY2023, resulting in a fair value loss adjustment by \$3.8 million mainly attributed to the 30% stake in six PBSA properties in the UK; and (2) lower share of associate's operating profit by \$1.5 million mainly from the Australia and UK properties due to rising interest costs. These were partially mitigated by lower share of operating loss from Shanghai Plaza by \$1.2 million.

Share of profit of joint ventures decreased by \$1.3 million at \$13.6 million in 1HFY2024 from \$14.9 million in 1HFY2023 mainly due to lower share of joint ventures' operating profits (net of tax) by \$4.4 million mainly from Asia Green by \$1.3 million due to the rising interest costs, the China investment properties by \$1.8 million and the absence of contribution from 5 Chancery Lane in UK, which is currently undergoing the planned asset enhancement works expected to be completed by 1Q2026. These were partially mitigated by lower fair value loss (net of tax) on investment properties by \$3.1 million in 1HFY2024 attributed to its lower fair value loss by \$2.5 million from Metro City, Shanghai and higher fair value gain adjustment from The Atrium Mall, Chengdu by \$0.6 million.

Finance costs increased by \$4.5 million at \$14.8 million in 1HFY2024 from \$10.3 million in 1HFY2023 mainly due to rising interest rates from bank borrowings, which was mitigated by lower bank borrowings from partial repayment of short term borrowings.

The average occupancy of the Group's four investment properties held by a subsidiary and joint ventures as at 30 September 2023 was 88.6%.

The portfolio summary of the Group's Investment Properties as at 30 September 2023 was as follows:

	Percentage Owned	Tenure	No. of Tenants	Occupancy Rate (%)
<u>Owned by a Subsidiary</u>				
GIE Tower, Guangzhou	100%	50 year term from 1994	34	83.7%
<u>Owned by Joint Ventures</u>				
Metro City, Shanghai	60%	36 year term from 1993	171	87.2%
Metro Tower, Shanghai	60%	50 year term from 1993	27	84.9%
Asia Green, Singapore	50%	99 year term from 2007	26	98.7%

Segmental Results - Retail Division

Revenue from the Singapore operations of the retail division for 1HFY2024 decreased to \$45.6 million from 1HFY2023's \$47.3 million mainly due to lower sales from Metro Paragon and Metro Causeway Point, the two department stores in Singapore.

Segment results, excluding finance costs, of the retail division reported a profit of \$0.7 million in 1HFY2024 as compared to a profit of \$3.3 million in 1HFY2023 in line with lower retail revenue and lower gross profit margin due to higher inflation-driven costs in raw materials, labour and energy, and the absence of rental rebates granted by landlords in 1HFY2023.

Pressure on margins amidst a highly competitive trading environment will continue to affect the results.

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

Associates (Non-current assets) (\$933.5 million) and Amounts due from associates (Current assets) (\$75.1 million) totalling \$1,008.6 million as at 30 September 2023 decreased from \$1,021.5 million as at 31 March 2023 mainly due to repayment from an associate in the United Kingdom of \$2.3 million, dividend distribution received from associates of \$2.1 million in 1HFY2024 and currency translation loss of foreign associates. These were partially offset by share of profit of associates of \$3.2 million.

Joint Ventures (Non-current assets) (\$365.1 million) and Amounts due from joint ventures (Current assets) (\$135.1 million) totalling \$500.2 million as at 30 September 2023 increased from \$499.5 million as at 31 March 2023 mainly due to share of profit of joint ventures of \$13.6 million and shareholder loans of \$16.7 million to joint ventures in the United Kingdom. These were partially offset by dividend distribution from joint ventures of \$20.1 million in 1HFY2024 and currency translation loss of foreign joint ventures, mainly in China.

Development properties (Current assets) decreased from \$145.6 million as at 31 March 2023 to \$144.2 million as at 30 September 2023. This relates to the residential development properties in Jakarta, Indonesia, held for sales. During the financial period, the sale recognition of property rights of residential units was \$1.4 million.

Accounts and other receivables (Current assets) decreased from \$62.5 million as at 31 March 2023 to \$58.9 million as at 30 September 2023 mainly due to receipts from the sale of property rights of \$4.4 million, which was partially offset by sale recognition of property rights of \$1.8 million, relating to the residential development properties in Jakarta, Indonesia, held for sales in 1HFY2024.

