

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS****Issuer & Securities****Issuer/ Manager**

METRO HOLDINGS LTD

**Securities**

METRO HOLDINGS LIMITED - SG1111878499 - M01

**Stapled Security**

No

**Announcement Details****Announcement Title**

Financial Statements and Related Announcement

**Date & Time of Broadcast**

11-Nov-2022 19:53:34

**Status**

New

**Announcement Sub Title**

Half Yearly Results

**Announcement Reference**

SG2211111OTHRZELO

**Submitted By (Co./ Ind. Name)**

Tan Ching Chek

**Designation**

Company Secretary


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

Please refer to the attached files for:

1. Unaudited results for half year ended 30 September 2022; and
2. Press Release

**Additional Details****For Financial Period Ended**

30/09/2022

**Attachments** [MHL-1H Interim ended 30Sep2022.pdf](#) [MHL - 1H FY2023 News Release.pdf](#)





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

Unaudited Condensed Interim Financial Statements  
For the six months ended 30 September 2022

## **Metro Holdings Limited and its Subsidiaries**

### **Condensed Interim Financial Statements for the six months ended 30 September 2022**

#### **Table of Contents**

A. Condensed Interim Consolidated Income Statement .....	1
B. Condensed Interim Consolidated Statement of Comprehensive Income .....	2
C. Condensed Interim Balance Sheets .....	3
D. Condensed Interim Statements of Changes in Equity .....	4
E. Condensed Interim Consolidated Cash Flow Statement .....	7
F. Notes to the Condensed Interim Consolidated Financial Statements .....	9
G. Other information required by Listing Rule Appendix 7.2 .....	30

**Metro Holdings Limited and its Subsidiaries**

**Condensed Interim Consolidated Income Statement  
For the six months ended 30 September 2022**

		Group		
	Note	6 months ended 30-Sep-2022 \$'000	6 months ended 30-Sep-2021 \$'000	% Change
<b>Revenue</b>				
- Retail		47,308	35,318	33.9
- Sale of property rights		3,467	2,149	61.3
- Rental income		3,112	3,318	(6.2)
	4	<u>53,887</u>	<u>40,785</u>	32.1
Cost of revenue	5	<u>(44,682)</u>	<u>(35,790)</u>	24.8
<b>Gross profit</b>		9,205	4,995	84.3
Other net income	6	9,659	11,664	(17.2)
General and administrative expenses		(10,599)	(11,035)	(4.0)
Finance costs	7	(11,043)	(9,801)	12.7
Share of results of associates, net of tax	12	8,555	2,537	237.2
Share of results of joint ventures, net of tax	13	<u>14,943</u>	<u>23,995</u>	(37.7)
<b>Profit from operations before taxation</b>	8	20,720	22,355	(7.3)
Taxation	9	<u>(3,915)</u>	<u>(3,971)</u>	(1.4)
<b>Profit net of taxation</b>		<u><u>16,805</u></u>	<u><u>18,384</u></u>	(8.6)
<b>Attributable to:</b>				
Owners of the Company		16,887	18,335	(7.9)
Non-controlling interests		(82)	49	n.m.
		<u><u>16,805</u></u>	<u><u>18,384</u></u>	(8.6)
		Cents	Cents	
<b>Earnings per share</b>				
Basic	10	<u><u>2.0</u></u>	<u><u>2.2</u></u>	(9.1)
Diluted	10	<u><u>2.0</u></u>	<u><u>2.2</u></u>	(9.1)

*n.m.* - not meaningful

## Metro Holdings Limited and its Subsidiaries

### Condensed Interim Consolidated Statement of Comprehensive Income For the six months ended 30 September 2022

	Group		% Change
	6 months ended 30-Sep-2022 \$'000	6 months ended 30-Sep-2021 \$'000	
<b>Profit net of taxation</b>	16,805	18,384	(8.6)
<b>Other comprehensive income/(expense):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net change in fair value of equity investments at FVOCI (Note 1)	(13,798)	-	n.m.
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Currency translation adjustments on foreign subsidiaries, associates and joint ventures (Note 2)	(18,612)	27,274	n.m.
Share of other comprehensive (expense)/income of associates and joint ventures (Note 3)	(12,404)	1,247	n.m.
<b>Other comprehensive (expense)/income, net of tax</b>	(44,814)	28,521	n.m.
<b>Total comprehensive (expense)/income for the period</b>	<u>(28,009)</u>	<u>46,905</u>	n.m.
<b>Total comprehensive (expense)/income attributable to:</b>			
Owners of the Company	(28,169)	46,128	n.m.
Non-controlling interests	160	777	(79.4)
	<u>(28,009)</u>	<u>46,905</u>	n.m.

*n.m.* - not meaningful

#### Note:

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

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

In 1HFY2022, currency translation adjustments of \$27.3 million mainly relates to the exchange translation gain of foreign operations' net assets due to the appreciation of RMB (\$15.5 million), IDR (\$6.8 million), HKD (\$2.8 million) and USD (\$2.2 million) against SGD.

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

In 1HFY2022, share of other comprehensive income of \$1.2 million, was largely attributable to our associate i.e. Top Spring, as a result of appreciating RMB against HKD.

**Metro Holdings Limited and its Subsidiaries**

**Condensed Interim Balance Sheets  
For the six months ended 30 September 2022**

Balance Sheets as at	Note	Group		Company	
		30-Sep-2022 \$'000	31-Mar-2022 \$'000	30-Sep-2022 \$'000	31-Mar-2022 \$'000
<b>Non-current assets</b>					
Plant and equipment		1,923	1,988	194	260
Right-of-use assets		48,997	54,262	6,100	6,421
Investment property	11	109,767	115,744	-	-
Subsidiaries		-	-	21,828	21,828
Amounts due from subsidiaries		-	-	638,221	676,190
Associates	12	991,232	985,671	500	500
Joint ventures	13	359,322	394,689	-	-
Long term investments	14	122,972	133,621	-	-
		<u>1,634,213</u>	<u>1,685,975</u>	<u>666,843</u>	<u>705,199</u>
<b>Current assets</b>					
Development properties		159,025	160,843	-	-
Inventories		10,585	9,081	-	-
Prepayments		1,878	1,201	-	-
Accounts and other receivables	15	69,584	70,722	649	666
Amounts due from subsidiaries		-	-	349,752	317,080
Amounts due from associates	12	70,418	90,847	-	-
Amounts due from joint ventures	13	147,463	136,760	4,339	4,044
Short term investments	14	14,652	16,493	-	-
Cash and cash equivalents		333,292	331,360	57,907	67,349
		<u>806,897</u>	<u>817,307</u>	<u>412,647</u>	<u>389,139</u>
<b>Current liabilities</b>					
Borrowings	16	142,652	135,524	34,643	44,152
Accounts and other payables		52,674	46,788	4,712	7,108
Amounts due to subsidiaries		-	-	197,071	193,696
Lease liabilities		11,262	10,996	587	578
Provision for taxation		8,196	7,575	75	94
		<u>214,784</u>	<u>200,883</u>	<u>237,088</u>	<u>245,628</u>
<b>Net current assets</b>		592,113	616,424	175,559	143,511
<b>Non-current liabilities</b>					
Borrowings	16	460,820	470,277	460,820	470,277
Amounts due to joint ventures	13	141,185	148,653	-	-
Lease liabilities		44,068	49,757	5,748	6,044
Deferred income		2,550	2,087	-	-
Deferred taxation		24,695	25,767	70	70
		<u>673,318</u>	<u>696,541</u>	<u>466,638</u>	<u>476,391</u>
<b>Net assets</b>		<u>1,553,008</u>	<u>1,605,858</u>	<u>375,764</u>	<u>372,319</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	17	169,717	169,717	169,717	169,717
Treasury shares	17	(1,768)	(1,768)	(1,768)	(1,768)
Reserves		1,358,887	1,411,897	207,815	204,370
		<u>1,526,836</u>	<u>1,579,846</u>	<u>375,764</u>	<u>372,319</u>
<b>Non-controlling interests</b>		26,172	26,012	-	-
<b>Total equity</b>		<u>1,553,008</u>	<u>1,605,858</u>	<u>375,764</u>	<u>372,319</u>

