



METRO HOLDINGS LIMITED

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

UNAUDITED RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2020

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

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

	Group		
	Half Year ended 30-Sep-2020 \$'000	Half Year ended 30-Sep-2019 \$'000	% Change
Revenue			
- Retail	25,226	61,664	(59.1)
- Sale of property rights	8,227	63,636	(87.1)
- Rental income	3,264	3,421	(4.6)
	<u>36,717</u>	<u>128,721</u>	(71.5)
Cost of revenue	<u>(31,783)</u>	<u>(116,514)</u>	(72.7)
Gross profit	4,934	12,207	(59.6)
Other net income	12,704	15,582	(18.5)
General and administrative expenses	(8,680)	(10,516)	(17.5)
Finance costs	(9,757)	(9,195)	6.1
Share of results of associates, net of tax	(7,531)	1,489	n.m.
Share of results of joint ventures, net of tax	<u>32,077</u>	<u>16,134</u>	98.8
Profit from operations before taxation	23,747	25,701	(7.6)
Taxation	<u>(3,924)</u>	<u>(4,097)</u>	(4.2)
Profit net of taxation	<u><u>19,823</u></u>	<u><u>21,604</u></u>	(8.2)
Attributable to:			
Owners of the Company	19,783	20,972	(5.7)
Non-controlling interests	<u>40</u>	<u>632</u>	(93.7)
	<u><u>19,823</u></u>	<u><u>21,604</u></u>	(8.2)

n.m. - not meaningful

Statement of Comprehensive Income

	Group		
	Half Year ended 30-Sep-2020 \$'000	Half Year ended 30-Sep-2019 \$'000	%
			Change
Profit net of taxation	19,823	21,604	(8.2)
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)	(3,943)	(2,345)	68.1
Share of other comprehensive expense of associates and joint ventures (Note 2)	(5,194)	(2,763)	88.0
Other comprehensive expense, net of tax	(9,137)	(5,108)	78.9
Total comprehensive income for the period	<u>10,686</u>	<u>16,496</u>	(35.2)
Total comprehensive income attributable to:			
Owners of the Company	9,323	15,187	(38.6)
Non-controlling interests	<u>1,363</u>	<u>1,309</u>	4.1
	<u>10,686</u>	<u>16,496</u>	(35.2)

n.m. - not meaningful

Note:

- (1) In 1HFY2021, \$3.9 million mainly relates to the exchange translation loss of foreign operations' net assets due to depreciation of USD and HKD against SGD which amounted to \$9.0 million each, which was partially offset by appreciation of IDR against SGD which amounted to \$14.4 million.
- (2) In 1HFY2021, \$5.2 million mainly relates to the share of other comprehensive income of our associate i.e. Top Spring International Holdings Limited ("Top Spring"), which was due to the weakening of RMB against HKD.

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

	Group		% Change
	Half Year ended 30-Sep-2020 \$'000	Half Year ended 30-Sep-2019 \$'000	
Cost of revenue and general and administrative expenses includes:-			
Depreciation of plant and equipment	(364)	(733)	(50.3)
Depreciation of right-of-use assets	(2,214)	(5,668)	(60.9)
Cost of properties rights sold	(7,365)	(57,129)	(87.1)
Inventories recognised as an expense	(15,958)	(34,470)	(53.7)
Allowance for obsolete inventories	(11)	(18)	(38.9)
Inventories written down	(215)	(1,007)	(78.6)
Rental expense	(1,276)	(6,682)	(80.9)
Other net income/(loss) includes:-			
Interest income	10,529	11,697	(10.0)
Dividends from			
- Long term investments	1,804	2,555	(29.4)
- Short term investments	217	957	(77.3)
Net change in fair value of investments at fair value through profit and loss	(1,042)	1,500	n.m.
- Long term investments	(3,976)	719	n.m.
- Short term investments	2,934	781	275.7
Management fee income from associates	-	182	n.m.
Foreign exchange gain/(loss)	881	(2,094)	n.m.

n.m. - not meaningful

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

	Group		% Change
	Half Year ended		
	30-Sep-2020	30-Sep-2019	
	\$'000	\$'000	
The Group's share of associates' results consists of:-			
- Operating results	(4,595)	1,242	n.m.
- Fair value (loss)/gain on investment properties	(2,527)	3,544	n.m.
- Taxation	(574)	(2,698)	(78.7)
- Others	165	(599)	n.m.
	<u>(7,531)</u>	<u>1,489</u>	n.m.

n.m. - not meaningful

Note:

The Group, in 1HFY2021, has applied the equity method for the operating results of Top Spring using financial statements that are prepared as of a different reporting date from that of the Company, after adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

As Top Spring releases its results on a half-year basis, with the last financial statements as at 30 June 2020, 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 2020 less estimates of its results for the 3 months to 31 March 2020 and adjusted for the effects of significant transactions or events that occurred between 1 July 2020 and 30 September 2020.

