Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	METRO HOLDINGS LTD
Securities	METRO HOLDINGS LIMITED - SG1I11878499 - M01
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Announcement Details

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Additional Details

For Financial Period Ended	30/06/2018

Attachments	MHL-Q1ended 30Jun2018.pdf Metro - 1QFY2019 NR.pdf Total size =339K

METRO HOLDINGS LIMITED

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

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2018

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		
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)	% Change
	$'000	$'000	
Revenue	30,167	32,424	(6.96)
Cost of revenue	(29,629)	(31,328)	(5.42)
Gross profit	538	1,096	(50.91)
Other net income	11,329	8,689	30.38
General and administrative expenses	(5,128)	(5,306)	(3.35)
Interest on borrowings	(650)	(366)	77.60
Share of associates' results, net of tax	(625)	13,383	n.m.
Share of joint ventures' results, net of tax	16,265	8,084	101.20
Profit from operations before taxation	21,729	25,580	(15.05)
Taxation	(1,473)	(538)	173.79
Profit net of taxation	20,256	25,042	(19.11)
Attributable to:			
Owners of the Company	20,227	24,990	(19.06)
Non-controlling interests	29	52	(44.23)
	20,256	25,042	(19.11)

n.m. - not meaningful

Statement of Comprehensive Income

	Group		
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)	% Change
	$'000	$'000	
Profit net of taxation	20,256	25,042	(19.11)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustments on foreign subsidiaries, associates and joint ventures (Note 1)	12,049	(4,821)	n.m.
Investments at fair value through other comprehensive income (Refer to Section 1(a)(ii) Note 2 on page 3)			
- net fair value changes	-	4,965	n.m.
- net fair value changes reclassified to profit or loss	-	(423)	n.m.
Share of other comprehensive income of associates and joint ventures (Note 1)	4,978	884	463.12
Other comprehensive income, net of tax	17,027	605	n.m.
Total comprehensive income for the period	37,283	25,647	45.37
Total comprehensive income/(expense) attributable to:			
Owners of the Company	38,682	25,333	52.69
Non-controlling interests	(1,399)	314	n.m.
	37,283	25,647	45.37

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 for the Group's investment properties and development projects situated in the People's Republic of China. There is also exposure to British pounds and Indonesian rupiah in respect of the projects in the United Kingdom 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. Share of other comprehensive income/(expense) of associates and joint ventures also mainly relates to foreign currency translation adjustments.

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

	Group		
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)	% Change
	$'000	$'000	
Cost of revenue and general and administrative expenses includes:-			
Depreciation of plant and equipment	(609)	(477)	27.67
Inventories recognised as an expense	(18,153)	(19,470)	(6.76)
Allowance for obsolete inventories	(9)	(9)	-
Inventories written down	(315)	(295)	6.78
Rental expense	(5,920)	(5,839)	1.39
Other net income/(loss) includes:-			
Interest income	3,773	3,326	13.44
Dividends from quoted investments	1,122	1,625	(30.95)
Net change in fair value of investments at fair value through profit and loss (Note 2)	6,707	1,858	260.98
- Long term investments	8,495	-	n.m.
- Short term Investments	(1,788)	1,858	n.m.
Gain on disposal of short term investments	-	84	n.m.
Gain on disposal of an investment property (Note 3)	-	809	n.m.
Distribution from long term investments	-	1,326	n.m.
Management fee income from associates	115	249	(53.82)
Foreign exchange loss	(553)	(874)	(36.73)

n.m. - not meaningful

Note:

(2) On 1 April 2018, the Group adopted SFRS(I) 9 Financial Instruments and reclassified the "Long term investments – available-for-sale ("AFS")" to "Long term investments – fair value through profit or loss ("FVTPL")" (please refer to Section 5(b) on page 14 for more details). Consequently, changes in fair value of previously held AFS are recognised in profit or loss instead of fair value through other comprehensive income ("FVOCI").

Net change in fair value of investments at FVTPL for the 1QFY2019 of $6.7 million includes fair value gain of $8.5 million on "Long term investments". In the prior 1QFY2018, the corresponding fair value gain of $5.0 million of such long term investments was recognised in other comprehensive income.