Borrowings (Current liabilities) increased from \$139.2 million as at 31 March 2023 to \$285.8 million as at 30 September 2023. In 1HFY2024, the Group had utilised cash to pare down short term borrowings by \$55.7 million and reclassified the \$200 million 4.3% Notes due 2024 from Bank borrowings (Non-current liabilities). Consequently, Borrowings (Non-current liabilities) decreased from \$455.8 million as at 31 March 2023 to \$262.2 million as at 30 September 2023, after a loan drawn on long term banking facilities of \$6.6 million.

Amounts due to joint ventures (Non-current liabilities) decreased from \$135.6 million as at 31 March 2023 to \$131.2 million as at 30 September 2023 mainly due to lower revalued loans denominated in Renminbi from joint ventures in the PRC.

As a result of the above and after taking into account a dividend of \$18.6 million paid to shareholders, Cash and cash equivalents decreased from \$329.3 million as at 31 March 2023 to \$263.3 million as at 30 September 2023.

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

3. 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.

4. 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 operating period and the next 12 months

Overall

The global economy remains challenging from the blows of the COVID-19 pandemic, Russia's invasion of Ukraine, the recent Israel-Hamas conflict and the rising cost-of-living brought about by persistent inflation. Economic activity still falls short of its pre-pandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery, including the long-term consequences of the pandemic and the geopolitical effects of the United States of America-China tensions. Others are more cyclical in nature, including the tightening of monetary policy to reduce inflation, withdrawal of fiscal support amidst high debt, and extreme weather events. On 1 November 2023, the US Federal Reserve held interest rates steady at 5.25-5.50% as they struggled to determine whether the financial conditions may be tight enough to control inflation, or whether an economy that continues to outperform expectations may need further hikes¹. The International Monetary Fund ("IMF") projects global growth slowing from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. This remains well below the historical (2000-19) average of 3.8%. Global inflation continues to decelerate, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024². The Group operates in 5 countries namely Singapore, China, Indonesia, the United Kingdom ("UK") and Australia which are subject to the heightened economic volatility and currencies' fluctuations against the Singapore dollar.

Property Division

China

China registered 3Q2023 GDP growth of 4.4% versus 6.3% in 2Q2023, weighed by persistently weak demand. The world's second largest economy faltered in 2Q2023 after a brief post-COVID recovery, dragged by a property downturn and escalating debt due to decade long infrastructure binge³, and this has affected Metro's properties in China. China's economy grew 3.0% in 2022, and is forecasted to grow 5.0% in 2023 and 4.2% in 2024⁴. The Group's China investment properties, mainly Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou reported an average occupancy of 85.3%⁵ (88.6%⁶). The Atrium Mall in Chengdu, and Shanghai Plaza in Shanghai have achieved occupancy of 91.3%⁵ (84.4%⁶) and 90.8%⁵ (92.3%⁶) respectively. Leasing continues to be challenging for the three office buildings in Bay Valley which are 71.6%⁵ (68.3%⁶) occupied. Current difficulties in the office leasing market, particularly in Shanghai, will affect the occupancy of our China investment properties. The Group's associate, Top Spring International Holdings Limited, co-investments with BentallGreenOak and our other China investment properties will continue to be subject to persistent market headwinds in China and Hong Kong.

Singapore

Singapore's GDP grew by 3.6% in 2022, less than the 8.9% growth registered in 2021. For 2023, the Ministry of Trade and Industry ("MTI") narrowed the GDP growth forecast to "0.5%-1.5%", from "0.5%-2.5%"⁷. Overall MTI's assessment is that Singapore's external demand outlook for the rest of 2023 remains weak, with the global electronics downturn likely to be protracted, and a gradual recovery expected towards the end of 2023 at the earliest. On the office front, trends of refining workspace utilisation and flight to quality have continued, with vacancy tightening across the Grade A submarkets⁸. These developments will continue to benefit our premium Grade-A office towers at the Tampines Regional Centre which has achieved an occupancy rate of 98.7%⁵ (89.8%⁶).

In the logistics sector, despite dim manufacturing sentiments and falling export demand, industrial demand remains resilient for factory and warehouse spaces, driven by large industrial occupiers and third-party logistics ("3PL") operators⁹. Metro is well positioned given our 26% stake in the Boustead Industrial Fund ("BIF"), with a quality portfolio of 16 industrial, business park, high-spec industrial and logistics properties in Singapore, enjoying a high committed average occupancy of 93.6%⁵ and a long weighted average lease expiry ("WALE") by income of approximately 5.4 years. The total portfolio under BIF has a total asset size of \$748.9 million.

