

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 Second Quarter Ended 30 September 2019 ; and
2. Press Release

Additional Details**For Financial Period Ended**

30/09/2019

Attachments[Q2%20Results.pdf](#)

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METRO HOLDINGS LIMITED

The Board of Directors of Metro Holdings Limited is pleased to announce the following:-

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

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

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

	Group			Group		
	2nd Qtr ended 30-Sep-2019	2nd Qtr ended 30-Sep-2018 (restated*)	% Change	Half Year ended 30-Sep-2019	Half Year ended 30-Sep-2018 (restated*)	% Change
	\$'000	\$'000		\$'000	\$'000	
Revenue						
- Retail	34,687	30,716	12.93	61,664	59,179	4.20
- Sale of property rights	36,408	13,953	160.93	63,636	13,953	356.07
- Rental income	1,701	1,661	2.41	3,421	3,365	1.66
	<u>72,796</u>	<u>46,330</u>	57.12	<u>128,721</u>	<u>76,497</u>	68.27
Cost of revenue	(64,786)	(43,867)	47.69	(116,514)	(73,496)	58.53
Gross profit	<u>8,010</u>	<u>2,463</u>	225.21	<u>12,207</u>	<u>3,001</u>	306.76
Other net income	7,135	4,497	58.66	15,582	15,826	(1.54)
General and administrative expenses	(6,243)	(6,599)	(5.39)	(10,516)	(11,727)	(10.33)
Finance costs	(4,646)	(725)	540.83	(9,195)	(1,375)	568.73
Share of results of associates, net of tax	322	4,944	(93.49)	1,489	4,319	(65.52)
Share of results of joint ventures, net of tax	8,858	10,246	(13.55)	16,134	26,928	(40.08)
Profit from operations before taxation	<u>13,436</u>	<u>14,826</u>	(9.38)	<u>25,701</u>	<u>36,972</u>	(30.49)
Taxation	(2,820)	(1,454)	93.95	(4,097)	(2,927)	39.97
Profit net of taxation	<u>10,616</u>	<u>13,372</u>	(20.61)	<u>21,604</u>	<u>34,045</u>	(36.54)
Attributable to:						
Owners of the Company	10,344	13,212	(21.71)	20,972	33,856	(38.06)
Non-controlling interests	272	160	70.00	632	189	234.39
	<u>10,616</u>	<u>13,372</u>	(20.61)	<u>21,604</u>	<u>34,045</u>	(36.54)

n.m. - not meaningful

* The comparative figures for the second quarter and half year ended 30 September 2018 have been restated to take into account the retrospective adjustments on adoption of the Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) as detailed in para 5 on page 16.

Statement of Comprehensive Income

	Group			Group		
	2nd Qtr ended 30-Sep-2019	2nd Qtr ended 30-Sep-2018 (restated)	% Change	Half Year ended 30-Sep-2019	Half Year ended 30-Sep-2018 (restated)	% Change
	\$'000	\$'000		\$'000	\$'000	
Profit net of taxation	10,616	13,372	(20.61)	21,604	34,045	(36.54)
Other comprehensive income/ (expense):						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation adjustments on foreign subsidiaries, associates and joint ventures (Note 1)	9,151	(15,600)	n.m.	(2,345)	(3,551)	(33.96)
Share of other comprehensive income/(expense) of associates and joint ventures (Note 2)	(9,137)	(10,217)	(10.57)	(2,763)	(5,239)	(47.26)
Other comprehensive income /(expense), net of tax:	14	(25,817)	n.m.	(5,108)	(8,790)	(41.89)
Total comprehensive income /(expense) for the period	<u>10,630</u>	<u>(12,445)</u>	n.m.	<u>16,496</u>	<u>25,255</u>	(34.68)
Total comprehensive income /(expense) attributable to:						
Owners of the Company	9,803	(12,168)	n.m.	15,187	26,931	(43.61)
Non-controlling interests	827	(277)	n.m.	1,309	(1,676)	n.m.
	<u>10,630</u>	<u>(12,445)</u>	n.m.	<u>16,496</u>	<u>25,255</u>	(34.68)

n.m. - not meaningful

Note:

- (1) Currency translation adjustments on foreign subsidiaries, associates and joint ventures are mainly a result of the Group's exposure to the effects of fluctuations in foreign currency exchange rates in relation to Chinese Renminbi ("RMB") for the Group's interests in investment properties and development projects situated in the People's Republic of China ("PRC"). Certain foreign associates are exposed to foreign currency translation from the exposure of United States dollar ("USD") and Hong Kong dollar ("HKD"). There is also exposure to British pounds and Indonesian rupiah in respect of the projects in the United Kingdom ("UK") and Indonesia. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency. In 2QFY2020, the exchange gain on translation of foreign operations' net assets of \$9.2 million was mainly due to the appreciation of USD, HKD and IDR against Singapore dollar which was partially offset by depreciation of RMB against Singapore dollar.
- (2) The share of other comprehensive income of associates and joint ventures relates mainly to the share of foreign currency translation reserve. 2QFY2020's share of exchange difference arose mainly due to associates which are exposed to foreign currency translation from the exposure of RMB to HKD as a result of its investment in the PRC.