**Metro Holdings Limited and its Subsidiaries**

**Condensed Interim Statements of Changes in Equity  
For the six months ended 30 September 2022**

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



**Metro Holdings Limited and its Subsidiaries**

**Condensed Interim Statements of Changes in Equity (cont'd)  
For the six months ended 30 September 2022**

<u>Group</u>	Share Capital \$'000	Treasury Shares \$'000	Foreign Currency Translation Reserve \$'000	Statutory reserve \$'000	Other Reserve \$'000	Revenue Reserve \$'000	<b>Total \$'000</b>	Non- controlling Interests \$'000	<b>Total Equity \$'000</b>
<b>At 1 April 2021</b>	169,717	(1,768)	5,580	5,184	847	1,357,089	<b>1,536,649</b>	28,847	<b>1,565,496</b>
Profit for the period	-	-	-	-	-	18,335	<b>18,335</b>	49	<b>18,384</b>
<u>Other comprehensive income/(expense)</u>									
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	26,546	-	-	-	<b>26,546</b>	728	<b>27,274</b>
Share of other comprehensive income/(expense) of associates and joint ventures	-	-	2,378	-	(1,131)	-	<b>1,247</b>	-	<b>1,247</b>
Other comprehensive income/(expense) for the financial period, net of tax	-	-	28,924	-	(1,131)	-	<b>27,793</b>	728	<b>28,521</b>
Total comprehensive income/(expense) for the financial period	-	-	28,924	-	(1,131)	18,335	<b>46,128</b>	777	<b>46,905</b>
<u>Contributions by and distributions to owners</u>									
Dividends paid (Note 18)	-	-	-	-	-	(18,631)	<b>(18,631)</b>	-	<b>(18,631)</b>
Total contributions by and distributions to owners	-	-	-	-	-	(18,631)	<b>(18,631)</b>	-	<b>(18,631)</b>
<u>Others</u>									
Transfer to statutory reserve fund	-	-	-	409	-	(409)	-	-	-
<b>At 30 September 2021</b>	<b>169,717</b>	<b>(1,768)</b>	<b>34,504</b>	<b>5,593</b>	<b>(284)</b>	<b>1,356,384</b>	<b>1,564,146</b>	<b>29,624</b>	<b>1,593,770</b>

**Metro Holdings Limited and its Subsidiaries**

**Condensed Interim Statements of Changes in Equity (cont'd)  
For the six months ended 30 September 2022**

<b><u>Company</u></b>	Share Capital \$'000	Treasury Shares \$'000	Revenue Reserve \$'000	<b>Total Equity \$'000</b>
<b>At 1 April 2022</b>	169,717	(1,768)	204,370	<b>372,319</b>
Profit for the period, representing total comprehensive income for the financial period	-	-	28,286	<b>28,286</b>
<u>Contributions by and distribution to owners</u>				
Dividends paid (Note 18)	-	-	(24,841)	<b>(24,841)</b>
<b>At 30 September 2022</b>	<b>169,717</b>	<b>(1,768)</b>	<b>207,815</b>	<b>375,764</b>
<b>At 1 April 2021</b>	169,717	(1,768)	187,597	<b>355,546</b>
Profit for the period, representing total comprehensive income for the financial period	-	-	12,151	<b>12,151</b>
<u>Contributions by and distribution to owners</u>				
Dividends paid (Note 18)	-	-	(18,631)	<b>(18,631)</b>
<b>At 30 September 2021</b>	<b>169,717</b>	<b>(1,768)</b>	<b>181,117</b>	<b>349,066</b>

**Metro Holdings Limited and its Subsidiaries**

**Condensed Interim Consolidated Cash Flow Statement  
For the six months ended 30 September 2022**

	Group	
	6 months ended 30-Sep-2022 \$'000	6 months ended 30-Sep-2021 \$'000
<b>Cash flows from operating activities</b>		
Operating profit/(loss) before reinvestment in working capital	4,739	(828)
Decrease in development properties	2,451	1,675
(Increase)/decrease in inventories	(1,360)	768
Decrease in accounts and other receivables	689	4,189
Increase in accounts and other payables	5,936	6,945
Cash flows from operations	<u>12,455</u>	<u>12,749</u>
Interest expense paid	(10,681)	(9,103)
Interest income received	16,227	24,900
Income taxes paid	(2,998)	(4,284)
Net cash flows from operating activities	<u>15,003</u>	<u>24,262</u>
<b>Cash flows from investing activities</b>		
Purchase of plant & equipment	(539)	(108)
Increase in long term investments	(6,031)	(15,224)
Investment in associates	(11,543)	(2,038)
Increase in amounts due from associates	(3,582)	(176,561)
(Increase)/decrease in amounts due from joint ventures	(3,408)	8,431
Increase in amounts due to joint ventures	-	18,720
Dividends received from:		
- long term investments	4,335	4,157
- short term investments	359	315
- associates	3,703	4,702
- joint venture	15,181	-
Net cash flows used in investing activities	<u>(1,525)</u>	<u>(157,606)</u>
<b>Cash flows from financing activities</b>		
Drawdown of long term borrowings	-	117,015
Drawdown/(repayment) of short term borrowings (net)	20,138	(31,720)
Payment of lease liabilities	(5,298)	(3,277)
Dividends paid	(24,841)	(18,631)
Net cash flows (used in)/from financing activities	<u>(10,001)</u>	<u>63,387</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,477	(69,957)
<b>Effect of exchange rate changes in cash and cash equivalents</b>	(1,545)	1,758
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>331,360</u>	<u>425,669</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u>333,292</u>	<u>357,470</u>

**Metro Holdings Limited and its Subsidiaries**

**Condensed Interim Consolidated Cash Flow Statement (cont'd)  
For the six months ended 30 September 2022**

	Group	
	6 months ended 30-Sep-2022 \$'000	6 months ended 30-Sep-2021 \$'000
Reconciliation between profit from operations before taxation and operating cash flows before changes in working capital:		
Profit from operations before taxation	20,720	22,355
Adjustments for:		
Finance costs	11,043	9,801
Depreciation of plant and equipment	604	628
Depreciation of right-of-use assets	4,281	3,466
Share of results of associate, net of tax	(8,555)	(2,537)
Share of results of joint ventures, net of tax	(14,943)	(23,995)
Interest income	(9,951)	(10,004)
Dividends from		
- long term investments	(4,626)	(4,157)
- short term investments	(359)	(315)
Inventories written down	47	43
Write-back of allowance for obsolete inventories	(191)	(195)
Allowance for doubtful debts	23	3
Plant and equipment written off	-	1
Net change in fair value of investments at fair value through profit and loss	3,719	4,318
Unrealised foreign exchange adjustments	2,927	(240)
Operating profit/(loss) before reinvestment in working capital	<u>4,739</u>	<u>(828)</u>

## **Metro Holdings Limited and its Subsidiaries**

### **Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2022**

#### **1. Corporate information**

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

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

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

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

The condensed interim consolidated financial statements as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associates and joint ventures.

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of preparation**

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2022. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

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

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

##### **2.2 New and amended standards adopted by the Group**

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 April 2022. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

##### **2.3 Use of judgement and estimates**

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's financial statements as at and for the year ended 31 March 2022.

## Metro Holdings Limited and its Subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2022

#### 3. Seasonal operations

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

#### 4. Revenue

	Note	Group 6 months ended 30 September	
		2022 \$'000	2021 \$'000
Revenue from contracts with customers	(a)	50,775	37,467
Rental income from an investment property		3,112	3,318
		<u>53,887</u>	<u>40,785</u>

(a) Disaggregation of revenue:

Segments	Retail		Property		Total revenue	
	6 months ended 30 September		6 months ended 30 September		6 months ended 30 September	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Primary geographical markets</b>						
Singapore	47,308	35,318	–	–	47,308	35,318
Indonesia	–	–	3,467	2,149	3,467	2,149
Total revenue from contracts with customers	<u>47,308</u>	<u>35,318</u>	<u>3,467</u>	<u>2,149</u>	<u>50,775</u>	<u>37,467</u>
<b>Major revenue streams</b>						
Sales of goods	35,156	27,487	–	–	35,156	27,487
Net commission from concessionaires	12,152	7,831	–	–	12,152	7,831
Sales of property rights	–	–	3,467	2,149	3,467	2,149
Total revenue from contracts with customers	<u>47,308</u>	<u>35,318</u>	<u>3,467</u>	<u>2,149</u>	<u>50,775</u>	<u>37,467</u>

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

The gross revenue from concessionaire sales is analysed as follows:

	Group 6 months ended 30 September	
	2022 \$'000	2021 \$'000
Gross revenue from concessionaire sales	<u>42,752</u>	<u>29,596</u>

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**5. Cost of revenue**

	<b>Group 6 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	\$'000	\$'000
Retail	41,449	33,327
Property		
- Cost of property rights sold	2,715	1,910
- Rental	518	553
	44,682	35,790

**6. Other net income**

	<b>Group 6 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	\$'000	\$'000
Interest income from:		
- Financial instruments at amortised cost	9,951	10,004
Dividends, gross from:		
- Long term investments	4,626	4,157
- Short term investments	359	315
	4,985	4,472
Net change in fair value of investments at fair value through profit or loss:		
- Long term investments	(1,878)	(3,555)
- Short term investments	(1,841)	(763)
	(3,719)	(4,318)
Foreign exchange gain	(2,599)	696
Other rental income	362	-
Sundry income	679	810
	9,659	11,664

**7. Finance costs**

	<b>Group 6 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	\$'000	\$'000
Interest on borrowings carried at amortised cost	5,023	1,070
Interest on notes carried at amortised cost	4,459	7,632
Interest on lease liabilities	859	758
Others	702	341
	11,043	9,801

## Metro Holdings Limited and its Subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2022

#### 8. Profit from operations before taxation

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

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
	\$'000	\$'000
Rental expense <sup>(1)</sup>	2,665	2,321
Depreciation of plant and equipment	604	628
Depreciation of right-of-use assets <sup>(2)</sup>	4,281	3,466
Inventories written down	47	43
Write-back of allowance for obsolete inventories	(191)	(195)
Allowance for doubtful debts	23	3
Plant and equipment written off	–	1

<sup>(1)</sup> Rental expense includes total contingent rents recognised as an expense for the financial period amounting to \$272,000 (2021: \$315,000).