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

	Group		% Change
	Half Year ended 30-Sep-2020 \$'000	Half Year ended 30-Sep-2019 \$'000	
The Group's share of joint ventures' results consists of:-			
- Operating results	39,017	25,225	54.7
- Fair value loss on investment properties	(2,309)	(3,641)	(36.6)
- Taxation	(4,631)	(5,450)	(15.0)
	<u>32,077</u>	<u>16,134</u>	98.8

n.m. - not meaningful

1(a) (v) Taxation

	Group		% Change
	Half Year ended 30-Sep-2020 \$'000	Half Year ended 30-Sep-2019 \$'000	
Current Year Tax	4,008	3,922	2.2
Underprovision in respect of prior year	17	686	(97.5)
Deferred Tax	(164)	(511)	(67.9)
Withholding Tax	63	-	n.m.
	<u>3,924</u>	<u>4,097</u>	(4.2)

n.m. - not meaningful

There is a tax charge of the Group for the half year period ended 30 September 2020 in spite of a loss, excluding share of results of associates and joint ventures which is already stated net of tax, mainly due to (i) tax charges on dividend income from associates, (ii) deferred tax expense in respect of undistributed profits of joint ventures and (iii) 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-2020 \$'000	31-Mar-2020 \$'000	30-Sep-2020 \$'000	31-Mar-2020 \$'000
Non-current assets				
Plant and equipment	2,155	1,465	141	22
Right-of-use assets	57,064	62,590	3,566	3,840
Investment property	109,022	109,022	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	497,453	542,055
Associates	775,630	795,642	500	500
Joint ventures	328,999	337,269	-	-
Long term investments				
- Fair value through profit or loss	94,237	99,873	-	-
Deferred tax asset	1,121	1,121	-	-
	<u>1,368,228</u>	<u>1,406,982</u>	<u>519,450</u>	<u>564,207</u>
Current assets				
Development properties	169,600	166,735	-	-
Inventories	9,940	10,159	-	-
Prepayments	836	1,499	-	-
Accounts and other receivables	92,401	94,030	186	415
Amounts due from subsidiaries	-	-	367,032	290,970
Amounts due from associates	19,351	8,321	-	-
Amounts due from joint ventures	147,430	188,258	4,178	4,296
Short term investments	13,921	10,988	-	-
Cash and cash equivalents	436,857	349,367	9,635	63,703
	<u>890,336</u>	<u>829,357</u>	<u>381,031</u>	<u>359,384</u>
Current liabilities				
Borrowings	154,825	145,165	65,070	18,789
Accounts and other payables	57,655	48,006	6,022	6,280
Amounts due to subsidiaries	-	-	138,285	192,886
Lease liabilities	10,669	10,573	531	523
Provision for taxation	5,090	4,875	131	111
	<u>228,239</u>	<u>208,619</u>	<u>210,039</u>	<u>218,589</u>
Net current assets	662,097	620,738	170,992	140,795
Non-current liabilities				
Borrowings	348,650	348,348	348,650	348,348
Amounts due to joint ventures	89,149	73,813	-	-
Lease liabilities	48,510	53,871	3,215	3,483
Deferred income	1,993	2,100	-	-
Deferred taxation	20,697	20,891	7	7
	<u>(508,999)</u>	<u>(499,023)</u>	<u>(351,872)</u>	<u>(351,838)</u>
Net assets	<u>1,521,326</u>	<u>1,528,697</u>	<u>338,570</u>	<u>353,164</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	1,324,892	1,332,130	170,621	185,215
	<u>1,492,841</u>	<u>1,500,079</u>	<u>338,570</u>	<u>353,164</u>
Non-controlling interests	28,485	28,618	-	-
Total equity	<u>1,521,326</u>	<u>1,528,697</u>	<u>338,570</u>	<u>353,164</u>

Notes to Balance Sheets:

The Group had reviewed its investment properties for the half year ended 30 September 2020, to ascertain the appropriateness of the assets' carrying value in the financial statements amid the ongoing COVID-19 situation.