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

	Group			Group		
	2nd Qtr ended 30-Sep-2019 \$'000	2nd Qtr ended 30-Sep-2018 \$'000	% Change	Half Year ended 30-Sep-2019 \$'000	Half Year ended 30-Sep-2018 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Depreciation of plant and equipment	(386)	(602)	(35.88)	(733)	(1,211)	(39.47)
Depreciation of right-of-use assets (Note)	(2,834)	-	n.m.	(5,668)	-	n.m.
Cost of property rights sold	(32,729)	(12,058)	171.43	(57,129)	(12,058)	373.79
Inventories recognised as an expense	(18,237)	(20,217)	(9.79)	(34,470)	(38,370)	(10.16)
Allowance for obsolete inventories	(9)	(9)	-	(18)	(18)	-
Inventories written down	(766)	(352)	117.61	(1,007)	(667)	50.97
Rental expense	(3,883)	(5,919)	(34.40)	(6,682)	(11,839)	(43.56)
Other net income/(loss) includes:-						
Interest income	5,506	3,713	48.29	11,697	7,486	56.25
Dividends from						
- long term investments	2,154	1,756	22.67	2,555	2,090	22.25
- short term investments	178	300	(40.67)	957	1,088	(12.04)
Net change in fair value of investments at fair value through profit and loss	(164)	(1,321)	(87.59)	1,500	5,386	(72.15)
- long term investments	(510)	(1,895)	(73.09)	719	6,600	(89.11)
- short term investments	346	574	(39.72)	781	(1,214)	n.m.
Management fee income from associates	81	83	(2.41)	182	198	(8.08)
Foreign exchange loss	(961)	(616)	56.01	(2,094)	(1,169)	79.13

n.m. - not meaningful

Note:

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

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

	Group			Group		
	2nd Qtr ended 30-Sep-2019 \$'000	2nd Qtr ended 30-Sep-2018 \$'000	% Change	Half year ended 30-Sep-2019 \$'000	Half year ended 30-Sep-2018 \$'000	% Change
The Group's share of associates' results consists of:						
- Operating results	763	1,880	(59.41)	1,242	334	271.86
- Fair value gain on investment properties	1,626	3,623	(55.12)	3,544	4,779	(25.84)
- Taxation	(1,746)	(276)	532.61	(2,698)	(934)	188.87
- Others	(321)	(283)	13.43	(599)	140	n.m.
	<u>322</u>	<u>4,944</u>	<u>(93.49)</u>	<u>1,489</u>	<u>4,319</u>	<u>(65.52)</u>

n.m. - not meaningful

Note:

The Group, in 2QFY2020, has applied the equity method for the operating results of Top Spring International Holdings Limited ("Top Spring") using financial statements that are prepared as of a different reporting date from that of the Company, after adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. As Top Spring releases its results on a half-year basis, with the last financial statements as at 30 June 2019, in accordance with the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited, the Group has equity accounted for Top Spring using its results for the 6 months to 30 June 2019 less estimates of its results for the 3 months to 31 March 2019 and adjusted for the effects of significant transactions or events that occurred between 1 July 2019 and 30 September 2019.

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

	Group			Group		
	2nd Qtr ended 30-Sep-2019	2nd Qtr ended 30-Sep-2018 (restated)	% Change	Half year ended 30-Sep-2019	Half year ended 30-Sep-2018 (restated)	% Change
	\$'000	\$'000		\$'000	\$'000	
The Group's share of joint ventures' results consists of:						
- Operating results	13,605	13,842	(1.71)	25,225	33,217	(24.06)
- Fair value loss on investment properties	(1,959)	(1,314)	49.09	(3,641)	(536)	579.29
- Taxation	(2,788)	(2,282)	22.17	(5,450)	(5,753)	(5.27)
	<u>8,858</u>	<u>10,246</u>	(13.55)	<u>16,134</u>	<u>26,928</u>	(40.08)

n.m. - not meaningful

1(a) (v) Taxation

	Group			Group		
	2nd Qtr ended 30-Sep-2019	2nd Qtr ended 30-Sep-2018	% Change	Half year ended 30-Sep-2019	Half year ended 30-Sep-2018	% Change
	\$'000	\$'000		\$'000	\$'000	
Current Year Tax	1,510	57	n.m.	3,922	1,996	96.49
Under/(over) provision in respect of prior year	686	-	n.m.	686	(15)	n.m.
Deferred Tax	624	1,397	(55.33)	(511)	946	n.m.
	<u>2,820</u>	<u>1,454</u>	93.95	<u>4,097</u>	<u>2,927</u>	39.97

n.m. - not meaningful

The tax charge of the Group for the second quarter period ended 30 September 2019, excluding share of results of associates and joint ventures which is already stated net of tax, is higher than that derived by applying the Singapore statutory income tax rate of 17% applicable to company profits, mainly due to deferred tax expense being withholding tax provided on undistributed profits of joint ventures and expenditure not deductible for tax purposes.

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets as at	Group		Company	
	30-Sep-2019	31-Mar-2019 (restated)	30-Sep-2019	31-Mar-2019
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	1,773	2,128	19	30
Right-of-use assets	40,541	-	4,115	-
Investment property	107,592	112,029	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	552,395	474,675
Associates	747,900	758,058	500	500
Joint ventures	290,491	232,782	-	-
Long term investments				
- Fair value through profit or loss	98,019	101,196	-	-
	<u>1,286,316</u>	<u>1,206,193</u>	<u>574,819</u>	<u>492,995</u>
Current assets				
Development properties	205,749	167,787	-	-
Inventories	10,770	13,695	-	-
Prepayments	883	707	-	-
Accounts and other receivables	98,437	53,520	181	2,273
Amounts due from subsidiaries	-	-	260,045	259,196
Amounts due from associates	8,194	1,976	-	-
Amounts due from joint ventures	223,887	191,849	4,178	4,169
Short term investments	32,180	31,400	-	-
Pledged fixed bank deposits	15,000	37,242	-	-
Cash and cash equivalents	236,853	195,316	63,069	33,743
	<u>831,953</u>	<u>693,492</u>	<u>327,473</u>	<u>299,381</u>
Current liabilities				
Borrowings	55,013	80,484	-	-
Accounts and other payables	81,402	60,881	5,910	6,407
Amounts due to subsidiaries	-	-	217,248	274,465
Amount due to a joint venture	-	22,357	-	-
Lease liabilities	11,366	-	516	-
Provision for taxation	3,070	2,654	12	26
	<u>150,851</u>	<u>166,376</u>	<u>223,686</u>	<u>280,898</u>
Net current assets	<u>681,102</u>	<u>527,116</u>	<u>103,787</u>	<u>18,483</u>
Non-current liabilities				
Borrowings	348,059	149,187	348,059	149,187
Amounts due to joint ventures	52,859	20,210	-	-
Lease liabilities	30,667	-	3,746	-
Deferred income	2,371	7,436	-	-
Deferred taxation	21,418	22,321	11	26
	<u>(455,374)</u>	<u>(199,154)</u>	<u>(351,816)</u>	<u>(149,213)</u>
Net assets	<u>1,512,044</u>	<u>1,534,155</u>	<u>326,790</u>	<u>362,265</u>
Equity attributable to owners of the Company				
Share capital	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	1,318,930	1,342,350	158,841	194,316
	<u>1,486,879</u>	<u>1,510,299</u>	<u>326,790</u>	<u>362,265</u>
Non-controlling interests	<u>25,165</u>	<u>23,856</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,512,044</u>	<u>1,534,155</u>	<u>326,790</u>	<u>362,265</u>