<sup>(2)</sup> These are presented net of rental rebate of \$985,000 (2021: \$1,680,000) during the financial period.

#### 9. Taxation

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

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
	\$'000	\$'000
Current taxation		
- Current income taxation	3,375	4,391
- (Over)/under provision in respect of prior financial years	(88)	121
	3,287	4,512
Deferred taxation		
- Origination and reversal of temporary differences	8	(541)
Withholding tax	620	–
Income tax expense recognised in the consolidated income statement	3,915	3,971



**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**10. Earnings per share**

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

	<b>Group 6 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	Cents	Cents
Basic	2.0	2.2
Diluted	2.0	2.2
	\$'000	\$'000
Profit net of taxation attributable to owners of the Company, used in the computation of basic and diluted earnings per share	16,887	18,335

	<b>Group 30 September</b>	
	<b>2022</b>	<b>2021</b>
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	828,036	828,036

As at 30 September 2022, there are no dilutive potential ordinary shares (30 September 2021: Nil).

**11. Investment property**

	<b>Group</b>	
<b>Note</b>	<b>30 September 2022</b>	<b>31 March 2022</b>
	\$'000	\$'000
<b>Balance sheet:</b>		
Balance at 1 April	115,744	111,725
Adjustments to fair value	–	(341)
Foreign exchange adjustments	(5,977)	4,360
	109,767	115,744

***Valuation of investment property***

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

The accounting for the investment property was based on market conditions prevailing as at 30 September 2022.

## Metro Holdings Limited and its Subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2022

#### 12. Associates

	Group		Company	
	30 September 2022 \$'000	31 March 2022 \$'000	30 September 2022 \$'000	31 March 2022 \$'000
<u>Non-current</u>				
Investment in associates	438,096	438,937	500	500
Add:				
Amounts due from associates	553,136	546,734	–	–
	<u>991,232</u>	<u>985,671</u>	<u>500</u>	<u>500</u>
<u>Current</u>				
Amounts due from associates	106,745	127,174	–	–
Impairment losses	(36,327)	(36,327)	–	–
	<u>70,418</u>	<u>90,847</u>	<u>–</u>	<u>–</u>

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

	Group 6 months ended 30 September	
	2022 \$'000	2021 \$'000
Operating results	11,860	(316)
Fair value adjustments on investment properties	2,615	2,845
Non-operating results <sup>(1)</sup>	–	5,119
Taxation	(5,773)	(4,885)
Others	(147)	(226)
	<u>8,555</u>	<u>2,537</u>

<sup>(1)</sup> In the half year ended 30 September 2021, the non-operating results of associates of \$5.1 million included the Group's share of non-operating results from Top Spring International Holdings Limited ("Top Spring") which included (a) gains on disposal of property development projects and (b) recovery of certain impaired receivables with the related compensation income, which were partially offset by (c) impairment provision due to resumption of a land parcel by the HKSAR Government.

The Group, in 1HFY2023, 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 2022, 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 2022 and adjusted for the effects of significant transactions or events that occurred between 1 July 2022 and 30 September 2022.

The accounting for the interests in associates was based on market conditions prevailing as at 30 September 2022. Investment properties of the Group's associates which are material properties to the Group were stated at fair valuation as at 30 September 2022 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 2022 whereby the Group has assessed the fair values as at 30 September 2022 in consultation with external valuers.

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**13. Joint ventures**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2022</b>	<b>31 March 2022</b>	<b>30 September 2022</b>	<b>31 March 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Non-current</u>				
Investment in joint ventures	283,014	320,234	–	–
Add:				
Amounts due from joint ventures	76,308	74,455	–	–
	<u>359,322</u>	<u>394,689</u>	<u>–</u>	<u>–</u>
Amounts due to joint ventures	<u>141,185</u>	<u>148,653</u>	<u>–</u>	<u>–</u>
<u>Current</u>				
Amounts due from joint ventures	<u>147,463</u>	<u>136,760</u>	<u>4,339</u>	<u>4,044</u>

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

	<b>Group</b>	
	<b>6 months ended 30 September 2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating results	24,480	32,985
Fair value adjustments on investment properties	(5,352)	(2,430)
Taxation	(4,185)	(6,560)
	<u>14,943</u>	<u>23,995</u>

The accounting for the interests in joint ventures was based on market conditions prevailing as at 30 September 2022. Investment properties of the Group's joint ventures which are material properties to the Group were stated at fair valuation as at 30 September 2022 as determined by independent professional valuers, whilst the fair values of certain joint ventures' investment properties were based on independent professional valuations as at 31 March 2022 whereby the Group has assessed the fair values as at 30 September 2022 in consultation with external valuers.

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**14. Investments**

	<b>Group</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2022</b>	<b>2022</b>
	\$'000	\$'000
<b>Current:</b>		
<i>Financial assets at fair value through profit or loss</i>		
Equity securities (quoted)	14,652	16,493
	<hr/>	<hr/>
<b>Non-current:</b>		
<i>Financial assets at fair value through other comprehensive income</i>		
Equity securities (quoted)	36,702	49,858
<i>Financial assets at fair value through profit or loss</i>		
Equity securities (unquoted), at fair value	82,288	78,062
Equity securities (quoted)	3,982	5,701
	<hr/>	<hr/>
	86,270	83,763
	<hr/>	<hr/>
	122,972	133,621
	<hr/>	<hr/>

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**15. Accounts and other receivables**

	Note	Group		Company	
		30 September 2022 \$'000	31 March 2022 \$'000	30 September 2022 \$'000	31 March 2022 \$'000
<i>Current</i>					
Trade receivables		52,724	52,008	–	–
Deposits		2,157	2,158	214	214
VAT receivables		12,020	12,648	–	–
Other receivables		2,683	3,908	435	452
		<u>69,584</u>	<u>70,722</u>	<u>649</u>	<u>666</u>
<b>Financial assets</b>					
<i>Current</i>					
Accounts and other receivables		57,564	58,074	649	666
Amounts due from subsidiaries		–	–	349,752	317,080
Amounts due from associates	12	70,418	90,847	–	–
Amounts due from joint ventures	13	147,463	136,760	4,339	4,044
<i>Non-current</i>					
Amounts due from subsidiaries		–	–	124,590	130,515
Amounts due from associates		211,120	211,120	–	–
Amounts due from joint ventures		25,358	23,505	–	–
Total receivables (current and non-current)		<u>511,923</u>	<u>520,306</u>	<u>479,330</u>	<u>452,305</u>
Add:					
Cash and cash equivalents		<u>333,292</u>	<u>331,360</u>	<u>57,907</u>	<u>67,349</u>
Total financial assets carried at amortised cost		<u>845,215</u>	<u>851,666</u>	<u>537,237</u>	<u>519,654</u>

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**16. Borrowings**

	Group		Company	
	30 September 2022 \$'000	31 March 2022 \$'000	30 September 2022 \$'000	31 March 2022 \$'000
<b>Current</b>				
Bank borrowings				
- Unsecured	142,652	135,524	34,643	44,152
<b>Non-current</b>				
Bank borrowings				
- Unsecured	261,259	270,862	261,259	270,862
Unsecured borrowings under the multicurrency debt issuance programme - 4.30% p.a. fixed rate SGD notes (repayable in April 2024)	(a) 199,561	199,415	199,561	199,415
	460,820	470,277	460,820	470,277
<b>Maturity of borrowings</b>				
Repayable:				
Within 1 year	142,652	135,524	34,643	44,152
Within 2 to 5 years	460,820	470,277	460,820	470,277
	603,472	605,801	495,463	514,429

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

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**17. Share capital and treasury shares**

(a) *Share capital*

	<b>Group and Company</b>			
	<b>30 September 2022</b>		<b>31 March 2022</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid:				
<i>Ordinary shares</i>				
Balance at beginning and end of the financial period	831,549	169,717	831,549	169,717

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

The total number of issued ordinary shares, excluding treasury shares as at 30 September 2022 and 31 March 2022 was 828,035,874.

There were no convertible instruments outstanding as at 30 September 2022 (30 September 2021: Nil).

The Company did not have any subsidiary holdings in the half year ended 30 September 2022 (30 September 2021: Nil).

(b) *Treasury shares*

	<b>Group and Company</b>			
	<b>30 September 2022</b>		<b>31 March 2022</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Balance at beginning and end of the financial period	3,513	1,768	3,513	1,768

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

The Company did not sell, transfer, cancel or use any treasury shares in the half year ended 30 September 2022.