Investment Properties

Investment properties of the Group's subsidiary, associates and joint ventures were stated at fair valuation as at 30 September 2020 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 2020 whereby the Group has assessed the fair values in consultation with external valuers. There was an increase in the level of estimation uncertainty in determining the valuation of the investment properties as at 30 September 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic. The valuation of the investment properties was estimated based on conditions prevailing on that date.

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-2020		As at 31-Mar-2020	
Secured	Unsecured	Secured	Unsecured
-	154,825,000	-	145,165,000

Amount repayable after one year

As at 30-Sep-2020		As at 31-Mar-2020	
Secured	Unsecured	Secured	Unsecured
-	348,650,000	-	348,348,000

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

Nil

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	
	Half Year ended 30-Sep-2020 \$'000	Half Year ended 30-Sep-2019 \$'000
Cash flows from operating activities		
Operating (loss)/profit before reinvestment in working capital	(189)	10,517
Decrease/(increase) in development properties	6,341	(31,527)
(Increase)/decrease in inventories	(7)	1,900
Decrease/(increase) in accounts and other receivables	7,535	(43,091)
Increase in accounts and other payables	9,655	13,097
Cash flows from/(used in) operations	<u>23,335</u>	<u>(49,104)</u>
Interest expense paid	(8,785)	(8,601)
Interest income received	14,602	13,799
Income taxes paid	(3,820)	(3,862)
Net cash flows from/(used in) operating activities	<u>25,332</u>	<u>(47,768)</u>
Cash flows from investing activities		
Purchase of plant & equipment	(1,055)	(378)
Decrease in long term investments	210	3,722
Proceeds from disposal of plant and equipment	1	7
Investment in associates	2,335	(5,637)
Investment in joint ventures	-	(40,258)
Increase in amounts due from associates	(20,802)	(2,556)
Decrease/(increase) in amounts due from joint ventures	76,301	(51,504)
Increase in amounts due to joint ventures	14,933	12,420
Dividends received from:		
- long term investments	1,804	2,555
- short term investments	217	957
- associates	5,163	9,767
- joint venture	2,108	-
Changes in pledged fixed bank deposits	-	22,242
Net cash flows from/(used in) investing activities	<u>81,215</u>	<u>(48,663)</u>
Cash flows from financing activities		
Drawdown of borrowings	-	198,571
Repayment of borrowings	(2)	(23,400)
Payment of lease liabilities	(2,867)	(6,186)
Advances from non-controlling interests	-	7,481
Capital distribution to non-controlling interests	(1,496)	-
Dividends paid	(16,561)	(37,262)
Net cash flows (used in)/from financing activities	<u>(20,926)</u>	<u>139,204</u>
Net increase in cash and cash equivalents	85,621	42,773
Effect of exchange rate changes in cash and cash equivalents	1,869	(1,236)
Cash & cash equivalents at beginning of financial period	349,367	195,316
Cash & cash equivalents at end of financial period	<u>436,857</u>	<u>236,853</u>

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

	Group	
	Half Year ended 30-Sep-2020 \$'000	Half Year ended 30-Sep-2019 \$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit from operations before taxation	23,747	25,701
Adjustments for:		
Finance costs	9,757	9,195
Depreciation of plant and equipment	364	733
Depreciation of right-of-use assets	2,214	5,668
Share of results of associate, net of tax	7,531	(1,489)
Dilution loss on interest in associates	-	55
Share of results of joint ventures, net of tax	(32,077)	(16,134)
Interest income	(10,529)	(11,697)
Dividends from		
- long term investments	(1,804)	(2,555)
- short term investments	(217)	(957)
Inventories written down	215	1,007
Allowance for obsolete inventories	11	18
Plant and equipment written off	2	-
Gain on disposal of plant and equipment	(1)	(7)
Net change in fair value of investments at fair value through profit and loss	1,042	(1,500)
Foreign exchange adjustments	(444)	2,479
Operating (loss)/profit before reinvestment in working capital	<u>(189)</u>	<u>10,517</u>

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from 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