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

Amount repayable in one year or less, or on demand

As at 30-Sep-2019		As at 31-Mar-2019	
Secured	Unsecured	Secured	Unsecured
24,923,000	30,090,000	57,084,000	23,400,000

Amount repayable after one year

As at 30-Sep-2019		As at 31-Mar-2019	
Secured	Unsecured	Secured	Unsecured
-	348,059,000	-	149,187,000

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

Details of any collateral for banking facilities

Subsidiaries:

Total loans drawn on secured banking facilities as at 30 September 2019 amounted to S\$24.9 million (equivalent to GBP14.7 million) (31 March 2019: S\$57.1 million (equivalent to GBP32.4 million)). Fixed deposits totaling S\$15 million (31 March 2019: S\$37.2 million) have been pledged to the banks for such facilities.

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

Consolidated Statement of Cash Flows for the period ended

	Group		Group	
	2nd Qtr ended 30-Sep-2019	2nd Qtr ended 30-Sep-2018 (restated)	Half Year ended 30-Sep-2019	Half Year ended 30-Sep-2018 (restated)
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Operating profit/(loss) before reinvestment in working capital	5,389	(2,669)	9,949	(5,325)
(Increase)/decrease in development properties	(12,798)	2,731	(31,527)	(26,593)
Decrease/(increase) in inventories	4,244	(396)	1,900	372
(Increase)/decrease in accounts and other receivables	(26,048)	(39,606)	(43,091)	82,565
Increase/(decrease) in accounts and other payables	7,640	(1,874)	8,786	(6,086)
Cash (used in)/from operations	(21,573)	(41,814)	(53,983)	44,933
Interest expense paid	(287)	(725)	(3,722)	(1,375)
Interest income received	2,741	2,938	13,799	6,290
Income taxes paid	(1,845)	(1,054)	(3,862)	(2,915)
Net cash flows (used in)/from operating activities	(20,964)	(40,655)	(47,768)	46,933
Cash flows from investing activities				
Purchase of plant & equipment	(243)	(368)	(378)	(644)
Decrease in long term investments	566	52	3,722	118
Purchase of short term investments	-	-	-	(967)
Proceeds from disposal of plant and equipment	7	-	7	-
Investment in associates	(1,430)	(7,678)	(5,637)	(14,597)
Investment in joint ventures	(858)	-	(40,258)	-
Decrease/(increase) in amounts due from associates	3,901	8,298	(2,556)	(64,184)
(Increase)/decrease in amounts due from joint ventures	(42)	-	(51,504)	31,859
(Decrease)/increase in amounts due to joint venture	-	-	12,420	43,407
Dividends received from:				
- long term investments	2,154	1,756	2,555	2,090
- short term investments	178	300	957	1,088
- associates	4,994	-	9,767	13,489
- joint ventures	-	5,570	-	7,888
Changes in pledged fixed bank deposits	-	6,956	22,242	39,899
Net cash flows from/(used in) investing activities	9,227	14,886	(48,663)	59,446
Cash flows from financing activities				
Drawdown of borrowings	-	-	198,571	-
Repayment of borrowings	-	-	(23,400)	(29,954)
Payment of lease liabilities (Note on page 9)	(3,092)	-	(6,186)	-
Advances from non-controlling interests	2,704	-	7,481	-
Dividend paid	(37,262)	(41,402)	(37,262)	(41,402)
Contributions from non-controlling interest	-	3,647	-	7,691
Net cash flows (used in)/from financing activities	(37,650)	(37,755)	139,204	(63,665)
Net (decrease)/increase in cash and cash equivalents	(49,387)	(63,524)	42,773	42,714
Effect of exchange rate changes in cash and cash equivalents	25	(2,177)	(1,236)	608
Cash & cash equivalents at beginning of financial period	286,215	268,387	195,316	159,364
Cash & cash equivalents at end of financial period	236,853	202,686	236,853	202,686