**18. Dividends**

	<b>Group and Company 6 months ended 30 September</b>	
	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Dividends paid during the financial period:		
Final exempt (one-tier) dividend for 2022 of 2.0 cents (2021: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend for 2022 of 1.0 cents (2021: 0.25 cents) per ordinary share	8,280	2,070
	<u>24,841</u>	<u>18,631</u>

## Metro Holdings Limited and its Subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2022

#### 19. Related party disclosures

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

##### (a) *Services and other fees*

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
	\$'000	\$'000
Interest income from associates	(6,107)	(8,486)
Interest income from joint ventures	(321)	(90)
Service fee received from associates	(29)	–
Service fee received from joint ventures	(99)	(99)
Interest expense paid to joint ventures	610	340

#### 20. Segment information

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

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

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

##### ***Business segments***

	<b>Property</b>	<b>Retail</b>	<b>Total</b>
	\$'000	\$'000	\$'000
<b>30 September 2022</b>			
Segment revenue			
- Sales of goods and net commission from concessionaires	–	47,308	47,308
- Sales of property rights	3,467	–	3,467
- Rental income	3,112	–	3,112
	<u>6,579</u>	<u>47,308</u>	<u>53,887</u>
Segment results	4,970	3,295	8,265
Finance costs	(10,280)	(763)	(11,043)
Share of associates' results, net of tax	8,555	–	8,555
Share of joint ventures' results, net of tax	14,943	–	14,943
Segment profit from operations before taxation	18,188	2,532	20,720
Taxation	(3,451)	(464)	(3,915)
Profit net of taxation	<u>14,737</u>	<u>2,068</u>	<u>16,805</u>



**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

**20. Segment information (cont'd)**

***Business segments (cont'd)***

	<b>Property</b>	<b>Retail</b>	<b>Total</b>
	\$'000	\$'000	\$'000
<b>30 September 2021</b>			
Segment revenue			
- Sales of goods and net commission from concessionaires	–	35,318	35,318
- Sales of property rights	2,149	–	2,149
- Rental income	3,318	–	3,318
	<u>5,467</u>	<u>35,318</u>	<u>40,785</u>
Segment results	6,347	(723)	5,624
Finance costs	(9,092)	(709)	(9,801)
Share of associates' results, net of tax	2,537	–	2,537
Share of joint ventures' results, net of tax	23,995	–	23,995
Segment profit/(loss) from operations before taxation	23,787	(1,432)	22,355
Taxation	(3,971)	–	(3,971)
Profit/(loss) net of taxation	<u>19,816</u>	<u>(1,432)</u>	<u>18,384</u>

**30 September 2022**

***Assets and liabilities***

Segment assets	781,103	91,572	872,675
Associates	1,061,650	–	1,061,650
Joint ventures	506,785	–	506,785
Total assets	<u>2,349,538</u>	<u>91,572</u>	<u>2,441,110</u>
Segment liabilities	775,450	79,761	855,211
Provision for taxation	7,751	445	8,196
Deferred tax liabilities	24,695	–	24,695
Total liabilities	<u>807,896</u>	<u>80,206</u>	<u>888,102</u>

**31 March 2022**

***Assets and liabilities***

Segment assets	808,059	87,256	895,315
Associates	1,076,518	–	1,076,518
Joint ventures	531,449	–	531,449
Total assets	<u>2,416,026</u>	<u>87,256</u>	<u>2,503,282</u>
Segment liabilities	785,235	78,847	864,082
Provision for taxation	7,575	–	7,575
Deferred tax liabilities	25,767	–	25,767
Total liabilities	<u>818,577</u>	<u>78,847</u>	<u>897,424</u>

## Metro Holdings Limited and its Subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2022

#### 20. Segment information (cont'd)

##### *Geographical information*

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

	Asean <sup>(1)</sup>	People's Republic of China	Australia	Others <sup>(2)</sup>	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 September 2022</b>					
Segment revenue from external customers	50,775	3,112	–	–	53,887
(Loss)/profit from operations before taxation	(819)	12,727	2,560	6,252	20,720
<b>30 September 2021</b>					
Segment revenue from external customers	37,467	3,318	–	–	40,785
(Loss)/profit from operations before taxation	(3,567)	21,570	1,814	2,538	22,355

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

(2) Others include investment properties and projects mainly in the United Kingdom and Europe.

#### 21. Fair value of assets and liabilities

##### (a) *Fair value hierarchies*

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

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

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

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

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

**(b) Assets measured at fair value**

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

	<b>30 September 2022</b>			<b>Total</b>
	<b>Fair value measurements at the end of the reporting period using</b>			
<b>Group</b>	<b>Quoted prices in active markets for identical instruments (Level 1)</b>	<b>Significant observable inputs other than quoted prices (Level 2)</b>	<b>Significant un-observable inputs (Level 3)</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>				
<b>Financial assets:</b>				
<u>Current</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	14,652	–	–	14,652
<u>Non-current</u>				
<i>Financial assets at fair value through other comprehensive income</i>				
- Quoted equity instruments	36,702	–	–	36,702
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	3,982	–	–	3,982
- Unquoted equity instruments	–	–	82,288	82,288
Total long term financial assets	40,684	–	82,288	122,972
<b>Financial assets as at 30 September 2022</b>	<b>55,336</b>	<b>–</b>	<b>82,288</b>	<b>137,624</b>
<b>Non-financial asset:</b>				
Investment property (Note 11)	–	–	109,767	109,767
<b>Non-financial asset as at 30 September 2022</b>	<b>–</b>	<b>–</b>	<b>109,767</b>	<b>109,767</b>

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

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

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

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

	<b>31 March 2022</b>			<b>Total \$'000</b>
	<b>Fair value measurements at the end of the reporting period using</b>			
<b>Group</b>	<b>Quoted prices in active markets for identical instruments (Level 1) \$'000</b>	<b>Significant observable inputs other than quoted prices (Level 2) \$'000</b>	<b>Significant un- observable inputs (Level 3) \$'000</b>	
<b>Recurring fair value measurements</b>				
<b>Financial assets:</b>				
<u>Current</u>				
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	16,493	-	-	16,493
<u>Non-current</u>				
<i>Financial assets at fair value through other comprehensive income</i>				
- Quoted equity instruments	49,858	-	-	49,858
<i>Financial assets at fair value through profit or loss</i>				
- Quoted equity instruments	5,701	-	-	5,701
- Unquoted equity instruments	-	-	78,062	78,062
Total long term financial assets	55,559	-	78,062	133,621
<b>Financial assets as at 31 March 2022</b>	<b>72,052</b>	<b>-</b>	<b>78,062</b>	<b>150,114</b>
<b>Non-financial asset:</b>				
Investment property (Note 11)	-	-	115,744	115,744
<b>Non-financial asset as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>115,744</b>	<b>115,744</b>

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

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

**(c) Level 1 fair value measurements**

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

**(d) Level 3 fair value measurements**

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

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

Description	Fair Value at 30 September 2022 \$'000	Valuation techniques	Key unobservable inputs	Range
<b>Recurring fair value measurements</b>				
Financial assets at fair value through profit or loss:				
- Unquoted equity instruments	82,288	Net asset value <sup>(1)</sup>	Not applicable	Not applicable
Investment property	109,767	Average of direct capitalisation method and direct comparison method <sup>(2)</sup>	- Capitalisation rate <sup>(3)</sup> - Rental rate <sup>(4)</sup> - Comparable price <sup>(5)</sup>	6.00% per annum RMB 117 to RMB 143 per square meter per month Retail and office: RMB 18,848 to RMB 22,447 per square meter Carpark space: RMB 300,000 per carpark lot

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

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

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

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

Description	Fair Value at 31 March 2022 \$'000	Valuation techniques	Key unobservable inputs	Range
<b>Recurring fair value measurements</b>				
Financial assets at fair value through profit or loss:				
- Unquoted equity instruments	78,062	Net asset value <sup>(1)</sup>	Not applicable	Not applicable
Investment property	115,744	Average of direct capitalisation method and direct comparison method <sup>(2)</sup>	- Capitalisation rate <sup>(3)</sup> - Rental rate <sup>(4)</sup> - Comparable price <sup>(5)</sup>	6.00% per annum RMB 117 to RMB 143 per square meter per month Retail and office: RMB 18,848 to RMB 22,447 per square meter Carpark space: RMB 300,000 per carpark lot

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

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

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

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

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

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

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

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

	<b>30 September 2022</b>		
	<b>Financial assets at fair value through profit or loss (Unquoted equity instruments)</b>	<b>Investment property</b>	<b>Total</b>
<b>Group</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance	78,062	115,744	193,806
Total gains or losses for the financial period			
- Fair value loss recognised in profit or loss	(2,475)	–	(2,475)
Additions	6,348	–	6,348
Redemptions	(319)	–	(319)
Foreign exchange differences	672	(5,977)	(5,305)
Closing balance	82,288	109,767	192,055

**Metro Holdings Limited and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the six months ended 30 September 2022**

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

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

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

	<b>31 March 2022</b>		
	<b>Financial assets at fair value through profit or loss (Unquoted equity instruments) \$'000</b>	<b>Investment property \$'000</b>	<b>Total \$'000</b>
<b>Group</b>			
Opening balance	82,880	111,725	194,605
Total gains or losses for the financial year			
- Fair value loss recognised in profit or loss	(3,766)	(341)	(4,107)
Additions	16,601	–	16,601
Redemptions	(17,767)	–	(17,767)
Foreign exchange differences	114	4,360	4,474
Closing balance	78,062	115,744	193,806

*(iii) Valuation policies and procedures*

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

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations in light of the prevailing conditions at 30 September 2022.