¹ Reuters, Fed Keeps Rates Unchanged, Powell Hedges On Possible End Of Tightening Campaign, 2 November 2023

² IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023

³ Reuters, China's Q3 GDP Seen Slowing As Beijing Races To Revive Growth, 18 October 2023

⁴ IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023

⁵ As at 30 September 2023

⁶ As at 30 September 2022

⁷ MTI Singapore, MTI Narrows Singapore's GDP Growth Forecast For 2023 to "0.5 to 1.5 Per Cent", 11 August 2023

⁸ Colliers Office Q3 2023: A Turning Point? 8 October 2023

⁹ Cushman & Wakefield, Singapore Market H2 Outlook 2023, 13 July 2023

Indonesia

According to the IMF, Indonesia recorded an annual GDP growth of 5.3% in 2022, and is forecasted to grow 5.0% in 2023 and 5.0% in 2024¹⁰. Currently, residential developers are refraining from initiating new projects and are instead prioritising the completion of existing construction to adhere to their schedules, to mitigate further delays and enhance reliability to attract potential buyers ahead of the February 2024 presidential elections¹¹. All five Bekasi towers and both Bintaro towers have topped off, fully-paid units are gradually being handed over and sales continue to be underway.

United Kingdom

UK GDP grew 4.1% in 2022 and is forecast to shrink to 0.5% in 2023 and 0.6% in 2024¹². On 2 November 2023, the Bank of England ("BOE") held interest rate at a 15-year peak of 5.25% and ruled out cuts any time soon as it fights the highest inflation of the world's big rich economies, repeating its September decision after 14 back-to-back increases¹³.

2023 investment volumes in the UK Purpose-Built Student Accommodation ("PBSA") sector of £1.2 billion is 76% below the corresponding 2022 figure given the weakening UK economic outlook¹⁴. Metro has a 30% stake in Paideia Capital UK Trust, which owns a portfolio comprising six freehold quality PBSA properties across Warwick, Bristol, Durham, Exeter, Glasgow and Kingston valued at £132.4 million and with a committed occupancy rate of 96.0% as at 30 September 2023.

Jones Lang LaSalle forecasts that Manchester home prices will grow by 16.4% from 2022-2026, which is the fastest growth registered among all of the major UK cities¹⁵. This benefits Metro's 2,215 unit development at Middlewood Locks, where Phase 3 has commenced construction in 2Q2022 with completion expected in late 2024. Sales and marketing activities are in progress. The units in Phase 1 and Phase 2 have been fully sold and handed over.

As for Central London office, leasing activity in the three-months to June 2023 remained subdued, with 2.0 million sqft transacted, representing a 27% decrease compared to the corresponding period in 2022 (2.7 million sqft) and a 20% decline from the 10-year 2Q average of 2.5 million sqft, as the challenging economy begin to impact the office business sentiment¹⁶. Metro's tenant at our office property at 5 Chancery Lane has moved out upon lease expiry in May 2023, and immediately after that, Metro, together with our joint venture partner, carried out the planned asset enhancement works which is expected to be completed by 1Q2026.

Australia

On 3 October 2023, the Reserve Bank of Australia ("RBA") left the cash rate unchanged at 4.10%, which have increased by a total of 4.00% since May 2022. The higher interest rates are working to establish a more sustainable balance between supply and demand in the economy¹⁷. Conversely, the rising interest rates have increased property operating costs as well as the capitalisation rate, leading to a general decrease in most property valuations. Australia registered GDP growth of 3.7% in 2022 and the IMF outlook for economic growth in Australia is 1.8% in 2023 and 1.2% in 2024¹⁸. Metro's 30%-owned joint venture with Sim Lian consists of 17 quality freehold properties comprising 4 office buildings and 13 retail centres spanning across 4 key states, namely New South Wales, Victoria, Queensland, and Western Australia, with a total appraised value of approximately A\$1.2 billion (approximately S\$1.1 billion). The Australian portfolio achieved a high occupancy of 94.9%⁵ (95.8%⁶) and a WALE of approximately 5.6 years⁵ by income (6.1 years⁶).

Others

The Group's portfolio of long-term and short-term investments, held at fair value through profit or loss and other comprehensive income, will continue to be subject to fluctuations in their fair value. The Group is exposed to the effects of foreign currency exchange rate fluctuations, primarily in relation to Chinese Renminbi, Hong Kong dollar, US dollar, Sterling pound, Indonesian rupiah and Australian dollar. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency or against the entity's functional currency, in particular its future revenue stream.