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

	Group		Group	
	2nd Qtr ended 30-Sep-2019	2nd Qtr ended 30-Sep-2018 (restated)	Half Year ended 30-Sep-2019	Half Year ended 30-Sep-2018 (restated)
	\$'000	\$'000	\$'000	\$'000
Reconciliation between profit from operations before taxation and operating cash flows before changes in working capital:				
Profit from operations before taxation	13,436	14,826	25,701	36,972
Adjustments for:				
Interest expense	4,078	725	8,627	1,375
Depreciation of plant and equipment	386	602	733	1,211
Depreciation of right-of-use assets (Note)	2,834	-	5,668	-
Share of results of associates	(322)	(4,944)	(1,489)	(4,319)
Dilution loss on interest in associates	55	(125)	55	72
Share of results of joint ventures	(8,858)	(10,246)	(16,134)	(26,928)
Interest income	(5,506)	(3,713)	(11,697)	(7,486)
Dividends from				
- long term investments	(2,154)	(1,756)	(2,555)	(2,090)
- short term investments	(178)	(300)	(957)	(1,088)
Inventories written down	766	352	1,007	667
Allowance for obsolete inventories	9	9	18	18
Allowance for doubtful debts	-	1	-	1
Plant and equipment written off	-	-	-	43
Gain on disposal of plant and equipment	(7)	-	(7)	-
Net change in fair value of investments at fair value through profit and loss	164	1,321	(1,500)	(5,386)
Foreign exchange adjustments	686	579	2,479	1,613
Operating gain/(loss) before reinvestment in working capital	<u>5,389</u>	<u>(2,669)</u>	<u>9,949</u>	<u>(5,325)</u>

Note:

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

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

Statement of Changes in Shareholders' Equity

	Share Capital \$'000	Treasury Shares \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Group									
At 1 July 2019	169,717	(1,768)	(11,759)	4,411	514	1,353,223	1,514,338	24,338	1,538,676
Profit for the period	-	-	-	-	-	10,344	10,344	272	10,616
<u>Other comprehensive income/(expense)</u>									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	8,596	-	-	-	8,596	555	9,151
Share of other comprehensive expense of associates and joint ventures	-	-	(9,104)	-	(33)	-	(9,137)	-	(9,137)
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(508)	-	(33)	-	(541)	555	14
Total comprehensive (expense)/income for the financial period	-	-	(508)	-	(33)	10,344	9,803	827	10,630
<u>Contributions by and distributions to owners</u>									
Dividends paid	-	-	-	-	-	(37,262)	(37,262)	-	(37,262)
Total contributions by and distributions to owners	-	-	-	-	-	(37,262)	(37,262)	-	(37,262)
<u>Others</u>									
Transfer to statutory reserve fund	-	-	-	90	-	(90)	-	-	-
At 30 September 2019	169,717	(1,768)	(12,267)	4,501	481	1,326,215	1,486,879	25,165	1,512,044

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

Group	Share Capital \$'000	Treasury Shares \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2019 (as previously stated)	169,717	(1,768)	(7,007)	4,321	1,006	1,348,933	1,515,202	23,856	1,539,058
Effects of adoption of SFRS(I) 1-23 (Refer Para 5 on page 16)	-	-	-	-	-	(4,903)	(4,903)	-	(4,903)
At 1 April 2019 (as restated)	169,717	(1,768)	(7,007)	4,321	1,006	1,344,030	1,510,299	23,856	1,534,155
Effects of adoption of SFRS(I) 16 (Refer Para 5 on page 16)	-	-	-	-	-	(1,345)	(1,345)	-	(1,345)
At 1 April 2019 (as adjusted)	169,717	(1,768)	(7,007)	4,321	1,006	1,342,685	1,508,954	23,856	1,532,810
Profit for the period	-	-	-	-	-	10,628	10,628	360	10,988
<u>Other comprehensive income/(expense)</u>									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	(11,618)	-	-	-	(11,618)	122	(11,496)
Share of other comprehensive income/(expense) of associates and joint ventures	-	-	6,866	-	(492)	-	6,374	-	6,374
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(4,752)	-	(492)	-	(5,244)	122	(5,122)
Total comprehensive (expense)/income for the financial period	-	-	(4,752)	-	(492)	10,628	5,384	482	5,866
<u>Others</u>									
Transfer to statutory reserve fund	-	-	-	90	-	(90)	-	-	-
At 30 June 2019	169,717	(1,768)	(11,759)	4,411	514	1,353,223	1,514,338	24,338	1,538,676

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

Group	Share Capital \$'000	Treasury Shares \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 July 2018	169,717	(1,768)	24,316	4,138	1,187	1,309,152	1,506,742	11,230	1,517,972
Profit for the period	-	-	-	-	-	13,212	13,212	160	13,372
<u>Other comprehensive income/(expense)</u>									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	(15,163)	-	-	-	(15,163)	(437)	(15,600)
Share of other comprehensive income/(expense) of associates and joint ventures	-	-	(10,627)	-	410	-	(10,217)	-	(10,217)
Other comprehensive income/(expense) for the financial period, net of tax	-	-	(25,790)	-	410	-	(25,380)	(437)	(25,817)
Total comprehensive income/(expense) for the financial period	-	-	(25,790)	-	410	13,212	(12,168)	(277)	(12,445)
<u>Changes in ownership interests in a subsidiary</u>									
Interest in a subsidiary	-	-	-	-	-	-	-	3,647	3,647
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	3,647	3,647
<u>Contributions by and distributions to owners</u>									
Dividends paid	-	-	-	-	-	(41,402)	(41,402)	-	(41,402)
Total contributions by and distributions to owners	-	-	-	-	-	(41,402)	(41,402)	-	(41,402)
<u>Others</u>									
Transfer to statutory reserve fund	-	-	-	53	-	(53)	-	-	-
At 30 September 2018	169,717	(1,768)	(1,474)	4,191	1,597	1,280,909	1,453,172	14,600	1,467,772