## Metro Holdings Limited and its Subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the six months ended 30 September 2022

#### 22. Net asset value

	Group		Company	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
	\$	\$	\$	\$
Net asset value per ordinary share	1.84	1.91	0.45	0.45

Net asset value per ordinary share for the Group is calculated on the equity attributable to owners of the Company as at 30 September 2022 of \$1,526,836,000 (31 March 2022: \$1,579,846,000) divided by the total number of issued shares excluding treasury shares as at 30 September 2022 of 828,035,874 (31 March 2022: 828,035,874).

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

## OTHER INFORMATION

### 1. Review

The condensed interim balance sheets of Metro Holdings Limited and its subsidiaries as at 30 September 2022 and the related condensed interim consolidated income statement and statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated cash flow statement for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### 2(a) Review of Group Results for Half Year ended 30 September 2022 (1HFY2023) against Half Year ended 30 September 2021 (1HFY2022)

The Group's revenue of \$53.9 million for the first half financial year to 30 September 2022 increased by 32.1% over 1HFY2022's \$40.8 million. Revenue from the property division for 1HFY2023 increased to \$6.6 million from 1HFY2022's \$5.5 million mainly due to higher contributions from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$1.4 million to \$3.5 million in 1HFY2023 from \$2.1 million in 1HFY2022, which was largely impacted by the ongoing COVID-19 pandemic.

The retail division reported higher revenue by \$12.0 million from \$35.3 million in 1HFY2022 to \$47.3 million in 1HFY2023 mainly due to shorter operating hours in 1HFY2022 from 17 May 2021 to 18 Aug 2021 in the two department stores in Singapore during Phase 2 and Phase 3 (Heightened Alert).

Correspondingly, overall gross profit improved to \$9.2 million in 1HFY2023 from \$5.0 million in 1HFY2022.

Other net income was lower by \$2.0 million from \$11.7 million in 1HFY2022 to \$9.7 million in 1HFY2023. Despite an unrealised foreign exchange loss of \$2.6m in 1HFY2023 as compared to a gain of \$0.7 million in 1HFY2022, this was partially offset by higher dividend income from long term investments by \$0.5 million and lower net unrealised fair value loss of short term and long term investments by \$0.6 million in 1HFY2023.

Share of profit of associates increased by \$6.1 million to \$8.6 million in 1HFY2023 from \$2.5 million in 1HFY2022 mainly due to lower share of loss by \$3.6 million from the contributions of investment properties in China mainly attributed to lower share of loss from Shanghai Plaza by \$6.1 million, partially offset by lower share of profit from Top Spring by \$2.3 million, and higher contribution from the increased stake to 30% in a portfolio of properties in Australia by \$2.5 million.

Share of profit of joint ventures decreased by \$9.1 million to \$14.9 million in 1HFY2023 from \$24.0 million in 1HFY2022 mainly due to lower contributions from the investment properties in China, rental rebates and waivers granted to tenants brought about by disruptions from China's zero COVID-19 policy and sporadic lockdowns in 1HFY2023.

As a result of the foregoing, profit before taxation decreased to \$20.7 million in 1HFY2023 from \$22.4 million in 1HFY2022.

Segmental Results for Half Year ended 30 September  
(Refer to Segment information on page 20 and 21)

Segmental Results - Property Division

Revenue from the property division for 1HFY2023 increased to \$6.6 million from 1HFY2022's \$5.5 million mainly due to higher sales of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$1.4 million to \$3.5 million in 1HFY2023 from \$2.1 million in 1HFY2022, which was largely impacted by the ongoing COVID-19 pandemic.

Segment results of the property division, excluding finance costs, associates and joint ventures, reported a lower profit of \$5.0 million in 1HFY2023 as compared to \$6.3 million in 1HFY2022. Despite an unrealised foreign exchange loss of \$2.6m in 1HFY2023 as compared to a gain of \$0.7 million in 1HFY2022, this was offset by higher gross profit contribution from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by \$0.5 million in line with higher revenue, higher dividend income from long term investments by \$0.5 million and lower net unrealised fair value loss of short term and long term investments by \$0.6 million in 1HFY2023.

Share of profit of associates increased by \$6.1 million to \$8.6 million in 1HFY2023 from \$2.5 million in 1HFY2022 mainly due to lower share of loss by \$3.6 million from the contributions of investment properties in China mainly attributed to lower share of loss from Shanghai Plaza by \$6.1 million, partially offset by lower share of profit from Top Spring by \$2.3 million, and higher contribution from the increased stake to 30% in a portfolio of properties in Australia by \$2.5 million.

Share of profit of joint ventures decreased by \$9.1 million to \$14.9 million in 1HFY2023 from \$24.0 million in 1HFY2022 mainly due to lower contributions from the investment properties in China, rental rebates and waivers granted to tenants brought about by disruptions from China's zero COVID-19 policy and sporadic lockdowns in 1HFY2023.

The average occupancy of the Group's five investment properties held by a subsidiary and joint ventures as at 30 September 2022 was 91.1%.

The portfolio summary of the Group's Investment Properties as at 30 September 2022 was as follows:

	<i>Percentage Owned</i>	<i>Tenure</i>	<i>No. of Tenants</i>	<i>Occupancy Rate (%)</i>
<u><i>Owned by a Subsidiary</i></u>				
GIE Tower, Guangzhou	100%	50 year term from 1994	33	83.9%
<u><i>Owned by Joint Ventures</i></u>				
Metro City, Shanghai	60%	36 year term from 1993	157	87.6%
Metro Tower, Shanghai	60%	50 year term from 1993	35	94.2%
5 Chancery Lane, London	50%	Freehold	1	100.0%
Asia Green, Singapore	50%	99 year term from 2007	22	89.8%

Segmental Results - Retail Division

Revenue from the Singapore operations of the retail division for 1HFY2023 increased to \$47.3 million from 1HFY2022's \$35.3 million mainly due to shorter operating hours in 1HFY2022 from 17 May 2021 to 18 Aug 2021 in the two department stores in Singapore during Phase 2 and Phase 3 (Heightened Alert). Segment results reported a profit of \$3.3 million in 1HFY2023 as compared to a loss of \$0.7 million in 1HFY2022 in line with higher revenue and improved margins.

Pressure on margins amidst a highly competitive trading environment and impact from COVID-19 pandemic will continue to affect the results. The Group's retail business continues to be impacted by the higher inflation-driven costs in raw material, labour and energy amidst a highly competitive trading environment.

2(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 \$1,076.5 million as at 31 March 2022 to \$1,061.7 million as at 30 September 2022 mainly due to dividend distribution received from associates of \$3.7 million in 1H2023 and currency translation loss of foreign associates. These were partially offset by funding of \$16.7 million for the acquisition of a 30% stake in four purpose-built student accommodation properties in the United Kingdom and share of profit of associates of \$8.6 million. In 1H2023, the Group's funding of \$10.4 million for the acquisition of a 30% stake in Shepparton Marketplace in Australia was primarily from capital and dividend distribution from the associates.

Joint Ventures (Non-current assets) and Amounts due from joint ventures (Current assets) decreased from \$531.4 million as at 31 March 2022 to \$506.8 million as at 30 September 2022 mainly due to dividend distribution from a joint venture of \$15.2 million in 1H2023 and currency translation loss of foreign joint ventures, mainly in China. These were partially offset by share of profit of joint ventures of \$14.9 million and shareholder loan of \$3.4 million to a joint venture in the United Kingdom.

Long term investments (Non-current assets) decreased from \$133.6 million as at 31 March 2022 to \$123.0 million as at 30 September 2022 mainly due to net change in fair value of equity investments at FVOCI of \$13.8 million, which was partially offset by investment of \$6.0 million for a 10% stake in DocMed Technology Pte. Ltd.

Development properties (Current assets) decreased marginally to \$159.0 million as at 30 September 2022 from \$160.8 million as at 31 March 2022. This relates to the residential development properties in Jakarta, Indonesia, held for sales. During the financial period, the progressive sale recognition of property rights of residential units was \$2.5 million.

Accounts and other receivables (Current assets) decreased marginally from \$70.7 million as at 31 March 2022 to \$69.6 million as at 30 September 2022 mainly due to receipts from the sale of property rights of \$5.5 million, which was partially offset by sale recognition of property rights of \$3.5 million, relating to the residential development properties in Jakarta, Indonesia, held for sales in 1HFY2023.

Bank borrowings (Current liabilities) increased to \$142.7 million as at 30 September 2022 from \$135.5 million as at 31 March 2022 mainly due to loan drawn on banking facilities for the acquisition of a 30% stake in four purpose-built student accommodation properties in the United Kingdom. This was partially offset by lower revalued bank borrowings denominated in Australian dollar and Sterling pound.

Bank borrowings (Non-current liabilities) decreased to \$460.8 million as at 30 September 2022 from \$470.3 million as at 31 March 2022 mainly due lower revalued bank borrowings denominated in Australian dollar.

Amounts due to joint ventures (Non-current liabilities) decreased to \$141.2 million as at 30 September 2022 from \$148.7 million as at 31 March 2022 mainly due to lower revalued loans denominated in Renminbi from joint ventures in the PRC.