<u>Group</u>	Share	Treasury	Foreign	Statutory	Other	Revenue	Total	Non-	Total
	Capital	Shares	Currency	reserve	Reserve	Reserve		controlling	
At 1 April 2020	\$'000	\$'000	Reserve	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	169,717	(1,768)	(10,296)	4,734	434	1,337,258	1,500,079	28,618	1,528,697
Profit for the period	-	-	-	-	-	19,783	19,783	40	19,823
<u>Other comprehensive income/(expense)</u>									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	(5,266)	-	-	-	(5,266)	1,323	(3,943)
Share of other comprehensive expense of associates and joint ventures	-	-	(5,212)	-	18	-	(5,194)	-	(5,194)
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(10,478)	-	18	-	(10,460)	1,323	(9,137)
Total comprehensive (expense)/income for the financial period	-	-	(10,478)	-	18	19,783	9,323	1,363	10,686
<u>Changes in ownership interests in a subsidiary</u>									
Interest in a subsidiary	-	-	-	-	-	-	-	(1,496)	(1,496)
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	(1,496)	(1,496)
<u>Contributions by and distributions to owners</u>									
Dividends paid	-	-	-	-	-	(16,561)	(16,561)	-	(16,561)
Total contributions by and distributions to owners	-	-	-	-	-	(16,561)	(16,561)	-	(16,561)
<u>Others</u>									
Transfer to statutory reserve fund	-	-	-	239	-	(239)	-	-	-
At 30 September 2020	169,717	(1,768)	(20,774)	4,973	452	1,340,241	1,492,841	28,485	1,521,326

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 2019	169,717	(1,768)	(7,007)	4,321	1,006	1,342,685	1,508,954	23,856	1,532,810
Profit for the period	-	-	-	-	-	20,972	20,972	632	21,604
<u>Other comprehensive income/(expense)</u>									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	(3,022)	-	-	-	(3,022)	677	(2,345)
Share of other comprehensive expense of associates and joint ventures	-	-	(2,238)	-	(525)	-	(2,763)	-	(2,763)
Other comprehensive (expense)/income for the financial period, net of tax	-	-	(5,260)	-	(525)	-	(5,785)	677	(5,108)
Total comprehensive (expense)/income for the financial period	-	-	(5,260)	-	(525)	20,972	15,187	1,309	16,496
<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	-	-	-	180	-	(180)	-	-	-
At 30 September 2019	169,717	(1,768)	(12,267)	4,501	481	1,326,215	1,486,879	25,165	1,512,044

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

<u>Company</u>	Share Capital \$'000	Treasury Shares \$'000	Revenue Reserve \$'000	Total Equity \$'000
At 1 April 2020	169,717	(1,768)	185,215	353,164
Profit for the period, representing total comprehensive income for the financial period	-	-	1,967	1,967
<u>Contributions by and distribution to owners</u>				
Dividends paid	-	-	(16,561)	(16,561)
At 30 September 2020	<u>169,717</u>	<u>(1,768)</u>	<u>170,621</u>	<u>338,570</u>
At 1 April 2019	169,717	(1,768)	194,191	362,140
Profit for the period, representing total comprehensive income for the financial period	-	-	1,912	1,912
<u>Contributions by and distribution to owners</u>				
Dividends paid	-	-	(37,262)	(37,262)
At 30 September 2019	<u>169,717</u>	<u>(1,768)</u>	<u>158,841</u>	<u>326,790</u>

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

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

As at 30 September 2020, there were 3,512,800 treasury shares (as at 30 September 2019: 3,512,800).

The Company did not issue any shares during the 6 months ended 30 September 2020.

There were no convertible instruments outstanding as at 30 September 2020 (30 September 2019: Nil).

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

	As at 30 September 2020 (end of current financial period)	As at 31 March 2020 (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 half year ended 30 September 2020.

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

The Company did not have any subsidiary holdings in the half year ended 30 September 2020.

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

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2020.

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 2020, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 April 2020 as follows:

- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of Business
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform
- Amendments to References to the Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 16 COVID-19-Related Rent Concession

The Group has elected to early adopt Amendment to SFRS(I) 16: Covid-19 Related Rent Concessions which is effective from 1 June 2020. Under SFRS(I) 16, the Group may apply the practical expedients and elect to account for any change in lease payments resulting from the rent concession as if the changes were not a lease modification.