(3) In the previous 1QFY2018, the gain on disposal of an investment property relates to the gain arising on the sale of Lakeville Regency, Shanghai, being gross proceeds over and above the valuation as at 31 March 2017.

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

	Group		%
	1st Quarter ended		
	30-Jun-2018	30-Jun-2017 (restated)	Change
	$'000	$'000	
The Group's share of associates' results consists of:-			
- Operating results	(1,546)	3,956	n.m.
- Fair value gain on investment properties	1,156	6,860	(83.15)
- Non-operating results	-	9,172	n.m.
- Taxation	(658)	(5,897)	(88.84)
- Others	423	(708)	n.m.
	(625)	13,383	n.m.

n.m. - not meaningful

Note:

The Group, in 1QFY2019, has applied the equity method for the operating results of the Top Spring group using financial statements that are prepared as of a different reporting date from that of the Company, after adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. As Top Spring releases its results on a half-year basis, with the last financial statements as at 31 December 2017, 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 estimates of its results for the 3 months to 31 March 2018 and adjusted for the effects of significant transactions or events that occurred between 1 April 2018 and 30 June 2018.

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

	Group		
	1st Quarter ended		%
	30-Jun-2018	30-Jun-2017	Change
	$'000	$'000	
The Group's share of joint ventures' results consists of:-			
- Operating results	18,958	11,076	71.16
- Fair value gain/(loss) on investment properties	778	(280)	n.m.
- Taxation	(3,471)	(2,712)	27.99
	16,265	8,084	101.20

n.m.- not meaningful

1(a) (v) Taxation

	Group		
	1st Quarter ended		%
	30-Jun-2018	30-Jun-2017	Change
	$'000	$'000	
Current Year Tax	452	625	(27.68)
Overprovision in respect of prior year	(15)	(208)	(92.79)
Deferred Tax	1,036	121	756.20
	1,473	538	173.79

n.m. - not meaningful

The tax charge of the Group for the first quarter period ended 30 June 2018, 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 in respect of 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-Jun-2018	31-Mar-2018 (restated)	30-Jun-2018	31-Mar-2018
	$'000	$'000	$'000	$'000
Non-current assets				
Plant and equipment	4,090	4,466	34	42
Investment properties	99,251	100,214	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	283,641	535,448
Associates	628,475	544,174	500	500
Joint ventures	194,070	419,917	-	-
Long term investments				
- Fair value through profit or loss	88,919	-	-	-
- Available-for-sale	-	80,336	-	-
	1,014,805	1,149,107	301,965	553,780
Current assets				
Development properties	79,880	50,556	-	-
Inventories	15,858	16,950	-	-
Prepayments	768	1,922	-	-
Accounts and other receivables	14,332	135,350	209	192
Amounts due from subsidiaries	-	-	267,940	-
Amounts due from associates	229	-	-	-
Amounts due from joint ventures	197,446	-	4,213	-
Short term investments	29,478	30,262	-	-
Pledged fixed bank deposits	125,466	158,409	-	-
Cash and cash equivalents	268,387	159,364	9,555	9,588
	731,844	552,813	281,917	9,780
Current liabilities				
Bank borrowings	102,560	136,752	-	-
Accounts and other payables	49,664	53,876	8,482	7,954
Amounts due to subsidiaries	-	-	266,005	-
Amount due to a joint venture	27,979	-	-	-
Provision for taxation	1,508	1,448	15	15
	181,711	192,076	274,502	7,969
Net current assets	550,133	360,737	7,415	1,811
Non-current liabilities				
Amounts due to subsidiaries	-	-	-	255,192
Amount due to a joint venture	15,428	-	-	-
Deferred income	10,296	11,325	-	-
Deferred taxation	15,745	16,377	16	12
	(41,469)	(27,702)	(16)	(255,204)
Net assets	1,523,469	1,482,142	309,364	300,387
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	1,344,290	1,305,608	141,415	132,438
	1,512,239	1,473,557	309,364	300,387
Non-controlling interests	11,230	8,585	-	-
Total equity	1,523,469	1,482,142	309,364	300,387

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-Jun-2018		As at 31-Mar-2018	
Secured	Unsecured	Secured	Unsecured
102,560,000	-	136,752,000	-

Amount repayable after one year

As at 30-Jun-2018		As at 31-Mar-2018	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral for banking facilities

Subsidiaries:

Fixed deposits totaling S$125.5 million have been pledged to banks for banking facilities of GBP78.5 million granted to certain subsidiaries. Total loans drawn on such facilities as at 30 June 2018 amounted to GBP57.4 million (equivalent to S$102.6 million).