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

<u>Group</u>	Share Capital \$'000	Treasury Shares \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2018 (as previously stated)	169,717	(1,768)	5,237	4,081	1,811	1,294,479	1,473,557	8,585	1,482,142
Effects of adoption of SFRS(I) 1-23 (Refer Para 5 on page 16)	-	-	-	-	-	(5,914)	(5,914)	-	(5,914)
At 1 April 2018 (as restated)	169,717	(1,768)	5,237	4,081	1,811	1,288,565	1,467,643	8,585	1,476,228
Profit for the period	-	-	-	-	-	20,644	20,644	29	20,673
<u>Other comprehensive income/(expense)</u>									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	13,477	-	-	-	13,477	(1,428)	12,049
Share of other comprehensive income/(expense) of associates and joint ventures	-	-	5,602	-	(624)	-	4,978	-	4,978
Other comprehensive income/(expense) for the financial period, net of tax	-	-	19,079	-	(624)	-	18,455	(1,428)	17,027
Total comprehensive income/(expense) for the financial period	-	-	19,079	-	(624)	20,644	39,099	(1,399)	37,700
<u>Changes in ownership interests in a subsidiary</u>									
Interest in a subsidiary	-	-	-	-	-	-	-	4,044	4,044
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	4,044	4,044
<u>Others</u>									
Transfer to statutory reserve fund	-	-	-	57	-	(57)	-	-	-
At 30 June 2018	169,717	(1,768)	24,316	4,138	1,187	1,309,152	1,506,742	11,230	1,517,972

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

<u>Company</u>	Share Capital \$'000	Treasury Shares \$'000	Revenue Reserve \$'000	Total Equity \$'000
At 1 April 2019 (as previously stated)	169,717	(1,768)	194,316	362,265
Effects of adoption of SFRS(I)16 (Refer Para 5 on page 16)	-	-	(125)	(125)
At 1 April 2019 (as adjusted)	169,717	(1,768)	194,191	362,140
Profit for the period, representing total comprehensive income for the financial period	-	-	5,961	5,961
At 30 June 2019	169,717	(1,768)	200,152	368,101
Loss for the period, representing total comprehensive income for the financial period	-	-	(4,049)	(4,049)
<u>Contributions by and distribution to owners</u>				
Dividends paid	-	-	(37,262)	(37,262)
At 30 September 2019	169,717	(1,768)	158,841	326,790
At 1 April 2018	169,717	(1,768)	132,438	300,387
Profit for the period, representing total comprehensive income for the financial period	-	-	8,977	8,977
At 30 June 2018	169,717	(1,768)	141,415	309,364
Profit for the period, representing total comprehensive income for the financial period	-	-	47,846	47,846
<u>Contributions by and distribution to owners</u>				
Dividends paid	-	-	(41,402)	(41,402)
At 30 September 2018	169,717	(1,768)	147,859	315,808

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

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

As at 30 September 2019, there were 3,512,800 treasury shares (as at 30 September 2018: 3,512,800).

The Company did not issue any shares during the 3 months ended 30 September 2019.

There were no convertible instruments outstanding as at 30 September 2019 (30 September 2018: Nil).

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30 September 2019 (end of current financial period)	As at 31 March 2019 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	828,035,874	828,035,874

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

The Company did not sell, transfer, cancel or use any treasury shares in the 2nd Quarter period ended 30 September 2019.

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

The Company did not have any subsidiary holdings in the 2nd Quarter period ended 30 September 2019.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2019.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 March 2019, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 April 2019 as follows:

SFRS(I) 16: Leases

SFRS(I) INT 23: Uncertainty over Income Tax Treatments

Amendments to SFRS(I) 9: Financial Instruments - Prepayment Features with Negative Compensation

Amendments to SFRS(I) 1-28: Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures

Amendments to SFRS(I) 1-19: Employee Benefits - Plan Amendment, Curtailment or Settlement

Amendments to SFRS(I) 1-23 Borrowing costs eligible for capitalisation

Annual Improvements to SFRS(I)s 2015-2017

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

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

Adoption of SFRS(I) 16

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

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

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

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

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

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

Clarification on SFRS(I) 1-23 Borrowing Costs

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

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

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period (restated)
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	1.2 cents	1.6 cents
(b) On a fully diluted basis	1.2 cents	1.6 cents

Earnings per share is calculated on the Group's profit attributable to owners of the Company of \$10,344,000 (period ended 30 September 2018: \$13,212,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 September 2019 (period ended 30 September 2018: 828,035,874).

Diluted earnings per ordinary share is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the periods under review and adjusted to include all potential dilutive ordinary shares up to 30 September 2019.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period - 30 September 2019	\$1.80	\$0.39
(b) 31 March 2019 (restated)	\$1.82	\$0.44

Net asset value per ordinary share for the Group is calculated on the equity attributable to owners of the Company as at 30 September 2019 of \$1,486,879,000 (31 March 2019: \$1,510,299,000) divided by the total number of issued shares excluding treasury shares as at 30 September 2019 of 828,035,874 (31 March 2019: 828,035,874).

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

8(a) Review of Group Results for 2nd Quarter ended 30 September 2019 against 2nd Quarter ended 30 September 2018

The Group's revenue of \$72.8 million for the second financial quarter to 30 September 2019 ("2QFY2020") increased by 57.1% over 2QFY2019's \$46.3 million. The property division recognised higher revenue from \$14.0 million in 2QFY2019 to \$36.4 million in 2QFY2020 from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. The retail division also reported higher sales by \$4.0 million in 2QFY2020 mainly due to promotional events in 2QFY2020 from closure of Metro Centrepont in October 2019 upon lease expiry. Consequently, gross profit increased to \$8.0 million in 2QFY2020 from \$2.5 million in 2QFY2019 mainly due to increase in gross profit from the sale of property rights of the residential units in Jakarta and the retail division.

Other net income was higher by \$2.6 million from \$4.5 million in 2QFY2019 to \$7.1 million in 2QFY2020 mainly due to higher interest income of \$1.8 million from \$3.7 million in 2QFY2019 to \$5.5 million in 2QFY2020 and lower unrealised net fair value loss on short term and long term investments by \$1.1 million from \$1.3 million in 2QFY2019 to \$0.2 million in 2QFY2020.