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 amendments to SFRS(I) did not have any significant financial impact on the financial position or performance of the Group.

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

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on the weighted average number of ordinary shares on issue	2.4 cents	2.5 cents
(b) On a fully diluted basis	2.4 cents	2.5 cents

Earnings per share is calculated on the Group's profit attributable to owners of the Company of \$19,783,000 (period ended 30 September 2019: \$20,972,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 September 2020 (period ended 30 September 2019: 828,035,874).

Diluted earnings per ordinary share is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the periods under review and adjusted to include all potential dilutive ordinary shares up to 30 September 2020.

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

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period - 30 September 2020	\$1.80	\$0.41
(b) 31 March 2020	\$1.81	\$0.43

Net asset value per ordinary share for the Group is calculated on the equity attributable to owners of the Company as at 30 September 2020 of \$1,492,841,000 (31 March 2020: \$1,500,079,000) divided by the total number of issued shares excluding treasury shares as at 30 September 2020 of 828,035,874 (31 March 2020: 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 Half Year ended 30 September 2020 against Half Year ended 30 September 2019.

The Group's revenue of \$36.7 million for the first half financial year to 30 September 2020 ("1HFY2021") decreased by 71.5% over 1HFY2020's \$128.7 million. Revenue from the property division for 1HFY2021 decreased to \$11.5 million from 1HFY2020's \$67.1 million, mainly due to lower contributions from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$55.4 million from \$63.6 million in 1HFY2020 to \$8.2 million in 1HFY2021, largely impacted by the ongoing COVID-19 pandemic.

The retail division reported lower sales by \$36.5 million from \$61.7 million in 1HFY2020 to \$25.2 million in 1HFY2021 mainly due to absence of contribution from Metro Centrepoint which closed in October 2019 upon lease expiry as well as lower sales in the departmental stores in Singapore due to closure from 7 April 2020 to 18 June 2020 during the lockdown.

Correspondingly, overall gross profit decreased to \$4.9 million in 1HFY2021 from \$12.2 million in 1HFY2020.

Other net income was lower by \$2.9 million from \$15.6 million in 1HFY2020 to \$12.7 million in 1HFY2021 mainly due to net unrealised fair value loss of short term and long term investments of \$1.0 million in 1HFY2021 as compared to unrealised fair value gain of \$1.5 million in 1HFY2020, lower interest income by \$1.2 million and lower dividend income by \$1.5 million. These were partially offset by unrealised foreign exchange gain of \$0.9 million in 1HFY2021 as compared to a loss of \$2.1 million in 1HFY2020.

General and administrative expenses was lower by \$1.8 million from \$10.5 million in 1HFY2020 to \$8.7 million in 1HFY2021 mainly due to government grants of \$1.4 million comprising mainly job support scheme.

Share of results of associates registered a loss of \$7.5 million in 1HFY2021, as compared to share of associate's profit of \$1.5 million in 1HFY2020 mainly due to higher share of operating losses (net of tax) by \$4.4 million attributed to Shanghai Plaza of \$3.1 million. In addition, the Group recorded a fair value loss (net of tax) on investment properties owned by associates of \$1.9 million in 1HFY2021, as compared to fair value gain (net of tax) of \$2.7 million in 1HFY2020 due to fair value loss from our properties in PRC.

Share of profit of joint ventures increased by \$16.0 million to \$32.1 million in 1HFY2021 from \$16.1 million in 1HFY2020 mainly due to higher share of operating profits (net of tax) by \$14.9 million arising from higher contributions by \$16.1 million from The Crest.

As a result of the foregoing, profit before taxation decreased to \$23.7 million in 1HFY2021 from \$25.7 million in 1HFY2020.

Segmental Results for Half Year ended 30 September

Business segment

2020	Property \$'000	Retail \$'000	Group \$'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	25,226	25,226
- Sale of property rights	8,227	-	8,227
- Rental income	3,264	-	3,264
	<u>11,491</u>	<u>25,226</u>	<u>36,717</u>
Segment results	9,724	(766)	8,958
Finance costs	(8,900)	(857)	(9,757)
Share of associates' results, net of tax	(7,531)	-	(7,531)
Share of joint ventures' results, net of tax (Note)	32,077	-	32,077
Profit/(loss) from operations before taxation	<u>25,370</u>	<u>(1,623)</u>	<u>23,747</u>
Taxation			<u>(3,924)</u>
Profit net of taxation			<u>19,823</u>
Attributable to:			
Owners of the Company			19,783
Non-controlling interests			<u>40</u>
			<u>19,823</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>100,331</u>
Segment results	41,715
Fair value loss on investment properties	(2,309)
Finance costs	<u>(2,698)</u>
Profit from operations before taxation	36,708
Taxation	<u>(4,631)</u>
Profit net of taxation	<u>32,077</u>