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

Consolidated Statement of Cash Flows for the period ended

	Group	
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)
	$'000	$'000
Cash flows from operating activities		
Operating loss before reinvestment in working capital	(2,657)	(2,740)
Increase in development properties	(29,324)	-
Decrease/(increase) in inventories	768	(67)
Decrease in accounts and other receivables	122,171	101
(Decrease)/increase in accounts and other payables	(4,212)	2,809
Cash flows from operations	86,746	103
Interest expense paid	(650)	(366)
Interest income received	3,352	2,472
Income taxes paid	(1,861)	(146)
Net cash flows from operating activities	87,587	2,063
Cash flows from investing activities		
Purchase of plant & equipment	(276)	(148)
Decrease/(increase) in long term investments	66	(96)
Purchase of short term investments	(967)	-
Proceeds from:		
- disposal of short term investments	-	3,485
- disposal of an investment property	-	3,042
- distribution from long term investments	-	441
Investment in associates	(6,919)	10,619
Decrease in amount due to an associate	-	(6)
Increase in amounts due from associates	(72,482)	(9,685)
Increase in amounts due to joint venture	43,407	-
Decrease/(increase) in amounts due from joint ventures	31,859	(7,191)
Dividends received from quoted investments	1,122	1,625
Dividends received from associates	13,489	19,755
Dividend received from a joint venture	2,318	-
Changes in pledged fixed bank deposits	32,943	-
Net cash flows generated from investing activities	44,560	21,841
Cash flows from financing activities		
Drawdown of bank borrowings	-	21,134
Repayment of bank borrowings	(29,954)	-
Contributions from non-controlling interests	4,044	-
Net cash flows (used in)/generated from financing activities	(25,910)	21,134
Net increase in cash and cash equivalents	106,237	45,038
Effect of exchange rate changes in cash and cash equivalents	2,786	(794)
Cash & cash equivalents at beginning of financial period	159,364	278,164
Cash & cash equivalents at end of financial period	268,387	322,408

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

	Group	
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)
	$'000	$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit from operations before taxation	21,729	25,580
Adjustments for:		
Interest expense	650	366
Depreciation of plant and equipment	609	477
Share of associates' results, net of tax	625	(13,383)
Share of joint ventures' results, net of tax	(16,265)	(8,084)
Interest and investment income	(4,895)	(4,951)
Inventories written down	315	295
Gain on disposal of an investment property	-	(809)
Plant and equipment written off	43	-
Allowance for obsolete inventories	9	9
Net change in fair value of investments at fair value through profit and loss	(6,707)	(1,858)
Gain on disposal of short term investments	-	(84)
Distribution from long term investments	-	(1,326)
Foreign exchange adjustments	1,230	1,028
Operating loss before reinvestment in working capital	(2,657)	(2,740)

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

Statement of Changes in Shareholders' Equity

Group	Share Capital $'000	Treasury Shares $'000	FVOCI Reserve $'000	Foreign Currency Translation Reserve $'000	Statutory reserve $'000	Other Reserve $'000	Revenue Reserve $'000	**Total $'000**	Non-controlling Interests $'000	**Total Equity $'000**
At 1 April 2018 (as previously stated)	169,717	(1,768)	5,330	(42,219)	4,081	1,811	1,336,605	**1,473,557**	8,585	**1,482,142**
Effects of adoption of SFRS(I)	-	-	(5,330)	47,456	-	-	(42,126)	**-**	-	**-**
At 1 April 2018 (as restated)	169,717	(1,768)	-	5,237	4,081	1,811	1,294,479	**1,473,557**	8,585	**1,482,142**
Profit for the period	-	-	-	-	-	-	20,227	**20,227**	29	**20,256**
Other comprehensive income/(expense)										
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)	20,227	**38,682**	(1,399)	**37,283**
Changes in ownership interests in a subsidiary										
Interest in a subsidiary	-	-	-	-	-	-	-	**-**	4,044	**4,044**
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	**-**	4,044	**4,044**
Others										
Transfer to statutory reserve fund	-	-	-	-	57	-	(57)	**-**	-	**-**
At 30 June 2018	169,717	(1,768)	-	24,316	4,138	1,187	1,314,649	**1,512,239**	11,230	**1,523,469**