Lower share of results of associates by \$4.6 million from \$4.9 million in 2QFY2019 to \$0.3 million in 2QFY2020 mainly due to lower contributions from the associates. In the prior 2QFY2019, the Group recognised its share of profit from the Middlewood Locks Phase 2 development in the United Kingdom amounting to \$2.1 million.

Lower share of results of joint ventures by \$1.3 million from \$10.2 million in 2QFY2019 to \$8.9 million in 2QFY2020 mainly due to a lower contribution from The Crest, Singapore.

Finance costs increased to \$4.6 million in 2QFY2020 from \$0.7 million in 2QFY2019 mainly due to interest expense of \$3.8 million on the Notes issued by the Company pursuant to its \$1 billion Multicurrency Debt Issuance Programme and interest expense of \$0.4 million recognised on the lease liabilities arising from the adoption of SFRS(I) 16 Leases (see Para 5 on page 16).

As a result of the foregoing, profit before taxation decreased to \$13.4 million in 2QFY2020 from \$14.8 million in 2QFY2019.

Segmental Results for 2nd Quarter ended 30 September

Business segment

2019

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	34,687	34,687
- Sale of property rights	36,408	-	36,408
- Rental income	1,701	-	1,701
	<u>38,109</u>	<u>34,687</u>	<u>72,796</u>
Segment results	7,735	1,167	8,902
Finance costs	(4,357)	(289)	(4,646)
Share of associates' results, net of tax	508	(186)	322
Share of joint ventures' results, net of tax (Note)	8,858	-	8,858
Profit from operations before taxation	<u>12,744</u>	<u>692</u>	<u>13,436</u>
Taxation			<u>(2,820)</u>
Profit net of taxation			<u>10,616</u>
Attributable to:			
Owners of the Company			10,344
Non-controlling interests			<u>272</u>
			<u>10,616</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>26,118</u>
Segment results	15,080
Fair value loss on investment properties	(1,959)
Finance costs	<u>(1,475)</u>
Profit from operations before taxation	11,646
Taxation	<u>(2,788)</u>
Profit net of taxation	<u>8,858</u>

Segmental Results for 2nd Quarter ended 30 September (Cont'd)

Business segment

2018 (restated)

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	30,716	30,716
- Sale of property rights	13,953	-	13,953
- Rental income	1,661	-	1,661
	<u>15,614</u>	<u>30,716</u>	<u>46,330</u>
Segment results	2,709	(2,473)	236
Finance Costs	(725)	-	(725)
Interest in associates			
- Share of results, net of tax	5,171	(227)	4,944
- Dilution gain	125	-	125
	<u>5,296</u>	<u>(227)</u>	<u>5,069</u>
Interest in joint ventures			
- Share of results, net of tax (Note)	10,246	-	10,246
Profit/(loss) from operations before taxation	<u>17,526</u>	<u>(2,700)</u>	<u>14,826</u>
Taxation			(1,454)
Profit net of taxation			<u>13,372</u>
Attributable to:			
Owners of the Company			13,212
Non-controlling interests			<u>160</u>
			<u>13,372</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>32,206</u>
Segment results	14,511
Fair value loss on investment properties	(1,314)
Finance costs	(669)
Profit from operations before taxation	<u>12,528</u>
Taxation	<u>(2,282)</u>
Profit net of taxation	<u>10,246</u>

Geographical Segments

	Asean \$'000	People's Republic of China \$'000	Group \$'000
Segment revenue			
2019	<u>71,095</u>	<u>1,701</u>	<u>72,796</u>
2018	<u>44,669</u>	<u>1,661</u>	<u>46,330</u>

Segmental Results - Property Division

Revenue from the property division for 2QFY2020 increased to \$38.1 million from 2QFY2019's \$15.6 million, lifted by higher contributions of \$22.5 million from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Revenue from GIE Tower, Guangzhou, remains comparable at \$1.7 million.

Segment results of the property division, excluding associates and joint ventures, reported a higher gain of \$7.7 million in 2QFY2020 as compared to \$2.7 million in 2QFY2019 mainly due to increased contribution from the sale of property rights of the residential development properties in Jakarta, and higher interest income of \$1.8 million.

Lower share of results of associates at \$0.5 million in 2QFY2020 as compared to \$5.2 million in 2QFY2019 mainly due to lower contribution from the associates and the absence of the Group's share of profit from the Middlewood Locks Phase 2 development in the United Kingdom of \$2.1 million in 2QFY2019.

At joint venture level, Metro City, Shanghai, reported a fair value loss on investment property of \$1.4 million in 2QFY2020 as compared to \$1.0 million 2QFY2019. The Group recognised lower contribution from The Crest, Singapore, resulting from lower profit recognition from the residential units sold.

The average occupancy of the Group's five investment properties held by a subsidiary and joint ventures as at 30 September 2019 was 95.5%.

The portfolio summary of the Group's Investment Properties as at 30 September 2019 was as follows:

	<i>Percentage Owned</i>	<i>Tenure</i>	<i>No. of Tenants</i>	<i>Occupancy Rate (%)</i>
<u><i>Owned by a Subsidiary</i></u>				
GIE Tower, Guangzhou	100%	50 year term from 1994	37	94.5%
<u><i>Owned by Joint Ventures</i></u>				
Metro City, Shanghai	60%	36 year term from 1993	185	99.0%
Metro Tower, Shanghai	60%	50 year term from 1993	33	95.0%
5 Chancery Lane, London	50%	Freehold	1	100.0%
7 & 9 Tampines Grande	50%	99 year term from 2007	17	89.0%

Segmental Results - Retail Division

Revenue from the Singapore operations of the retail division for 2QFY2020 increased to \$34.7 million from 2QFY2019's \$30.7 million mainly due to promotional events in 2QFY2020 from closure of Metro Centrepoin in October 2019 upon lease expiry. As a result, segment results improved from a loss of \$2.5 million in 2QFY2019 to a profit of \$1.2 million in 2QFY2020, after factoring in closure costs of approximately \$1.0m.