¹⁰ IMF, *World Economic Outlook – Navigating Global Divergences*, 10 October 2023

¹¹ Colliers, *Colliers Quarterly Jakarta Apartment Report*, 4 October 2023

¹² IMF, *World Economic Outlook – Navigating Global Divergences*, 10 October 2023

¹³ Reuters, *Bank Of England Keeps Rates At 15-Year High*, 3 November 2023

¹⁴ Colliers, *United Kingdom Property Snapshot*, 26 October 2023

¹⁵ JLL, *UK Residential Forecasts*, 2 November 2021

¹⁶ JLL, *Q2 2023 Central London Office Market Report*, 21 July 2023

¹⁷ Reserve Bank of Australia, *Statement By Michele Bullock, Governor: Monetary Policy Decision*, 3 October 2023

¹⁸ IMF, *World Economic Outlook – Navigating Global Divergences*, 10 October 2023

Retail Division

According to the Ministry of Trade and Industry, Singapore retail trade sector shrank by 0.1% in 3Q2023, a reversal from the 3.0% expansion in 2Q2023¹⁹. Overall Singapore total retail sales dropped by 2.9% as of May 2023, reflecting some signs of cautious discretionary spending amidst economic uncertainties. Sales of furniture, household equipment, watches and jewellery declined the most. While retail sales came off a high base, the sales decline could be driven by a stronger return-to-office and weaker consumption for household items²⁰. This will continue to weigh on our two department stores at Paragon and Causeway Point, and online platforms. The Group's retail business continues to be impacted by the higher inflation-driven costs in raw material, labour and energy amidst a highly competitive trading environment.

The Group

Metro continues to operate across its key markets of Singapore, China, Indonesia, the UK and Australia. Amidst the elevated levels of global geopolitical and economic uncertainties, Metro will exercise caution and prudence while taking proactive measures to maintain strong capital management discipline, including preserving cash, optimising cash flows and liquidity, and to actively manage our existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value. With regards to our asset management strategy, we will prioritise critical asset enhancement, while deferring uncommitted capital expenditure, implementing cost saving measures and deploying derivative instruments to hedge the underlying interest rate exposures, where possible. The Group will continue to maintain a strong liquidity position comprising cash and available undrawn banking facilities.

5. Dividend information

(a) Current Financial Period Reported on

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

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

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

No interim dividend has been declared for the half year ended 30 September 2023. The Company usually declares dividend at financial year end.

7. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

¹⁹ MTI Singapore, Singapore's GDP Expanded By 0.7 Per Cent In The Third Quarter Of 2023, 13 October 2023

²⁰ Cushman & Wakefield, Marketbeat Singapore, Retail Q2 2023, 6 October 2023

9. Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the Group's unaudited condensed interim consolidated financial statements for the first half ended 30 September 2023 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries
Date: 14 November 2023



NEWS RELEASE

METRO HOLDINGS REPORTS 1HFY2024 PROFIT AFTER TAX OF S\$8.2 MILLION

- ***A decline from 1HFY2023 Profit After Tax of S\$16.8 million, mainly due to:***
 - o ***Lower gross profit in line with lower revenue from the retail division, share of associate's fair value loss on UK's investment properties, higher net finance costs, mitigated by lower share of fair value loss on China's investment properties***
- ***Continues to invest for resilience in Singapore:***
 - o ***Acquires 20% stake in VisionCrest Commercial, an 11-storey freehold Grade-A office building situated in the prime Orchard Road area***
- ***Maintains a strong balance sheet with Net Assets of S\$1.4 billion and Total Assets of S\$2.3 billion***

Singapore, 14 November 2023 – 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, recorded a net profit after tax of S\$8.2 million for the first half year ended 30 September 2023 (“**1HFY2024**”), as compared to S\$16.8 million in the corresponding period a year ago (“**1HFY2023**”). In 1HFY2024, the Group’s results were affected by lower gross profit from the retail division by S\$3.3 million and a share of associate’s fair value loss adjustment by S\$3.9 million on the United Kingdom’s (“**UK**”) investment properties. Rising interest rates has resulted in higher Group’s finance costs by S\$4.3 million which was partially mitigated by lower bank borrowings from partial repayment of short term borrowings and higher interest income by S\$3.0 million. In addition, the Group’s underlying investment properties owned by respective associates and joint ventures in the UK, Australia and Singapore were adversely affected by higher finance costs by S\$3.1 million. All the above were partially mitigated by a lower share of fair value loss on China’s investment properties by S\$2.1 million.