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

Group	Share Capital $'000	Treasury Shares $'000	FVOCI Reserve $'000	Foreign Currency Translation Reserve $'000	Statutory reserve $'000	Other Reserve $'000	Revenue Reserve $'000	**Total $'000**	Non-controlling Interests $'000	**Total Equity $'000**
At 1 April 2017 (As previously stated)	169,717	(1,768)	3,366	(50,177)	3,880	1,474	1,221,734	**1,348,226**	2,473	**1,350,699**
Effects of adoption of SFRS(I)	-	-	-	50,177	-	-	(50,177)	**-**	-	**-**
At 1 April 2017 (As restated)	169,717	(1,768)	3,366	-	3,880	1,474	1,171,557	**1,348,226**	2,473	**1,350,699**
Profit for the period	-	-	-	-	-	-	24,990	**24,990**	52	**25,042**
Other comprehensive income/(expense)										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	(4,784)	-	-	-	**(4,784)**	(37)	**(4,821)**
Investments at fair value through other comprehensive income										
- net fair value changes	-	-	4,641	-	-	-	-	**4,641**	324	**4,965**
- net fair value changes reclassified to profit or loss	-	-	(398)	-	-	-	-	**(398)**	(25)	**(423)**
Share of other comprehensive income of associates and joint ventures	-	-	-	884	-	-	-	**884**	-	**884**
Other comprehensive income/(expense) for the financial period, net of tax	-	-	4,243	(3,900)	-	-	-	**343**	262	**605**
Total comprehensive income/(expense) for the financial period	-	-	4,243	(3,900)	-	-	24,990	**25,333**	314	**25,647**
Others										
Transfer to statutory reserve fund	-	-	-	-	56	-	(56)	**-**	-	**-**
At 30 June 2017	169,717	(1,768)	7,609	(3,900)	3,936	1,474	1,196,491	**1,373,559**	2,787	**1,376,346**

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

Company	Share Capital $'000	Treasury Shares $'000	Revenue Reserve $'000	**Total Equity** $'000
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**
At 1 April 2017	169,717	(1,768)	103,071	**271,020**
Loss for the period, representing total comprehensive expense for the financial period	-	-	(969)	**(969)**
At 30 June 2017	169,717	(1,768)	102,102	**270,051**

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 June 2018, there were 3,512,800 treasury shares (as at 30 June 2017: 3,512,800).

The Company did not issue any shares during the 3 months ended 30 June 2018.

There were no convertible instruments outstanding as at 30 June 2018 (30 June 2017: 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 June 2018 (end of current financial period)	As at 31 March 2018 (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 1st Quarter period ended 30 June 2018.

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 1st Quarter period ended 30 June 2018.

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 2018.

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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

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 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 April 2018 as follows:

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)
SFRS(I) 9 Financial Instruments
SFRS(I) 15 Revenue from Contracts with Customers

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)

(a) Application of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 March 2019), subject to the mandatory exceptions and optional exemptions under SFRS(I)1. The Group has elected the relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements are as follows:

Cumulative translation differences

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 April 2017. As a result, cumulative translation losses of $50,177,000 were reclassified from foreign currency translation reserve to retained earnings as at 1 April 2017 for the Group. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before 1 April 2017. Arising from the reset of the cumulative translation differences, the net loss on disposal and liquidation of certain foreign associates and joint ventures of $2.7 million recognised in the prior FY2018 was restated.

(b) Adoption of SFRS(I) 9 Financial Instruments

The Group has applied the exemption in SFRS(I) 9 which allowed it not to restate comparative information in the FY2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised as an adjustment to the opening balance of retained earnings and reserves as at 1 April 2018.