As a result of the above and after taking into account a dividend of \$24.8 million paid to shareholders, Cash and cash equivalents increased from \$331.4 million as at 31 March 2022 to \$333.3 million as at 30 September 2022.

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.

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

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

#### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

##### **Overall**

The Group is aware and will monitor the geopolitical challenges and looming recession brought about by three powerful headwinds: the Russian invasion of Ukraine, a cost-of-living crisis caused by persistent and broadening inflation pressures, and the slowdown in China<sup>1</sup>. On 2 November 2022, the US Federal Reserve (“FED”) raised interest rates by another 75 basis points and said its battle against inflation will require borrowing costs to rise further, yet signalled it may be nearing an inflection point in what has become the swiftest tightening of US monetary policy in 40 years. The double-sided message left open the possibility that the FED may raise rates in smaller increments in the future, ending its sequence of 75 basis point hikes as soon as December 2022 in favour of more tempered increases of perhaps 50 basis points, while also leaving policymakers room to continue pushing rates higher if inflation doesn't start to slow<sup>2</sup>. Rising interest rates will likely impact capitalisation rates and the valuation of Metro's properties. The International Monetary Fund (“IMF”) projects global growth to remain unchanged at 3.2%, and is expected to slow to 2.7% in 2023. More than a third of the global economy will contract this year or next, while the three largest economies – the United States, the European Union, and China – will continue to slow down<sup>3</sup>.

##### **Property Division**

###### **China**

The geopolitical tensions between the US and China will likely impact the Group's asset valuation and foreign exchange exposure. The 20th National Congress of the Chinese Communist Party (“CCP”) was held in Beijing from 16-22 October 2022, with Xi Jinping securing a third term as general secretary of the CCP and filling the new Politburo Standing Committee with allies<sup>4</sup>. According to the IMF, the prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis have induced a downgrade in 2022 GDP and have affected our China properties. China's economy grew 8.1% in 2021, and is forecasted to grow 3.2% in 2022 and 4.4% in 2023<sup>5</sup>. Our China investment properties, mainly Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou reported an average occupancy of 88.6%. The Atrium Mall in Chengdu, and Shanghai Plaza in Shanghai has achieved occupancy of 84.4% and 92.3% respectively. The three office buildings in Bay Valley are approximately 70% occupied. Our associate, Top Spring International Holdings Limited and co-investments with BentallGreenOak continues to be subject to market headwinds in China and Hong Kong.

###### **Singapore**

Singapore's GDP grew by 7.6% in 2021, rebounding from the 4.1% contraction in 2020<sup>6</sup>. For 2022, the Ministry of Trade and Industry narrows the GDP growth forecast for 2022 to “3.0-4.0 per cent”, from “3.0 to 5.0 per cent”<sup>7</sup>, with a 4.4% growth in 3Q2022<sup>8</sup>. Office rents in decentralised markets (City Fringe and Suburban) also climbed 1.3% quarter-on-quarter in 3Q2022 amidst vacancy rates tightening to 5% in 3Q2022 from 5.3% in 2Q2022<sup>9</sup>. These developments will continue to benefit our premium Grade-A office towers at the Tampines Regional Centre which has achieved an occupancy rate of 89.8%. Rental increases were observed for all industrial asset classes during 3Q2022 as vacancy rates remained relatively tight with city-fringe business park and Science Park rents also increasing in tandem with the broader market<sup>10</sup>. Metro is well positioned given our December 2020 investment in 26% of both the Units and 7.0 per cent notes due 2031 in the Boustead Industrial Fund (“BIF”), with a quality portfolio of 15 industrial, business park, high-spec industrial and logistics properties in Singapore. The entire BIF portfolio enjoys a high committed average occupancy of 98.2% and a long weighted average lease expiry (“WALE”) of approximately 5.8 years as at 30 September 2022.

###### **Indonesia**

According to the IMF, Indonesia recorded annual GDP growth of 3.7% in 2021, and is forecast to grow 5.3% in 2022, based on moderate tax policy and administration reforms, some expenditure realisation, and a gradual increase in capital spending over the medium term in line with fiscal space<sup>11</sup>. A lack of development in the Jakarta Central Business District (“CBD”) due to the scarcity and high price of land is driving investors and end-user buyers to consider apartment projects outside the CBD, including the

<sup>1</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>2</sup> Reuters, *FED Jacks Up Interest Rates Again, Hints At Smaller Increases Ahead*, 2 November 2022

<sup>3</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>4</sup> Reuters, *The Power Of One: Xi Solidifies Grip At Party Congress*, 24 October 2022

<sup>5</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>6</sup> MTI Singapore, *MTI Maintains 2022 GDP Growth Forecast at “3.0 to 5.0 Per Cent”*, 17 February 2022

<sup>7</sup> MTI Singapore, *MTI Narrows Singapore's GDP Growth Forecast for 2022 to “3.0 to 4.0 Per Cent”*, 11 August 2022

<sup>8</sup> MTI Singapore, *Singapore's Economy Expanded by 4.4 Per Cent in the Third Quarter of 2022*, 14 October 2022

<sup>9</sup> Cushman & Wakefield, *Marketbeat Singapore Office Q3 2022*, 12 October 2022

<sup>10</sup> Cushman & Wakefield, *Marketbeat Singapore Industrial Q3 2022*, 11 October 2022

<sup>11</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

eastern area of Jakarta<sup>12</sup> and this should benefit our residential projects in Bekasi and Bintaro, Jakarta, where we see a pick-up in apartment sales.

#### United Kingdom (“UK”)

According to the IMF, UK GDP grew 7.4% in 2021 and is forecast to grow 3.6% in 2022<sup>13</sup>. On 3 November 2022, the Bank of England raised interest rates to 3% from 2.25% and warned that the British economy might not grow for another two years<sup>14</sup>. Despite this trend, the UK Purpose-Built Student Accommodation (“PBSA”) sector continues to be active with Scape Student Living’s £173 million forward-funding agreement for 713 student beds on London’s 181 Talgarth Road<sup>15</sup> and Metro also grew its 30% owned PBSA fund in the UK with four acquisitions in Exeter, Durham, Glasgow and Kingston for a total purchase consideration of approximately £74.4 million (approximately S\$119.0 million). Together with the two existing properties of Red Queen, Warwick, and Dean Street Works, Bristol, the total portfolio of six freehold PBSA properties has achieved a committed average occupancy rate of 85.7% as at 30 September 2022. Jones Lang LaSalle forecasts that Manchester home prices will grow by 16.4% from 2022-2026, the fastest of all of the major UK cities<sup>16</sup>. This benefits our 2,215 unit development at Middlewood Locks, where Phase 1 and Phase 2 development have been fully sold and handed over. Phase 3 has commenced construction in 2Q2022 with completion expected in late 2024. Sales and marketing activities are in progress. As for Central London office, the total 3Q2022 vacancy rate increased to 8.1%, mainly driven by an increase in the East London market and remained above the long-term average of 5.3%<sup>17</sup>. Our office property at 5 Chancery Lane continues to be fully leased through March 2023 and Metro will evaluate various options including but not limited to asset enhancement initiatives.

#### Australia

On 1 November 2022, the Reserve Bank of Australia (“RBA”) raised the cash rate by 0.25% to 2.85% to achieve a more sustainable balance of demand and supply in the Australian economy so as to bring inflation back down. The RBA expects to increase interest rates further over the period ahead<sup>18</sup>. The outlook for economic growth in Australia remains positive, and the IMF expects growth of 3.8% in 2022 and 1.9% in 2023<sup>19</sup>. In September 2022, Metro, together with its joint venture partner, the Sim Lian Group of Companies (“Sim Lian”) acquired Shepparton Marketplace in Victoria for a purchase consideration of approximately A\$92.0 million (approximately S\$85.7 million). This brings the Australian portfolio to 17 quality freehold properties comprising 4 office buildings and 13 retail centres spanning across 4 key states, namely New South Wales, Victoria, Queensland and Western Australia, with a total appraised value of approximately A\$1.2 billion (approximately S\$1.1 billion). The Australian portfolio achieved a high average occupancy of 95.8% and a WALE of approximately 6.1 years by income. Metro further expands its existing Australian portfolio with this acquisition, allowing more synergies in asset and leasing management in Victoria, with a more balanced retail exposure across New South Wales and Queensland.

#### Others

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

#### Retail Division

Overall Singapore total retail sales grew 10.6% as of August 2022 year-to-date, fuelled by economic re-opening, though retail outlook is turning cloudy as a slower economic outlook and rising interest rates would impact consumer confidence and spending<sup>20</sup> and this will continue to weigh on our two department stores at Paragon and Causeway Point, and online. The Group’s retail business continues to be impacted by the higher inflation-driven costs in raw material, labour and energy amidst a highly competitive trading environment.