The Group posted a 6.9% decrease in revenue to S\$50.2 million in 1HFY2024, as compared to S\$53.9 million in 1HFY2023, with lower contribution from the retail division. Revenue from the property division decreased due to lower contributions from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Overall gross profit for 1HFY2024 was S\$5.1 million as compared to S\$9.2 million a year ago.

Metro Chairman, Lt Gen (Rtd) Winston Choo (“朱维良”), said, “Metro continues to be vigilant, actively monitoring our cash, leverage levels, debt maturities and funding sources, and proactively managing our existing investment portfolio, for optimal returns. On the business development front, Metro continues to proactively seek value accretive investment opportunities to maximise shareholder value.”

Review of Financial Performance

Property Division

The Property Division recorded 1HFY2024 revenue of S\$4.6 million as compared to S\$6.6 million a year ago, mainly due to lower sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Rental revenue from GIE Tower, Guangzhou declined by S\$0.4 million to S\$2.7 million in 1HFY2024.

The average occupancy rate for Metro’s four investment properties – GIE Tower in Guangzhou, China; Metro City and Metro Tower in Shanghai, China, and Asia Green in Singapore – stood at 88.6%¹ as at 30 September 2023, as compared to 91.1%¹ as at 30 September 2022.

Metro’s property segment, excluding finance costs and share of results of associates and joint ventures, reported a higher profit of S\$8.8 million in 1HFY2024 as compared to S\$5.0 million in 1HFY2023 mainly due to higher interest income and lower net fair

¹ Average occupancy rate as at 30 September 2022 is inclusive of the fully leased freehold office property at 5 Chancery Lane in Central London, UK, but not included as at 30 September 2023 due to ongoing asset enhancement works.

value loss of long term and short term investments, partially offset by lower dividend income from long term investments.

Share of profit of associates decreased by S\$5.3 million at S\$3.2 million in 1HFY2024 from S\$8.5 million in 1HFY2023 mainly due to its share of fair value loss adjustment by S\$3.9 million from the 30% stake in six purpose-built student accommodation (“**PBSA**”) properties in the UK; and lower share of associate’s operating profit by S\$1.5 million mainly from the Australia and UK properties due to rising interest costs.

Share of profit of joint ventures decreased by S\$1.3 million at S\$13.6 million in 1HFY2024 from S\$14.9 million in 1HFY2023 mainly due to lower share of joint ventures’ operating profits (net of tax) by S\$4.4 million arising from Asia Green due to rising interest costs and the absence of contribution from 5 Chancery Lane in UK, which is currently undergoing the planned asset enhancement works expected to be completed by 1Q2026. These were partially mitigated by its share of lower fair value loss (net of tax) on China’s investment properties by S\$3.1 million in 1HFY2024.

Finance costs increased by S\$4.5 million at S\$14.8 million in 1HFY2024 from S\$10.3 million in 1HFY2023 mainly due to rising interest rates from bank borrowings, which was mitigated by lower bank borrowings from partial repayment of short term borrowings.

Retail Division

Contribution from Metro’s retail revenue decreased to S\$45.6 million in 1HFY2024 from S\$47.3 million in 1HFY2023 mainly due to lower sales from the two department stores, Metro Paragon and Metro Causeway Point in Singapore.

Segment results, excluding finance costs, reported a profit of S\$0.7 million in 1HFY2024 as compared to S\$3.3 million in 1HFY2023, in line with lower retail revenue and due to higher inflation-driven costs in raw materials, labour and energy, and the absence of rental rebates granted by landlords in 1HFY2023.

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S\$1.4 billion and total assets of S\$2.3 billion as at 30 September 2023.

Key Investment and Strategic Move in 1HFY2024

Metro is diversified across its key markets of Singapore, China, Indonesia, UK and Australia. For the period under review, the Group continues to grow its presence in its home market, Singapore. Metro has subscribed for 40.9% stake in Vision One Enterprise Limited ("**Vision One Limited**"), a joint-venture company set-up with an affiliate of TE Capital Partners Pte. Ltd. ("**TECP**") owning the remaining 59.1%. Vision One Limited, an independent third party and an affiliate of TECP have executed a Put and Call Option Agreement to acquire VisionCrest Commercial, an 11-storey freehold Grade-A office building situated in the prime Orchard Road area (the "**Property**"). Metro will own an effective 20% stake in the Property for an investment sum up to S\$40 million, with the remaining 29.9% owned by an affiliate of TECP and 50.1% owned by an independent third party.