The Group and the Company have reclassified certain amounts due from subsidiaries and joint ventures from non-current assets to current assets and amounts due to subsidiaries from non-current liabilities to current liabilities to conform with the requirements of SFRS(I) 9.

Investments

On adoption of SFRS(I) 9, the Group has reclassified "Long term investments – available-for-sale" of $80.3 million to "Long term investments – fair value through profit or loss" (Please refer to Section 1(a)(ii) Note 2 on Page 3 for the consequential impact on the income statement and other comprehensive income).

The Group continues to measure the "Short term investments" at fair value through profit or loss.

(c) SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has applied the changes in accounting policies, using the full retrospective approach.

The adoption of the SFRS(I) 15 did not have any significant impact on the financial statements of 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	2.4 cents	3.0 cents
(b) On a fully diluted basis	2.4 cents	3.0 cents

Earnings per share is calculated on the Group's profit attributable to shareholders of the Company of $20,227,000 (period ended 30 June 2017: $24,990,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 June 2018 (period ended 30 June 2017: 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 June 2018.

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 June 2018	$1.83	$0.37
(b) 31 March 2018	$1.78	$0.36

Net asset value for the Group is calculated on the equity attributable to owners of the Company as at 30 June 2018 of $1,512,239,000 (31 March 2018: $1,473,557,000) divided by the total number of issued shares excluding treasury shares as at 30 June 2018 of 828,035,874 (31 March 2018: 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 1st Quarter ended 30 June 2018 against 1st Quarter ended 30 June 2017

The Group's turnover of $30.2 million for the first financial quarter to 30 June 2018 ("1QFY2019") decreased by 7.0% over 1QFY2018's $32.4 million as the retail division reported lower sales. Correspondingly, gross profit for 1QFY2019 decreased to $0.5 million as compared to 1QFY2018's $1.1 million.

Other net income increased to $11.3 million for 1QFY2019 from $8.7 million for 1QFY2018 mainly due to net change in fair value of investments at fair value through profit or loss ("FVTPL") of $6.7 million in 1QFY2019 which include fair value gain of $8.5 million on "Long term investments" previously recognised as "Long term investments – available-for-sale ("AFS") (please refer to Section 1(a)(ii) Note 2 on page 3). In the prior 1QFY2018, changes in fair value of investments relate to an unrealised fair value gain of $1.9 million, of the Group's portfolio of short term investments in REITs held by the property division and the Group had recognised the fair value gain of $5.0 million of such long term investments in AFS through other comprehensive income. The prior quarter also included a gain on disposal of an investment property in Shanghai of $0.8 million and distributions from long term investments of $1.3 million.

Share of results of associates recorded a loss of $0.6 million in 1QFY2019 from a gain of $13.4 million in 1QFY2018 mainly because the prior 1QFY2018 included a one-off significant gain of $8.3 million (net of tax) on disposal of certain interests in a subsidiary and joint venture by associate, Top Spring. With the completion of the divestment of the Group's 30% equity interest in our associate in Nanchang, contribution from this property development project has ceased in 1QFY2019.

Share of results of joint ventures increased to $16.3 million in 1QFY2019 from $8.1 million in 1QFY2018 mainly due to contribution from The Crest, Singapore, and recognition of $2.3 million from the sale of Acero Works, an office building in Sheffield, the United Kingdom. There was a fair value gain on investment properties of $0.8 million in 1QFY2019 as compared to a fair value loss of $0.3 million in 1QFY2018.

As a result of the foregoing, profit before taxation decreased to $21.7 million in 1QFY2019 from $25.6 million in 1QFY2018, with the main factor being the lower contribution from our associate, Top Spring. This was partially offset by higher contributions from our joint ventures and the recognition of net fair value gain of investments in the income statement.