Segmental Results for Half Year ended 30 September (cont'd)

Business segment

2019

	Property \$'000	Retail \$'000	Group \$'000
Segment revenue			
- Sale of goods and net commission from concessionaires	-	61,664	61,664
- Sale of property rights	63,636	-	63,636
- Rental income	3,421	-	3,421
	<u>67,057</u>	<u>61,664</u>	<u>128,721</u>
Segment results	17,186	87	17,273
Finance costs	(8,596)	(599)	(9,195)
Share of associates' results, net of tax	901	588	1,489
Share of joint ventures' results, net of tax (Note)	16,134	-	16,134
Profit from operations before taxation	<u>25,625</u>	<u>76</u>	<u>25,701</u>
Taxation			(4,097)
Profit net of taxation			<u>21,604</u>
Attributable to:			
Owners of the Company			20,972
Non-controlling interests			632
			<u>21,604</u>

Note:

Share of joint ventures' results, net of tax

	\$'000
Segment revenue	<u>48,343</u>
Segment results	27,515
Fair value loss on investment properties	(3,641)
Finance costs	(2,290)
Profit from operations before taxation	<u>21,584</u>
Taxation	(5,450)
Profit net of taxation	<u>16,134</u>

Geographical Segments

	Asean \$'000	People's Republic of China \$'000	Group \$'000
Segment revenue			
2020	<u>33,453</u>	<u>3,264</u>	<u>36,717</u>
2019	<u>125,300</u>	<u>3,421</u>	<u>128,721</u>

Segmental Results - Property Division

Revenue from the property division for 1HFY2021 decreased to \$11.5 million from 1HFY2020's \$67.1 million, mainly due to lower sales of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$55.4 million from \$63.6 million in 1HFY2020 to \$8.2 million in 1HFY2021, largely impacted by the ongoing COVID-19 pandemic.

Segment results of the property division, excluding associates and joint ventures, reported a lower profit of \$9.7 million in 1HFY2021 as compared to \$17.2 million in 1HFY2020 mainly due to lower gross profit contribution from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$5.6 million, in line with lower revenue. Net unrealised fair value loss of short term and long term investments was \$1.0 million in 1HFY2021 as compared to an unrealised fair value gain of \$1.5 million in 1HFY2020. Interest income and dividend income was lower in 1HFY2021 by \$1.1 million and \$1.5 million respectively. These were partially offset by unrealised foreign exchange gain of \$0.9 million in 1HFY2021 as compared to a loss of \$2.1 million in 1HFY2020.

Share of results of associates registered a loss of \$7.5 million in 1HFY2021, as compared to share of associate's profit of \$0.9 million in 1HFY2020 mainly due to higher share of operating losses (net of tax) by \$3.8 million attributed to Shanghai Plaza of \$3.1 million. In addition, the Group recorded a fair value loss (net of tax) on investment properties owned by associates of \$1.9 million in 1HFY2021, as compared to fair value gain (net of tax) of \$2.7 million in 1HFY2020 due to fair value loss from our properties in PRC.

Share of profit of joint ventures increased by \$16.0 million to \$32.1 million in 1HFY2021 from \$16.1 million in 1HFY2020 mainly due to higher share of operating profits (net of tax) by \$14.9 million arising from higher contributions by \$16.1 million from The Crest.

The average occupancy of the Group's five investment properties held by a subsidiary and joint ventures as at 30 September 2020 was 92.3%.