#### The Group

Metro operates across Singapore, China, Indonesia, the UK and Australia with most countries in the endemic phase of the COVID-19 pandemic, except China which is holding to its zero COVID strategy. Amidst the elevated levels of global geopolitical and economic uncertainties, Metro will exercise caution

<sup>12</sup> Colliers, *Jakarta Quarterly*, 5 October 2022

<sup>13</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>14</sup> Reuters, *Bank Of England Raises Rates By Most Since 1989 Even As Long Recession Looms*, 3 November 2022

<sup>15</sup> Colliers, *United Kingdom Property Snapshot*, 16 June 2022

<sup>16</sup> JLL, *UK Residential Forecasts*, 2 November 2021

<sup>17</sup> JLL, *Q3 2022 Central London Office Market Report*, 28 October 2022

<sup>18</sup> Reserve Bank of Australia, *Statement By Philip Lowe, Governor: Monetary Policy Decision*, 1 November 2022

<sup>19</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>20</sup> Cushman & Wakefield, *Marketbeat Singapore, Retail Q3 2022*, 12 October 2022

and prudence while taking proactive measures to maintain strong capital management discipline, including preserving cash, optimising cash flows and liquidity, and to actively manage our existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value. With regards to our asset management strategy, we will prioritise critical asset enhancement, while deferring uncommitted capital expenditure, implementing cost saving measures and deploying derivative instruments to hedge the underlying interest rate exposures, where possible. The Group will continue to maintain a strong liquidity position comprising cash and available undrawn banking facilities.

## **5. Dividend information**

(a) Current Financial Period Reported on

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

(b) Corresponding Period of the Immediate Preceding Financial Year

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

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

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

No interim dividend has been declared for the half year ended 30 September 2022. The Company usually declares dividend at financial year end.

## **7. Interested person transactions**

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

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

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

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

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the Group's unaudited condensed interim consolidated financial statements for the first half ended 30 September 2022 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tan Ching Chek and Eve Chan Bee Leng  
Joint Company Secretaries  
Date: 11 November 2022





## NEWS RELEASE

### **METRO HOLDINGS REGISTERS NET PROFIT AFTER TAX OF S\$16.8 MILLION**

- ***1HFY2023 Profit After Tax of S\$16.8 million, as compared to S\$18.4 million in 1HFY2022, mainly due to:***
  - o ***Lower share of profit of joint ventures due to lower contributions from the investment properties in China, rental rebates and waivers granted to tenants brought about by disruptions from China’s zero COVID-19 policy and sporadic lockdowns, mitigated by higher share of profit of associates***
- ***Continues to invest for resilience across its key markets:***
  - o ***Australia – Acquires its 17th property in Australia, neighbourhood retail centre Shepparton Marketplace in Victoria***
  - o ***United Kingdom (“UK”) – Grows UK Purpose-Built Student Accommodation (“PBSA”) portfolio with four PBSA acquisitions in Exeter, Durham, Glasgow and Kingston***
  - o ***Singapore – Invests S\$6.0 million for 10% stake in Docmed Technology Pte. Ltd.***
- ***Maintains a strong balance sheet with Net Assets of S\$1.6 billion and Total Assets of S\$2.4 billion***

**Singapore, 11 November 2022** – Main Board-listed Metro Holdings Limited (“**Metro**” or the “**Group**”) (“美罗控股有限公司”), a property investment and development group backed by established retail operations, registered net profit after tax of S\$16.8 million for the first half year ended 30 September 2022 (“**1HFY2023**”), as compared to S\$18.4 million in the same corresponding period a year ago (“**1HFY2022**”). This was mainly from lower share of profit of joint ventures due to lower contributions from the investment properties in China, rental rebates and waivers granted to tenants brought about by disruptions from China’s zero COVID-19 policy, and sporadic lockdowns in 1HFY2023, which was partially offset by higher share of profit of associates from the increased stake

to 30% in a portfolio of properties in Australia, and lower share of loss from the contributions of investment properties in China mainly attributed to Shanghai Plaza with its increased occupancy of 92.3%.

The Group posted revenue of S\$53.9 million in 1HFY2023, as compared to S\$40.8 million in 1HFY2022, largely due to the retail division reporting higher sales of S\$47.3 million in 1HFY2023 from S\$35.3 million in 1HFY2022 mainly due to shorter operating hours in 1HFY2022 from 17 May 2021 to 18 Aug 2021 in the two department stores in Singapore during Phase 2 and Phase 3 (Heightened Alert). The Group recognised higher sales of property rights of the residential development projects in Bekasi and Bintaro, Jakarta.

Metro Chairman, Lt Gen (Rtd) Winston Choo (“朱維良”), said, “Following Metro’s 65th Anniversary celebrations in March 2022, the Group has made progress in our goal to further diversify for resilience amidst the volatile environment with rising interest rate, higher inflation and geopolitical uncertainties. Going forward, together with experienced partners, we continue to focus on our key sectors and countries where we see long term growth.”

## **Review of Financial Performance**

### **Property Division**

The Property Division’s revenue for 1HFY2023 increased to S\$6.6 million from 1HFY2022’s S\$5.5 million mainly due to higher sales of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by S\$1.4 million to S\$3.5 million in 1HFY2023 from S\$2.1 million in 1HFY2022, which was largely impacted by the ongoing COVID-19 pandemic.

The average occupancy rate for Metro’s five investment properties – GIE Tower in Guangzhou, China; Metro City and Metro Tower in Shanghai, China; the fully-leased

freehold office property at 5 Chancery Lane in Central London, the UK; and Asia Green, Singapore – remain high at 91.1% as at 30 September 2022.

Property segment, excluding finance costs, associates and joint ventures, reported a lower profit of S\$5.0 million in 1HFY2023 as compared to S\$6.3 million in 1HFY2022. Despite an unrealised foreign exchange loss of S\$2.6m in 1HFY2023 as compared to a gain of S\$0.7 million in 1HFY2022, this was offset by higher gross profit contribution from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by S\$0.5 million in line with higher revenue, higher dividend income from long term investments by S\$0.5 million and lower net unrealised fair value loss of short term and long term investments by S\$0.6 million in 1HFY2023.

Share of profit of associates increased by S\$6.1 million to S\$8.6 million in 1HFY2023 from S\$2.5 million in 1HFY2022 mainly due to higher contribution from the increased stake to 30% in a portfolio of properties in Australia by S\$2.5 million, and lower share of loss by S\$3.6 million from the contributions of investment properties in China mainly attributed to lower share of loss from Shanghai Plaza by S\$6.1 million, partially offset by lower share of profit from Top Spring by S\$2.3 million.

Share of profit of joint ventures decreased by S\$9.1 million to S\$14.9 million in 1HFY2023 from S\$24.0 million in 1HFY2022 mainly due to lower contributions from the investment properties in China, rental rebates and waivers granted to tenants brought about by disruptions from China's zero COVID-19 policy, and sporadic lockdowns in 1HFY2023.

## **Retail Division**

Metro's retail revenue increased to S\$47.3 million in 1HFY2023 from S\$35.3 million in 1HFY2022 mainly due to shorter operating hours in 1HFY2022 from 17 May 2021 to 18 Aug 2021 in the two department stores in Singapore during Phase 2 and Phase 3 (Heightened Alert). Segment results reported a profit of S\$3.3 million in 1HFY2023 as

compared to a loss of S\$0.7 million in 1HFY2022 in line with higher revenue and improved margins.

The Group's retail business continues to be impacted by the higher inflation-driven costs in raw material, labour and energy amidst a highly competitive trading environment.

### **Key Investments and Strategic Moves**

In Australia, Metro, together with its Joint Venture partner, the Sim Lian Group of Companies ("**Sim Lian**") acquired freehold neighbourhood retail centre Shepparton Marketplace ("**Shepparton**") in Victoria in September 2022 for a purchase consideration of approximately A\$92.0 million (approximately S\$85.7 million). The Australian portfolio, of which Metro owns 30%, will hold a total of 17 quality freehold properties comprising 4 office buildings and 13 retail centres spanning across 4 key states, namely New South Wales, Victoria, Queensland and Western Australia, with a total appraised value of approximately A\$1.2 billion (approximately S\$1.1 billion) and has a high average occupancy of 95.8% and a weighted average lease expiry ("**WALE**") of approximately 6.1 years by income. Metro further expands its existing Australian portfolio with this acquisition, allowing more synergies in asset and leasing management in Victoria, with a more balanced retail exposure across New South Wales and Queensland.

In May 2022, Metro, together with its Joint Venture partners, Lee Kim Tah Holdings Limited ("**LKT**") and Woh Hup Holdings Pte Ltd ("**WH**") grows its Purpose-Built Student Accommodation ("**PBSA**") Fund in the UK with four acquisitions in Exeter, Durham, Glasgow and Kingston for a total purchase consideration of approximately £74.4 million (approximately S\$119.0 million). Together with the two existing properties of Red Queen, Warwick, and Dean Street Works, Bristol, the total portfolio of six freehold PBSA properties achieved a committed average occupancy rate of 85.7% as at 30 September 2022.

Metro continued to diversify for resilience by investing S\$6.0 million for a 10% stake in Docmed Technology Pte. Ltd. (“**Docmed**”) in its Series A fund raising in May 2022. Docmed is involved in the development of integrated healthcare platform solutions for the healthcare industry, and will directly hold Pan-Malayan Pharmaceuticals Pte Ltd, which is in the business of wholesaling pharmaceuticals, medical supplies and medical disposables in Singapore. Docmed’s growth plans include developing more digital capabilities in healthcare in the areas of supply chain management and creating new digital tools for end patient disease management, as well as expand its B2B platform in the region.