Segmental Results for 1st Quarter ended 30 June

Business segment

2018

	Property $'000	Retail $'000	Group $'000
Segment revenue	1,704	28,463	30,167
Segment results	9,573	(2,834)	6,739
Interest on borrowings	(650)	-	(650)
Share of associates' results, net of tax	(1,486)	861	(625)
Share of joint ventures' results, net of tax (Note)	16,265	-	16,265
Profit/(loss) from operations before taxation	23,702	(1,973)	21,729
Taxation			(1,473)
Profit net of taxation			20,256
Attributable to:			
Owners of the Company			20,227
Non-controlling interests			29
			20,256

Note:

Share of joint ventures' results, net of tax

	$'000
Segment revenue	33,755
Segment results	19,822
Fair value gain on investment properties	778
Interest on borrowings	(864)
Profit from operations before taxation	19,736
Taxation	(3,471)
Profit net of taxation	16,265

Segmental Results for 1st Quarter ended 30 June (Cont'd)

Business segment

2017 (restated)

	Property $'000	Retail $'000	Group $'000
Segment revenue	1,609	30,815	32,424
Segment results	6,493	(2,014)	4,479
Interest on borrowings	(366)	-	(366)
Share of associates' results, net of tax	12,436	947	13,383
Share of joint ventures' results, net of tax (Note)	8,084	-	8,084
Profit/(loss) from operations before taxation	26,647	(1,067)	25,580
Taxation			(538)
Profit net of taxation			25,042
Attributable to:			
Owners of the Company			24,990
Non-controlling interests			52
			25,042

Note:

Share of joint ventures' results, net of tax

	$'000
Segment revenue	33,107
Segment results	11,076
Fair value loss on investment properties	(280)
Profit from operations before taxation	10,796
Taxation	(2,712)
Profit net of taxation	8,084

Geographical Segments

	Asean $'000	People's Republic of China $'000	Group $'000
Segment revenue			
2018	28,463	1,704	30,167
2017	30,815	1,609	32,424

Segmental Results - Property Division

Turnover of the property division, comprising the 100% directly held GIE Tower, for 1QFY2019 increased to $1.7 million from 1QFY2018's $1.6 million. Segment results of the property division, excluding associates and joint ventures, reported a gain of $9.6 million in 1QFY2019 against a gain of $6.5 million in 1QFY2018 mainly due to higher unrealised fair value gains on investments, offset by the absence of disposal gain of an investment property in Shanghai and distributions from long term investments.

At the associate level, share of results of associates declined because the previous 1QFY2018 included a significant gain of $8.3 million, from the disposal of certain interests in a subsidiary and joint venture by Top Spring. The contribution from our associate in Nanchang has ceased on completion of the divestment of the Group's 30% equity interest in 4QFY2018.

At joint venture level, the Group recognised contribution from The Crest, Singapore, and $2.3 million from the sale of Acero Works, Sheffield.

The average occupancy of the Group's four investment properties held by a subsidiary and joint ventures as at 30 June 2018 was 96.1%.

The portfolio summary of the Group's Investment Properties as at 30 June 2018 was as follows:

	Percentage Owned	*Tenure*	*No. of Tenants*	*Occupancy Rate (%)*
Owned by a Subsidiary				
GIE Tower, Guangzhou	100%	50 year term from 1994	34	89.1%
Owned by Joint Ventures				
Metro City, Shanghai	60%	36 year term from 1993	174	96.9%
Metro Tower, Shanghai	60%	50 year term from 1993	31	98.3%
5 Chancery Lane, London	50%	Freehold	1	100.0%

Segmental Results - Retail Division

Turnover of the Singapore operations of the retail division for 1QFY2019 decreased to $28.5 million from 1QFY2018's $30.8 million. Consequently, the results were affected.

Sales of the retail division's associated company in Indonesia showed marginal growth. Overall profitability declined marginally.

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) increased from $544.2 million as at 31 March 2018 to $628.7 million as at 30 June 2018 mainly due to loans of $25.2 million extended to the new 35% associate, Shanghai Yi Zhou Property Management Co., Ltd., as share of funding for the acquisition of Shanghai Plaza in Shanghai; the extension of a shareholder loan of $47.2 million to the recently incorporated associate, Jovial Paradise Limited ("Jovial Paradise"), as the Group's share of funding for a debt instrument made by Jovial Paradise and currency translation adjustments of foreign associates. These were partially offset by dividend distributions from associates of 13.5 million.