The portfolio summary of the Group's Investment Properties as at 30 September 2020 was as follows:

	<i>Percentage Owned</i>	<i>Tenure</i>	<i>No. of Tenants</i>	<i>Occupancy Rate (%)</i>
<i><u>Owned by a Subsidiary</u></i>				
GIE Tower, Guangzhou	100%	50 year term from 1994	36	93.8%
<i><u>Owned by Joint Ventures</u></i>				
Metro City, Shanghai	60%	36 year term from 1993	173	98.2%
Metro Tower, Shanghai	60%	50 year term from 1993	33	91.6%
5 Chancery Lane, London	50%	Freehold	1	100.0%
7 & 9 Tampines Grande	50%	99 year term from 2007	15	78.0%

Segmental Results - Retail Division

Revenue from the Singapore operations of the retail division for 1HFY2021 decreased to \$25.2 million from 1HFY2020's \$61.7 million mainly due to absence of contribution from Metro Centrepont which closed in October 2019 upon lease expiry as well as lower sales in the departmental stores in Singapore due to closure from 7 April 2020 to 18 June 2020 during the lockdown.

In line with the lower revenue recognition, segment results declined to a loss of \$0.8 million in 1HFY2021 from a gain of \$0.1 million in 1HFY2020. The impact was cushioned by rental rebates granted by landlords, property tax rebates and job support scheme, totalling \$6.1 million.

Pressure on margins amidst a highly competitive trading environment and impact from COVID-19 pandemic adversely affected the results.

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

Associates (Non-current assets) and Amounts due from associates (Current assets) decreased from \$804.0 million as at 31 March 2020 to \$795.0 million as at 30 September 2020 mainly due to repayment of shareholder loan of \$2.4 million from an associate, dividend distribution from associates of \$5.2 million and currency translation losses in 1HFY2021. These were partially offset by additional funding of \$23.2 million to associates in the PRC.

Joint Ventures (Non-current assets) and Amounts due from joint ventures (Current assets) decreased from \$525.5 million as at 31 March 2020 to \$476.4 million as at 30 September 2020 mainly due to repayment of shareholder loan of \$76.4 million from a joint venture in Singapore which was partially offset by share of profit of \$32.1 million.

Bank borrowings (Current liabilities) increased to \$154.8 million as at 30 September 2020 from \$145.2 million as at 31 March 2020 due to revaluation of AUD denominated bank loans.

Amounts due to joint ventures (Non-current liabilities) increased to \$89.1 million as at 30 September 2020 from \$73.8 million as at 31 March 2020 mainly due to funding from joint ventures in the PRC for the Group's investments in the PRC.

Consequently, Cash and cash equivalents increased from \$349.4 million as at 31 March 2020 to \$436.9 million as at 30 September 2020 after taking into account the above-mentioned funds flow.

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

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

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

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

COVID-19

The global economy is climbing out from the depths of the Great Lockdown in April 2020. But with the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in China has been faster than expected, the global economy remains prone to setbacks. Global growth is projected at -4.4% in 2020, a less severe contraction than forecasted in June 2020. The revision reflects better-than anticipated second quarter GDP output, mostly in advanced economies, where activity began to improve sooner than expected after lockdowns were scaled back in May and June. Global growth is projected at 5.2% in 2021¹.

Property Division

China

Starting in mid-February, the Chinese government has gradually removed mobility and activity restrictions, prioritizing essential sectors, regions and population groups based on risk assessments. Most businesses and schools have reopened nationwide, but social distancing rules remain in place at the micro level and foreign entry remains restricted to contain imported cases. With normalizing economic activity, real GDP growth rebounded by 3.2% Year-on-Year (“YoY”) in 2Q 2020 and continued to recover by 4.9% in 3Q 2020². Occupancy remains high at our China investment properties in Shanghai and Guangzhou. Asset enhancement works for Shanghai Plaza and Phase 1 of the Atrium Mall in Chengdu have completed and both properties were opened in September 2020. Occupancy at the three office buildings in Bay Valley is gradually improving. For the near-term, our associate Top Spring International Holdings Limited continues to be subject to the China and Hong Kong market headwinds.

Singapore

Singapore’s GDP contracted by 7.0% on a YoY basis in the third quarter of 2020, an improvement from the 13.3% contraction in the second quarter. This improved performance came on the back of the phased re-opening of the economy following the lockdown that was implemented between 7 April and 1 June 2020³. Despite pickup in market activities during the quarter due to pent-up demand from buyers constrained during the lockdown, prices of secondary market of completed prime private residential properties continued to decline at a faster pace due to cautious buying sentiment and more realistic pricing from sellers amid the negative macroeconomic outlook⁴. Sales of the residential project, The Crest at Prince Charles Crescent in Singapore, will be subject to such macroeconomic factors, while leasing is underway at our premium Grade-A office towers at the Tampines Regional Centre.