The retail division's associate company in Indonesia reported strong competition. Overall loss maintained at \$0.2 million in 2QFY2020 and 2QFY2019.

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

Right-of-use assets (Non-current assets) of S\$40.5 million and lease liabilities (Current and Non-current liabilities) of \$42.0 million as at 30 September 2019 arose from the Group's adoption of SFRS(I) 16 Leases with effect from 1 April 2019 (see Para 5 on page 16).

Associates (Non-current assets) and Amounts due from associates (Current assets) decreased from \$763.4 million as at 30 June 2019 to \$756.1 million as at 30 September 2019 mainly due to repayment of \$10.2 million loan from an associate in the United Kingdom and dividend distribution from associates of \$5.0 million, partially offset by additional funding of \$6.3 million to an associate in the PRC.

Development properties (Current assets) increased to \$205.7 million as at 30 September 2019 from \$188.7 million as at 30 June 2019. This relates to the residential development properties in Jakarta, Indonesia, held for sales.

Accounts and other receivables (Current assets) increased to \$98.4 million as at 30 September 2019 from \$70.0 million as at 30 June 2019 mainly due to receivables relating to the residential development properties in Jakarta, Indonesia, held for sales.

Consequently, Cash and cash equivalents decreased from \$286.2 million as at 30 June 2019 to \$236.9 million as at 30 September 2019 after taking into account a dividend of \$37.3 million paid to shareholders and the above-mentioned funds flow.

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

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

There have been no material variances with prospect statements issued for the period being reported.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

China

CBRE forecasts that China's economy will grow by 6.1% in 2019, as economic headwinds strengthened over the course of 2018 amid deleveraging, supply-side reform and the ongoing US-China trade conflict¹.

Our properties, Metro City, Metro Tower and GIE Tower, maintain a high average occupancy rate. Leasing activities for the three office buildings in Bay Valley and Shanghai Plaza in Shanghai, are underway, while asset enhancement works for Shanghai Plaza and the recently acquired prime commercial mall in Chengdu are in progress.

¹ CBRE, *Greater China Real Estate Market Outlook 2019*

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (cont'd)

Singapore

Based on the Ministry of Trade and Industry's ("MTI") advance estimates, the Singapore economy grew by 0.1 per cent on a year-on-year basis in the third quarter of 2019, the same pace of growth as in the previous quarter². Sales of the residential project, The Crest at Prince Charles Crescent, is subject to the impact of cooling measures announced in July 2018 in the Singapore property market. While the Group's recently acquired premium Grade-A office towers at Tampines Regional Centre's average occupancy rate remains high.

Indonesia

The incumbent Joko Widodo emerged from the recent presidential election as the clear victor. After a legal challenge Jokowi now appears set for another five years at the helm. Indonesia's Q1 2019 GDP growth was recorded at around 5.1%. This was broadly consistent with expectations and the levels at which economic expansion has been recorded at over the past few years³. Construction work and presales of the residential projects in Bekasi and Bintaro, Jakarta, Indonesia, which commenced in late 2017 and March 2018 respectively, are ongoing.

United Kingdom

Central London office continues to be subdued in Q2 2019 in the midst of the Brexit uncertainty⁴ and the UK general election on 12 December 2019. Our office property at 5 Chancery Lane continues to be fully leased through 2023.

Residential prices in Manchester are expected to grow around 3% over the next five years, while rental growth is forecast to average 3.1% per annum⁵. Units sold for the Middlewood Locks Phase 1's 571 completed apartment units are being handed over in stages. Construction work for 546 apartment units under Phase 2 is ongoing. 277 units from Phase 1 and all units from Phase 2 have been sold to Get Living, a UK private rented sector venture.

General

The Group's portfolio of investments, held at fair value through profit or loss, will continue to be subject to fluctuations in their fair value.

The Group will continue to be subject to significant currency translation adjustments on foreign operations which will affect the results and other comprehensive income and the balance sheet, as a major portion of its net assets which mainly represent investment properties and projects situated in the People's Republic of China, are denominated in the Chinese Renminbi and Hong Kong dollar. Some of the Group's net assets are also denominated in British pounds and Indonesian rupiah.

The retail division continues to operate amidst difficult trading conditions. Metro Centrepoint has ceased operations in October 2019 upon lease expiry. The Group will take appropriate measures to rationalise the retail division as a whole.

² Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 0.1 Per Cent in the Third Quarter of 2019, 14 October 2019

³ JLL, Jakarta Property Market Review, Q2 2019

⁴ Knight Frank, The London Office Market, Q2 2019

⁵ JLL, Northern England Residential Forecasts, February 2019

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

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

None

- (b) (i) Amount per share (cents) – None

(ii) Previous corresponding period (cents) – None

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. If the dividend is not taxable in the hands of shareholders, this must be stated.

Not applicable

- (d) The date the dividend is payable.

Not applicable

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect

No interim dividend has been declared for the quarter ended 30 September 2019. The Company usually declares dividend at financial year end.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

14. Negative confirmation pursuant to Rule 705(5)

The Board of Directors confirms that to the best of their knowledge, nothing has come to their attention which may render the second quarter financial results to be false or misleading in any material aspect.