Joint ventures (Non-current assets) and Amounts due from joint ventures (Current assets) decreased from $419.9 million as at 31 March 2018 to $391.5 million as at 30 June 2018 mainly due to repayment of shareholder loans of $31.9 million from the proceeds of the disposal of Acero Works, Sheffield, in the United Kingdom. The repayment also had the effect of decreasing bank borrowings (Current liabilities) by $30.0 million in 1QFY2019. Consequently, Pledged fixed bank deposits (Current assets) decreased by $32.9 million.

Development properties (Current assets) increased to $79.9 million as at 30 June 2018 from $50.6 million as at 31 March 2018. This relates to the residential development properties in Jakarta, Indonesia, held for sales.

Accounts and other receivables (Current assets) decreased from $135.4 million as at 31 March 2018 to $14.3 million as at 30 June 2018 mainly due to the receipt in April 2018 of $122.8 million proceeds from the disposal of the 30% equity interest in the associate in Nanchang.

Amount due to a joint venture (Current and Non-current liabilities) of $43.4 million relate to a loan from a joint venture in PRC as funding for the Group's investments.

Consequently, Cash and cash equivalents increased from $159.4 million as at 31 March 2018 to $268.4 million as at 30 June 2018.

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 forecast or 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

Rental income of the GIE Tower investment property, as well as those held by our joint ventures, Metro City and Metro Tower, Shanghai, and 5 Chancery Lane, London, is expected to remain steady.

Sales of the residential project, The Crest at Prince Charles Crescent in Singapore, will be subject to the impact of recent cooling measures announced on 5 July 2018 in the Singapore property market.

Leasing activities for the office buildings in Bay Valley, New Jiangwan City, Yangpu District, Shanghai, are underway.

Phase 1, comprising 571 apartment units of the Middlewood Locks development, has been completed and is being handed over in stages over summer 2018. Sales and marketing activities of the units are in progress. The whole development will eventually provide 2,215 new homes and 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym.

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.

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, due to volatility in foreign currency exchange rates, 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. 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.

11. <u>If a decision regarding dividend has been made:-</u>

(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. <u>If no dividend has been declared (recommended), a statement to that effect</u>

No interim dividend has been declared for the quarter ended 30 June 2018.

13. <u>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.</u>

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

14. <u>Negative confirmation pursuant to Rule 705(5)</u>

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

15. <u>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)</u>

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: 14 August 2018

NEWS RELEASE

METRO HOLDINGS ACHIEVES PROFIT AFTER TAX OF S$20.3 MILLION FOR 1QFY2019

- ***Higher share of results of joint ventures by S$8.2 million attributed to the contributions from The Crest, Singapore, and sale of Acero Works, an office building in Sheffield, UK***
- ***Other net income lifted by a positive net change in investments at fair value***
- ***Bottom line impacted mainly by lower share of results of associates and absence of a one-off significant gain of S$8.3 million on disposal of certain interests in a subsidiary and joint venture by associate, Top Spring***
- ***Maintains healthy balance sheet with Net Assets at S$1.5 billion and a Net Cash position of S$291.3 million, with good opportunity for more property investments and developments***

Singapore, 14 August 2018 – 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 in the region, registered a net profit after tax ("PAT") of S$20.3 million for the first financial quarter ended 30 June 2018 ("1QFY2019"). This compares with a net profit of S$25.0 million for the same corresponding period a year ago ("1QFY2018"). Metro's balance sheet remains strong with net assets of S$1.5 billion and net cash of S$291.3 million (after bank borrowings) as of 30 June 2018, with good opportunity for more property investments and developments.

Metro Holdings Limited
391A Orchard Road • #19-00 Tower A • Ngee Ann City • Singapore 238873
Tel: (65) 6733-3000 • Fax: (65) 6735-3515
Co. Registration No.: 197301792W

The Group registered a profit before tax of S$21.7 million in 1QFY2019, a 15.1% decline from S$25.6 million in 1QFY2018, mainly due to the absence of a significant S$8.3 million gain on disposal of certain interests in a subsidiary and joint venture by associate, Top Spring, and absence of contribution from an associate in Nanchang due to an earlier disposal by the Group of its 30% equity interest. Share of results of joint ventures, on the other hand, was lifted by S$8.2 million mainly due to contributions from The Crest, Singapore, and recognition from the sale of Acero Works, Sheffield, UK. Other net income also rose over the same period mainly due to higher unrealised fair value gains on investments.