Group Chief Executive Officer, Yip Hoong Mun (“**叶康文**”), said, “Amidst the elevated levels of global geopolitical and economic uncertainties, Metro will exercise caution and prudence while taking proactive measures to maintain strong capital management discipline, including preserving cash, optimising cash flows and liquidity, and to actively manage our existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value. With regards to our asset management strategy, we will prioritise critical asset enhancement, while deferring uncommitted capital expenditure, implementing cost saving measures and deploying derivative instruments to hedge the underlying interest rate exposures, where possible. The Group continues to maintain a strong liquidity position comprising cash and available undrawn banking facilities.”

### **Strong Balance Sheet**

Metro’s balance sheet remained strong with net assets of S\$1.6 billion and total assets of S\$2.4 billion as of 30 September 2022.

### **Outlook**

The Group is aware and will monitor the geopolitical challenges and looming recession brought about by three powerful headwinds: the Russian invasion of Ukraine, a cost-of-

living crisis caused by persistent and broadening inflation pressures, and the slowdown in China<sup>1</sup>. On 2 November 2022, the US Federal Reserve (“**FED**”) raised interest rates by another 75 basis points and said its battle against inflation will require borrowing costs to rise further, yet signalled it may be nearing an inflection point in what has become the swiftest tightening of US monetary policy in 40 years. The double-sided message left open the possibility that the FED may raise rates in smaller increments in the future, ending its sequence of 75 basis point hikes as soon as December 2022 in favour of more tempered increases of perhaps 50 basis points, while also leaving policymakers room to continue pushing rates higher if inflation doesn't start to slow<sup>2</sup>. Rising interest rates will impact capitalisation rates and the valuation of Metro's properties. The International Monetary Fund (“**IMF**”) projects global growth to remain unchanged at 3.2%, and is expected to slow to 2.7% in 2023. More than a third of the global economy will contract this year or next, while the three largest economies – the United States, the European Union, and China – will continue to slow down<sup>3</sup>.

The geopolitical tensions between the US and China may likely impact the Group's asset valuation and foreign exchange exposure. The 20th National Congress of the Chinese Communist Party (“**CCP**”) was held in Beijing from 16-22 October 2022, with Xi Jinping securing a third term as general secretary of the CCP and filling the new Politburo Standing Committee with allies<sup>4</sup>. According to the IMF, the prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis have induced a downgrade in 2022 GDP and have affected our China properties. China's economy grew 8.1% in 2021, and is forecasted to grow 3.2% in 2022 and 4.4% in 2023<sup>5</sup>. Our China investment properties, mainly Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou reported an average occupancy of 88.6%. The Atrium Mall in Chengdu, and Shanghai Plaza in Shanghai has achieved occupancy of 84.4% and 92.3% respectively. The three office buildings in Bay Valley are approximately 70% occupied.

---

<sup>1</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>2</sup> Reuters, *FED Jacks Up Interest Rates Again, Hints At Smaller Increases Ahead*, 2 November 2022

<sup>3</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>4</sup> Reuters, *The Power Of One: Xi Solidifies Grip At Party Congress*, 24 October 2022

<sup>5</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

Our associate, Top Spring International Holdings Limited and co-investments with BentallGreenOak continues to be subject to market headwinds in China and Hong Kong.

Singapore's GDP grew by 7.6% in 2021, rebounding from the 4.1% contraction in 2020<sup>6</sup>. For 2022, the Ministry of Trade and Industry narrows the GDP growth forecast for 2022 to "3.0 to 4.0 per cent", from "3.0 to 5.0 per cent"<sup>7</sup>, with a 4.4% growth in 3Q2022<sup>8</sup>. Office rents in decentralised markets (City Fringe and Suburban) also climbed 1.3% quarter-on-quarter in 3Q2022 amidst vacancy rates tightening to 5% in 3Q2022 from 5.3% in 2Q2022<sup>9</sup>. These developments will continue to benefit our premium Grade-A office towers at the Tampines Regional Centre which has achieved an occupancy rate of 89.8%. Rental increases were observed for all industrial asset classes during 3Q2022 as vacancy rates remained relatively tight with city-fringe business park and Science Park rents also increasing in tandem with the broader market<sup>10</sup>. Metro is well positioned given our December 2020 investment in 26% of both the Units and 7.0 per cent notes due 2031 in the Boustead Industrial Fund ("**BIF**"), with a quality portfolio of 15 industrial, business park, high-spec industrial and logistics properties in Singapore. The entire BIF portfolio enjoys a high committed average occupancy of 98.2% and a long WALE of approximately 5.8 years as at 30 September 2022.

According to the IMF, Indonesia recorded annual GDP growth of 3.7% in 2021, and is forecast to grow 5.3% in 2022, based on moderate tax policy and administration reforms, some expenditure realisation, and a gradual increase in capital spending over the medium term in line with fiscal space<sup>11</sup>. A lack of development in the Jakarta Central Business District ("**CBD**") due to the scarcity and high price of land is driving investors and end-user buyers to consider apartment projects outside the CBD, including the eastern area of Jakarta<sup>12</sup> and this should benefit our residential projects in Bekasi and Bintaro, Jakarta, where we see a pick-up in apartment sales.

---

<sup>6</sup> MTI Singapore, *MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent"*, 17 February 2022

<sup>7</sup> MTI Singapore, *MTI Narrows Singapore's GDP Growth Forecast for 2022 to "3.0 to 4.0 Per Cent"*, 11 August 2022

<sup>8</sup> MTI Singapore, *Singapore's Economy Expanded by 4.4 Per Cent in the Third Quarter of 2022*, 14 October 2022

<sup>9</sup> Cushman & Wakefield, *Marketbeat Singapore Office Q3 2022*, 12 October 2022

<sup>10</sup> Cushman & Wakefield, *Marketbeat Singapore Industrial Q3 2022*, 11 October 2022

<sup>11</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>12</sup> Colliers, *Jakarta Quarterly*, 5 October 2022

According to the IMF, UK GDP grew 7.4% in 2021 and is forecast to grow 3.6% in 2022<sup>13</sup>. On 3 November 2022, the Bank of England raised interest rates to 3% from 2.25% and warned that the British economy might not grow for another two years<sup>14</sup>. Despite this trend, the UK PBSA sector continues to be active with Scape Student Living's £173 million forward-funding agreement for 713 student beds on London's 181 Talgarth Road<sup>15</sup>. Metro's six freehold PBSA properties are well-positioned in this environment and enjoys committed average occupancy of 85.7%. Jones Lang LaSalle forecasts that Manchester home prices will grow by 16.4% from 2022-2026, the fastest of all of the major UK cities<sup>16</sup>. This benefits our 2,215 unit development at Middlewood Locks, where Phase 1 and Phase 2 development have been fully sold and handed over. Phase 3 has commenced construction in 2Q2022 with completion expected in late 2024. Sales and marketing activities are in progress. As for Central London office, the total 3Q2022 vacancy rate increased to 8.1%, mainly driven by an increase in the East London market and remained above the long-term average of 5.3%<sup>17</sup>. Our office property at 5 Chancery Lane continues to be fully leased through March 2023 and Metro will evaluate various options including and not limited to asset enhancement works.

On 1 November 2022, the Reserve Bank of Australia ("**RBA**") raised the cash rate by 0.25% to 2.85% to achieve a more sustainable balance of demand and supply in the Australian economy so as to bring inflation back down. The RBA expects to increase interest rates further over the period ahead<sup>18</sup>. The outlook for economic growth in Australia remains positive, and the IMF expects growth of 3.8% in 2022 and 1.9% in 2023<sup>19</sup>. Metro's acquisition of its 17<sup>th</sup> property in Australia, Shepparton Marketplace in Victoria deepens its presence in Australia.

---

<sup>13</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022

<sup>14</sup> Reuters, *Bank Of England Raises Rates By Most Since 1989 Even As Long Recession Looms*, 3 November 2022

<sup>15</sup> Colliers, *United Kingdom Property Snapshot*, 16 June 2022

<sup>16</sup> JLL, *UK Residential Forecasts*, 2 November 2021

<sup>17</sup> JLL, *Q3 2022 Central London Office Market Report*, 28 October 2022

<sup>18</sup> Reserve Bank of Australia, *Statement By Philip Lowe, Governor: Monetary Policy Decision*, 1 November 2022

<sup>19</sup> IMF, *World Economic Outlook – Countering the Cost-of-Living Crisis*, 17 October 2022



## **ABOUT METRO HOLDINGS LIMITED**

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

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

### **Property Investment and Development**

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

### **Retail**

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

美羅 METRO



---

ISSUED ON BEHALF OF : Metro Holdings Limited

BY : Citigate Dewe Rogerson Singapore Pte Ltd  
158 Cecil Street  
#05-01  
SINGAPORE 069545

CONTACT : Ms Dolores Phua  
at telephone

DURING OFFICE HOURS : 6534 5122

EMAIL : [Metro@citigatedewerogerson.com](mailto:Metro@citigatedewerogerson.com)

---