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

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Tan Ching Chek and Eve Chan Bee Leng

Joint Company Secretaries

Date: 12 November 2019



NEWS RELEASE

METRO HOLDINGS RECORDS REVENUE OF S\$72.8 MILLION AND PROFIT AFTER TAX OF S\$10.6 MILLION FOR 2QFY2020

- ***Revenue increases 57.1% mainly from sale of property rights of S\$36.4 million from the residential development properties in Bekasi and Bintaro, Jakarta***
- ***Maintains strong balance sheet with Net Assets at S\$1.5 billion***
- ***Lower profits resulted from absence of contribution from the Middlewood Locks Phase 2 development in the United Kingdom (“UK”) and lower contribution from The Crest, Singapore***

Singapore, 12 November 2019 – Main Board-listed Metro Holdings Limited (“**Metro**” or the “**Group**”) (“美罗控股有限公司”), a property investment and development group backed by established retail operations, registered revenue of S\$72.8 million for the second financial quarter ended 30 September 2019 (“**2QFY2020**”), an improvement of S\$26.5 million or 57.1% as compared to the same corresponding period a year ago (“**2QFY2019**”), largely due to the sale of property rights of the residential development projects in Bekasi and Bintaro, Jakarta.

The Group’s 2QFY2020 Profit After Tax (“**PAT**”) was S\$10.6 million, as compared to S\$13.4 million in 2QFY2019. This was mainly due to a lower share of results of associates in the absence of a S\$2.1 million share of profit for the Middlewood Locks Phase 2 development recognised in 2QFY2019, a decrease in share of results of joint ventures by S\$1.3 million mainly due to lower contribution from The Crest, Singapore, as well as a S\$2.1 million net increase in finance costs (net of interest income). These were partially offset by increased contribution of S\$1.8 million from sale of property

rights of the residential units in the development in Bekasi and Bintaro, Jakarta, and improved contribution from the Retail division.

Group Chief Executive Officer, Yip Hoong Mun (“叶康文”), said, “Our strategy remains focused on building stable income streams in our key markets in Singapore, China, Indonesia and the UK. To this end, we continue to focus on property investment and development in existing markets whilst seeking attractive opportunities in new segments.”

Review of Financial Performance

Property Division

The Property Division’s revenue increased by S\$22.5 million to S\$38.1 million in 2QFY2020, up from S\$15.6 million in 2QFY2019 mainly from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta.

Average occupancy rate for Metro’s five investment properties – GIE Tower in Guangzhou; Metro City and Metro Tower in Shanghai, China; the fully-leased freehold office property at 5 Chancery Lane in Central London, the UK; and the recently acquired 7 & 9 Tampines Grande, Singapore – was 95.5% as at 30 September 2019.

Property segment results, excluding associates and joint ventures, rose to S\$7.7 million in 2QFY2020 as compared to S\$2.7 million in 2QFY2019, mainly due to higher contribution by S\$1.8 million from sale of property rights of the residential units in the development in Bekasi and Bintaro, Jakarta, further lifted by higher interest income of S\$1.8 million.

Share of results of associates registered S\$0.5 million in 2QFY2020 as compared to S\$5.2 million in the previous corresponding period, mainly due to the absence of the Group’s recognition of its share of profit from the Middlewood Locks Phase 2 development in the UK amounting to S\$2.1 million in 2QFY2019 and lower contributions from the other associates.

Share of results of joint ventures decreased to S\$8.9 million in 2QFY2020 as compared to S\$10.2 million in 2QFY2019 mainly due to lower contribution from the Group's residential development in Singapore, The Crest, resulting from lower profit recognition from the residential units sold.

Retail Division

Metro's retail revenue registered an increase of 13.0% to S\$34.7 million in 2QFY2020, mainly due to promotional events arising from the closure of Metro Centrepoint in October 2019 upon lease expiry. As a result of the higher revenue, the Group recorded an operating profit of S\$1.2 million, after factoring in closure costs of approximately S\$1.0 million, in contrast to an operating loss of S\$2.5 million in 2QFY2019.

The retail division's associate company in Indonesia continues to face strong competition and registered a loss of S\$0.2 million for 2QFY2020.

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S\$1.5 billion as of 30 September 2019.

Outlook

Moving forward, the average occupancy rate of Metro's five investment properties remains high at 95.5% as at 30 September 2019 and these properties will continue to contribute stable and recurring income.

The Group's properties in China, GIE Tower in Guangzhou, as well as Metro City and Metro Tower in Shanghai, continue to maintain a high average occupancy rate. Meanwhile, leasing activities for the three office buildings in Bay Valley and Shanghai Plaza in Shanghai, are underway, while asset enhancement works for Shanghai Plaza and the recently acquired prime commercial mall in Chengdu are in progress.

In Singapore, sales of the residential project, The Crest at Prince Charles Crescent, is subject to the impact of cooling measures announced in July 2018 in the Singapore property market, while the Group's recently acquired premium Grade-A office towers at Tampines Regional Centre's average occupancy rate remains high.

In Indonesia, construction work and presales of the residential projects in Bekasi and Bintaro, Jakarta, Indonesia, which commenced in late 2017 and March 2018 respectively, are ongoing.

In the UK, the Central London office sector continues to be subdued in the midst of the Brexit uncertainty¹ and the UK general election on 12 December 2019. Nonetheless, the Group's office property at 5 Chancery Lane continues to be fully leased through 2023. Meanwhile, residential prices in Manchester are expected to grow around 3% over the next five years², providing positive tailwinds for the Group's ongoing Middlewood Locks development project. Units sold for the Phase 1 completed apartment units are being handed over in stages. Construction work for 546 apartment units under Phase 2 is ongoing.

¹ Knight Frank, *The London Office Market*, Q2 2019

² JLL, *Northern England Residential Forecasts 2019*, February 2019

Metro's retail division continues to operate amidst challenging market conditions. Metro Chairman, Lt Gen (Rtd) Winston Choo (“朱维良”), added, “Metro Centrepoint ceased operations in October 2019 upon lease expiry. Going forward, the Group will take appropriate measures to rationalise the retail division as a whole.”

ABOUT METRO HOLDINGS LIMITED

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

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

Property Investment and Development

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

Retail

Metro's retail arm serves customers through two Metro department stores in Singapore, and another 11 department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 1.3 million square feet of downtown and suburban retail space in Singapore and Indonesia.

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