With the sale of Acero Works, Sheffield, UK, the Group has demonstrated its capability to implement value-added strategies to enhance the asset value and monetize the asset effectively at the appropriate time. In this quarter, the Group has extended further partnership with InfraRed NF China Real Estate Fund III, for the co-investment in debt instruments in China.

Over the years, the Group has an established track record of realising opportune exits for its investments which allows it to redeploy divestment proceeds to pursue other growth opportunities.

Group Chief Executive Officer, Lawrence Chiang Kok Sung ("郑国杉"), said, "The Group will remain disciplined and focused in our investment approach to seek out potential investment opportunities in the region to drive sustainable growth and further enhance shareholder value."

Review of Financial Performance

Property Division

On the Property Division front, average occupancy rate for Metro's four investment properties – one in Guangzhou and two in Shanghai, China; and the newly acquired freehold and fully-leased office property in Central London, the UK, stood at 96.1% as at 30 June 2018.

Segment results, excluding associates and joint ventures, was up 47.4% to S$9.6 million in 1QFY2019, from S$6.5 million in 1QFY2018, in line with higher unrealised fair value gains on investments, which more than offset the absence of disposal gain of an investment property in Shanghai and distributions from investments.

Share of results of associates declined from a gain of S$12.4 million in 1QFY2018 to a loss of S$1.5 million in 1QFY2019 mainly due to the absence of a significant S$8.3 million gain recognised in 1QFY2018 from the disposal of certain interests in a subsidiary and joint venture by Top Spring. With the completion of the divestment of the Group's 30% equity stake in the Nanchang project in 4QFY2018, contributions from the Group's associate in Nanchang has ceased.

On the other hand, share of results of joint ventures improved to S$16.3 million from S$8.1 million over the same period, mainly lifted by contributions from The Crest, Singapore, and recognition of S$2.3 million from the sale of Acero Works, Sheffield, UK.

Other net income also rose 30.4% to S$11.3 million from S$8.7 million over the same period mainly due to higher unrealised fair value gains on investments of S$6.7 million in 1QFY2019 as compared to S$1.9 million in 1QFY2018.

Retail Division

Amidst difficult trading conditions, Metro's retail topline dipped by 7.6% to S$28.5 million in 1QFY2019 due to lower sales from Singapore, thereby impacting profitability.

Sales of the retail division's associated company in Indonesia showed marginal growth. Overall, profitability declined marginally.

Strong Balance Sheet

Metro's balance sheet remained strong with net cash of S$291.3 million (after bank borrowings), with good opportunity for more property investments and developments. The Group's shareholders' equity stood at S$1.5 billion as at 30 June 2018.

Outlook

Looking ahead, for the Group's Property Division in the PRC, Metro expects the rental income of its GIE Tower investment property in Guangzhou to remain steady. In Shanghai, rental stability is also expected at the joint venture level for Metro City and Metro Tower, whilst initial leasing for the office buildings in Bay Valley, New Jiangwan City, Yangpu District in Shanghai, are underway. In Shanghai, China, the Group's prime property, Shanghai Plaza, asset enhancement is in progress.

In the United Kingdom, Phase 1 construction work for the 571 apartment units of the Middlewood Locks development project has been completed and is being handed over in stages over summer 2018. This mixed development will eventually provide 2,215 new homes and about 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym.

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

Concurrently, in Singapore, sales of the residential project, The Crest at Prince Charles Crescent, will be subject to the impact of recent cooling measures announced on 5 July 2018 in the property market.

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 is focused on key markets in the region such as China, Indonesia, Singapore and the United Kingdom.

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. It has expanded its portfolio to cover a fuller spectrum of properties in China, Indonesia, Singapore and the United Kingdom.

Retail

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another 10 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 in over 1.5 million square feet of downtown and suburban retail space in Singapore and Indonesia.

ISSUED ON BEHALF OF	:	Metro Holdings Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 55 Market Street #02-01 SINGAPORE 048941
CONTACT	:	Ms Dolores Phua / Ms Amelia Lee at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	dolores.phua@citigatedewerogerson.com / amelia.lee@citigatedewerogerson.com

14 August 2018