The Property, situated at 103 Penang Road, features a commercial retail podium on the ground floor with carparking facilities of 114 lots across two basement levels. It is part of the mixed used development that also includes the 265-unit VisionCrest Residence and the national monument House of Tan Yeok Nee, which houses the private university Amity Global Institute.

The Property comprises 148,854 square feet ("**sqft**") of net lettable area with 99.7% occupancy and a weighted average lease expiry ("**WALE**") of 2.2 years as at 30 September 2023. The Property has been awarded LEED® Gold certification by the U.S. Green Building Council. Strategically located directly across from Istana Park, the property ensures convenient accessibility, with both the Somerset and Dhoby Ghaut MRT stations just a short five-minute walk away, with three main train lines providing connection to Orchard, Raffles/Marina Bay and large residential areas. Car commute

is also very convenient, with easy access to Orchard and the Central Expressway (CTE).

(Please see Appendix A for information)

With the limited supply of freehold strata-titled office space in Singapore's prestigious Orchard Road area, this investment will provide the joint venture partners an exceptional opportunity to own a unique en-bloc freehold strata-titled commercial asset. Group Chief Executive Officer, Yip Hoong Mun (“叶康文”), said, “This acquisition is a unique opportunity in the prime Orchard Road area. Good quality, freehold strata-titled offices with full floorplates are limited. The Property is also nearly fully-let, thus providing an immediate rental income. We are also glad to forge the strategic collaboration with the two proven real estate partners for this investment in Singapore.”

Outlook

Metro Chairman, Lt Gen (Rtd) Winston Choo (“朱维良”), added, “Amidst macro headwinds, it is imperative that Metro maintains a diversified, quality portfolio in resilient sectors and in markets where we have strong familiarity and network, with experienced and reputable partners. Metro continues to position ourselves for resilience during these challenging times.”

The global economy remains challenging from the blows of the COVID-19 pandemic, Russia's invasion of Ukraine, the recent Israel-Hamas conflict and the rising cost-of-living brought about by persistent inflation. Economic activity still falls short of its pre-pandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery, including the long-term consequences of the pandemic and the geopolitical effects of the United States of America-China tensions. Others are more cyclical in nature, including the tightening of monetary policy to reduce inflation, withdrawal of fiscal support amidst high debt, and extreme weather events. On 1 November 2023, the US Federal Reserve held interest rates steady at 5.25-5.50% as they struggled to

determine whether financial conditions may be tight enough to control inflation, or whether an economy that continues to outperform expectations may need further hikes². The International Monetary Fund (“**IMF**”) projects global growth slowing from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. This remains well below the historical (2000-19) average of 3.8%. Global inflation continues to decelerate, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024³.

China registered 3Q2023 GDP growth of 4.4% versus 6.3% in 2Q2023, weighed by persistently weak demand. The world’s second largest economy faltered in 2Q2023 after a brief post-COVID recovery, dragged by a property downturn and escalating debt due to decade long infrastructure binge⁴, and this has affected Metro’s properties in China. China’s economy grew 3.0% in 2022, and is forecasted to grow 5.0% in 2023 and 4.2% in 2024⁵. The Group’s China investment properties, mainly Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou reported an average occupancy of 85.3%⁶ (88.6%⁷). The Atrium Mall in Chengdu, and Shanghai Plaza in Shanghai have achieved occupancy of 91.3%⁶ (84.4%⁷) and 90.8%⁶ (92.3%⁷) respectively. Leasing continues to be challenging for the three office buildings in Bay Valley which are 71.6%⁶ (68.3%⁷) occupied. Current difficulties in the office leasing market, particularly in Shanghai, will affect the occupancy of our China investment properties. The Group’s associate, Top Spring International Holdings Limited, co-investments with BentallGreenOak and our other China investment properties will continue to be subject to persistent market headwinds in China and Hong Kong.

Singapore’s GDP grew by 3.6% in 2022, less than the 8.9% growth registered in 2021. For 2023, the Ministry of Trade and Industry (“**MTI**”) narrowed the GDP growth forecast to “0.5%-1.5%”, from “0.5%-2.5%”⁸. Overall MTI’s assessment is that Singapore’s external demand outlook for the rest of 2023 remains weak, with the global electronics downturn likely to be protracted, and a gradual recovery expected towards the end of 2023 at the earliest. On the office front, trends of refining workspace utilisation and

² Reuters, *Fed Keeps Rates Unchanged, Powell Hedges On Possible End Of Tightening Campaign*, 2 November 2023