Indonesia

Indonesia’s COVID-19 situation escalated as social restrictions were put in place and remained throughout March, April and May. Many businesses, including shops in Trans Park Bekasi and Bintaro malls in Jakarta, began to open again in June at a maximum 50% capacity with social distancing rules and health protocols in effect. This caused 2Q 2020 GDP growth to contract 5.3% YoY, the weakest since 1Q 1999. Physical sales offices for the high-rise residential market were unable to operate during the second quarter of 2020⁵, though sales for our Bekasi and Bintaro residential units continued online through Facebook, Instagram, Zoom and YouTube. On 9 September 2020, Jakarta’s governor announced that large-scale social restrictions would be tightened further to contain the spread of the virus and this will have an impact on the sales and collections of our two projects.

¹ IMF, *World Economic Outlook – October 2020*

² IMF, *Policy Responses to COVID-19*

³ MTI Singapore, *Singapore’s GDP Contracted by 7.0 Per Cent in the Third Quarter of 2020 – 14 October 2020*

⁴ JLL, *Property Market Monitor Singapore, – 16 October 2020*

⁵ JLL, *Jakarta Property Market Review, Q2 2020*

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

United Kingdom

The first confirmed case in the UK was reported on 31 January 2020 with cases initially peaking in April/May, but after weeks of decline, a second wave has taken hold with the number of cases significantly above those seen during the initial peak, with several localised spikes. Despite Central London office take-up decreasing to 1.3 million sqft in 2Q 2020 (from 2.0 million sqft) and office vacancy rates rising to 6.1% (from 5.7%)⁶, our office property at 5 Chancery Lane continues to be fully leased through 2023. At a city level, Manchester is registering flat house prices in 2021 before growing 3.5% in 2022, as limited availability of new homes to purchase underpins values⁷. Our Middlewood Locks marketing suite has reopened in line with Government guidance, and continues to operate concurrently online via website listings, Instagram, virtual tours and mortgage webinars.

Australia

Since its first COVID-19 case on 25 January 2020, Australia tightened social distancing measures in late March/early April. A regional resurgence triggered a lockdown in metropolitan Melbourne from 9 July 2020, but restrictions have since eased. Real GDP contracted by 7% Quarter-on-Quarter in 2Q 2020 and indicators point to an incipient recovery in the third quarter⁸. On 3 November 2020, the Reserve Bank of Australia cut the cash rate target to a record low of 0.10% and announced an increase to its asset purchase program by A\$100 billion. GDP growth is expected to be around 6% over the year to June 2021 and 4% in 2022⁹. Occupancy at the Group's 20%-owned portfolio of 14 quality freehold properties comprising 4 office buildings and 10 retail centres remains high. The 4 office buildings benefit from being strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth, while the 10 retail centres are anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities.

Retail Division

The retail environment remains very challenging for the Group, with the COVID-19 pandemic triggering a global economic crisis whose severity and duration continue to have a significant negative impact on our operations. Amidst this backdrop, the retail division reopened its two Singapore stores in June 2020. Even though our retail division saw an improvement in performance as the Singapore economy exited the lockdown, the outlook weakened due to border controls, weak consumer confidence and capacity constraints resulting from safe distancing measures¹⁰.

The Group

Metro operates across Singapore, China, Indonesia, the UK and Australia with each country being in a different phase of the COVID-19 pandemic. Amidst the evolving Covid-19 pandemic situation, the Group continues to monitor the situation closely and take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows and liquidity, and actively managing our existing investment portfolio, for optimal returns. With regards to our asset management strategy, we will prioritise critical asset enhancement, while deferring uncommitted capital expenditure and implementing cost saving measures, where possible.

⁶ Knight Frank, *London Office Market Report, Q2 2020*

⁷ JLL, *UK Residential Forecasts 2020 – 2025, November 2020*

⁸ IMF, *Policy Responses to COVID-19*

⁹ Reserve Bank of Australia, *Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 November 2020*

¹⁰ MTI Singapore, *Singapore's GDP Contracted by 7.0 Per Cent in the Third Quarter of 2020 – 14 October 2020*

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

(a) Whether an interim (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 and the reason(s) for the decision.

No interim dividend has been declared for the half year ended 30 September 2020. 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 half year 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 2020