³ IMF, *World Economic Outlook – Navigating Global Divergences*, 10 October 2023

⁴ Reuters, *China’s Q3 GDP Seen Slowing As Beijing Races To Revive Growth*, 18 October 2023

⁵ IMF, *World Economic Outlook – Navigating Global Divergences*, 10 October 2023

⁶ As at 30 September 2023

⁷ As at 30 September 2022

⁸ MTI Singapore, *MTI Narrows Singapore’s GDP Growth Forecast For 2023 to “0.5 to 1.5 Per Cent”*, 11 August 2023

flight to quality have continued, with vacancy tightening across the Grade A submarkets⁹. These developments will continue to benefit our premium Grade-A office towers at the Tampines Regional Centre which has achieved an occupancy rate of 98.7%%⁶ (89.8%⁷).

In the logistics sector, despite dim manufacturing sentiments and falling export demand, industrial demand remains resilient for factory and warehouse spaces, driven by large industrial occupiers and third-party logistics (“**3PL**”) operators¹⁰. Metro is well positioned given our 26% stake in the Boustead Industrial Fund (“**BIF**”), with a quality portfolio of 16 industrial, business park, high-spec industrial and logistics properties in Singapore, enjoying a high committed average occupancy of 93.6%⁶ and a long WALE by income of approximately 5.4 years. The total portfolio under BIF has a total asset size of S\$748.9 million.

According to the IMF, Indonesia recorded an annual GDP growth of 5.3% in 2022, and is forecasted to grow 5.0% in 2023 and in 2024¹¹. Currently, residential developers are refraining from initiating new projects and are instead prioritising the completion of existing construction to adhere to their schedules, to mitigate further delays and enhance reliability to attract potential buyers ahead of the February 2024 presidential elections¹². All five Bekasi towers and both Bintaro towers have topped off, fully-paid units are gradually being handed over and sales continue to be underway.

UK GDP grew 4.1% in 2022 and is forecast to shrink to 0.5% in 2023 and 0.6% in 2024¹³. On 2 November 2023, the Bank of England (“**BOE**”) held interest rate at a 15-year peak of 5.25% and ruled out cuts any time soon as it fights the highest inflation of the world’s big rich economies, repeating its September decision after 14 back-to-back increases¹⁴.

⁹ Colliers Office Q3 2023: A Turning Point? 8 October 2023

¹⁰ Cushman & Wakefield, Singapore Market H2 Outlook 2023, 13 July 2023

¹¹ IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023

¹² Colliers, Colliers Quarterly Jakarta Apartment Report, 4 October 2023

¹³ IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023

¹⁴ Reuters, Bank Of England Keeps Rates At 15-Year High, 3 November 2023

2023 investment volumes in the UK PBSA sector of £1.2 billion is 76% below the corresponding 2022 figure given the weakening UK economic outlook¹⁵. Metro has a 30% stake in Paideia Capital UK Trust, which owns a portfolio comprising six freehold quality PBSA properties across Warwick, Bristol, Durham, Exeter, Glasgow and Kingston valued at £132.4 million and with a committed occupancy rate of 96.0% as at 30 September 2023.

Jones Lang LaSalle forecasts that Manchester home prices will grow by 16.4% from 2022-2026, which is the fastest growth registered among all of the major UK cities¹⁶. This benefits Metro's 2,215-unit development at Middlewood Locks, where Phase 3 has commenced construction in 2Q2022 with completion expected in late 2024. Sales and marketing activities are in progress. The units in Phase 1 and Phase 2 have been fully sold and handed over.

As for Central London office, leasing activity in the three-months to June 2023 remained subdued, with 2.0 million sqft transacted, representing a 27% decrease compared to the corresponding period in 2022 (2.7 million sqft) and a 20% decline from the 10-year 2Q average of 2.5 million sqft, as the challenging economy begin to impact the office business sentiment¹⁷. Metro's tenant at our office property at 5 Chancery Lane has moved out upon lease expiry in May 2023, and immediately after that, Metro, together with our joint venture partner, carried out the planned asset enhancement works which is expected to be completed by 1Q2026.

On 3 October 2023, the Reserve Bank of Australia ("**RBA**") left the cash rate unchanged at 4.10%, which have increased by a total of 4.00% since May 2022. The higher interest rates are working to establish a more sustainable balance between supply and demand in the economy¹⁸. Conversely, the rising interest rates have increased property operating costs as well as the capitalisation rate, leading to a general decrease in most property valuations. Australia registered GDP growth of 3.7% in 2022 and the IMF outlook for economic growth in Australia is 1.8% in 2023 and 1.2%

¹⁵ Colliers, *United Kingdom Property Snapshot*, 26 October 2023

¹⁶ JLL, *UK Residential Forecasts*, 2 November 2021

¹⁷ JLL, *Q2 2023 Central London Office Market Report*, 21 July 2023

¹⁸ Reserve Bank of Australia, *Statement By Michele Bullock, Governor: Monetary Policy Decision*, 3 October 2023

in 2024¹⁹. Metro's 30%-owned joint venture with Sim Lian consists of 17 quality freehold properties comprising 4 office buildings and 13 retail centres spanning across 4 key states, namely New South Wales, Victoria, Queensland, and Western Australia, with a total appraised value of approximately A\$1.2 billion (approximately S\$1.1 billion). The Australian portfolio achieved a high occupancy of 94.9%⁶ (95.8%⁷) and a WALE of approximately 5.6 years⁶ by income (6.1 years⁷).

According to the MTI, Singapore retail trade sector shrank by 0.1% in 3Q2023, a reversal from the 3.0% expansion in 2Q2023²⁰. Overall Singapore total retail sales dropped by 2.9% as of May 2023, reflecting some signs of cautious discretionary spending amidst economic uncertainties. Sales of furniture, household equipment, watches and jewellery declined the most. While retail sales came off a high base, the sales decline could be driven by a stronger return-to-office and weaker consumption for household items²¹. This will continue to weigh on the Group's two department stores at Paragon and Causeway Point, and online platforms. Metro's retail business continues to be impacted by the higher inflation-driven costs in raw material, labour and energy amidst a highly competitive trading environment.

Metro will exercise caution and prudence while taking proactive measures to maintain strong capital management discipline, including preserving cash, optimising cash flows and liquidity, and to actively manage its existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value.

¹⁹ IMF, *World Economic Outlook – Navigating Global Divergences*, 10 October 2023

²⁰ MTI Singapore, *Singapore's GDP Expanded By 0.7 Per Cent In The Third Quarter Of 2023*, 13 October 2023

²¹ Cushman & Wakefield, *Marketbeat Singapore, Retail Q2 2023*, 6 October 2023

ABOUT METRO HOLDINGS LIMITED

Metro Holdings Limited, a company listed on the Main Board of the SGX-ST since 1973, has a rich history that dates back to 1957 when it began as a humble textile store located at 72 High Street. Throughout its journey, Metro Holdings has evolved into a diversified property and retail group, with a global footprint in investments and operations.

Today, Metro Holdings is structured into two primary business segments: property investment and development, as well as retail. The company's strategic focus extends across pivotal markets, encompassing Singapore, China, Indonesia, the UK, and Australia.

Property Investment and Development

The Group's property arm owns and manages prime retail and office properties in first-tier cities in China, including Shanghai and Guangzhou, along with emerging high-growth cities like Chengdu. Through strategic partnerships and collaborative ventures, Metro Holdings has broadened its property portfolio to encompass a diverse range of assets in Singapore, China, Indonesia, the UK, and Australia.

Retail

Metro's retail division is dedicated to serving its valued customers through its two flagship Metro department stores in Singapore. The Metro shopping brand stands as an enduring and household name within the retail industry, offering an extensive range of high-quality merchandise to meet the diverse needs and preferences of its clients.

ISSUED ON BEHALF OF	:	Metro Holdings Limited
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APPENDIX A

VisionCrest Commercial



Description	11-storey freehold Grade-A office building situated at 103 Penang Road that features a commercial retail podium on the ground floor and carparking facilities of 114 lots across two basement levels, LEED® Gold Certified
% owned by Group	20%
Land Tenure	Freehold
TOP	2008
Floors	Office 10 floors : Level 2 to Level 11 Retail 1 floor : Level 1 Car Park 2 floors : Basement 1 and 2
Total GFA (sqft)	173,627
Total NLA (sqft)	148,854
Car Park	114 spaces open for entry 24 hours a day, 12 motorcycle lots, bicycle lots
Occupancy / WALE	99.7% / 2.2 years (as of September 2023)
Key Tenants	Manulife Financial Advisers, Puma Sports SEA Trading and The Coffee Bean & Tea Leaf

Connectivity	Strategically located directly across from Istana Park, the property ensures convenient accessibility, with both the Somerset and Dhoby Ghaut MRT stations just a short five-minute walk away and three main train lines providing connection to Orchard, Raffles/Marina Bay and large residential areas. Car commute is also very convenient, with easy access to Orchard and the Central Expressway (CTE)
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