



METRO HOLDINGS LIMITED

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

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2004

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

	Group			Group		
	2nd Qtr ended 30-Sep-2004 \$'000	2nd Qtr ended 30-Sep-2003 \$'000	% Change	Half Year ended 30-Sep-2004 \$'000	Half Year ended 30-Sep-2003 \$'000	% Change
Revenue	46,635	54,674	(14.70)	90,758	108,157	(16.09)
Cost of Revenue	(40,950)	(56,202)	(27.14)	(80,299)	(99,517)	(19.31)
Gross Profit / (loss)	5,685	(1,528)	(472.05)	10,459	8,640	21.05
Other income including interest income	6,766	3,497	93.48	12,077	5,177	133.28
General and administrative expenses	(4,418)	(4,672)	(5.44)	(8,219)	(7,868)	4.46
Profit from operating activities	8,033	(2,703)	(397.19)	14,317	5,949	140.66
Finance costs	(786)	(1,241)	(36.66)	(1,464)	(2,680)	(45.37)
Share of associated companies' results	417	734	(43.19)	851	487	74.74
Exceptional items	-	208,582	n.m.	-	208,582	n.m.
Profit from operating activities before taxation	7,664	205,372	(96.27)	13,704	212,338	(93.55)
Taxation	(1,539)	(661)	132.83	(2,719)	(3,095)	(12.15)
Profit from operating activities after taxation	6,125	204,711	(97.01)	10,985	209,243	(94.75)
Minority interests	(158)	(47)	236.17	(270)	207	(230.43)
Profit attributable to shareholders	5,967	204,664	(97.08)	10,715	209,450	(94.88)

1(a) (i) Profit before taxation is arrived at after accounting for:-

	Group			Group		
	2nd Qtr ended 30-Sep-2004 \$'000	2nd Qtr ended 30-Sep-2003 \$'000	% Change	Half Year ended 30-Sep-2004 \$'000	Half Year ended 30-Sep-2003 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Depreciation	(2,036)	(2,173)	(6.30)	(4,146)	(4,363)	(4.97)
Foreign exchange loss	(99)	(105)	(5.71)	(16)	(222)	(92.79)
Provision for obsolete inventory	(351)	(265)	32.45	(363)	(280)	29.64
Profit on disposal of property, plant and equipment	-	10	n.m.	54	11	390.91
Other income including interest income includes:-						
Dividend from unquoted investment	1,279	-	n.m.	1,696	-	n.m.
Dividends from quoted investments	1,017	-	n.m.	1,032	-	n.m.
Interest income	1,709	728	134.75	3,343	838	298.93
Profit on disposal of short term investments	19	-	n.m.	19	61	(68.85)
Amortisation of discount on consolidation	146	217	(32.72)	363	434	(16.36)
Management and advisory fees	1,343	1,994	(32.65)	2,561	2,825	(9.35)
Other fee income from unquoted investment	135	-	n.m.	1,024	-	n.m.

1a) ii) Exceptional Items comprise of :-

	2 nd Quarter ended		Half Year ended	
	30-Sep-04 \$'000	30-Sep-03 \$'000	30-Sep-04 \$'000	30-Sep-03 \$'000
Realised gain on disposal of an investment property	-	230,123	-	230,123
Revaluation deficit of other investment property previously set off against revaluation surplus of investment property disposed of, now charged to profit and loss account	-	(21,541)	-	(21,541)
	-	208,582	-	208,582

1a) iii) Taxation

	2nd Qtr ended		%	Half Year ended		%
	30-Sep-04 \$'000	30-Sep-03 \$'000		Change	30-Sep-04 \$'000	
Current Year Tax	442	(1,586)	(127.87)	2,436	5	n.m.
Deferred Tax	927	1,945	(52.34)	102	2,724	(96.26)
(Over)/under provision in prior years	-	-	n.m.	-	(91)	n.m.
Withholding tax	-	28	n.m.	24	57	(57.89)
Share of associated companies tax	170	274	(37.96)	157	400	(60.75)
	<u>1,539</u>	<u>661</u>	132.83	<u>2,719</u>	<u>3,095</u>	(12.15)

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

Balance Sheets as at

	Group		Company	
	30-Sep-2004 \$'000	31-Mar-2004 \$'000	30-Sep-2004 \$'000	31-Mar-2004 \$'000
Non-current assets				
Property, plant and equipment	129,261	135,004	7,774	7,856
Investment property	90,384	89,582	-	-
Subsidiary companies	-	-	367,949	358,239
Associated companies	105,074	102,587	24,456	24,048
Investments	42,926	6	-	-
Negative goodwill	-	(363)	-	-
	<u>367,645</u>	<u>326,816</u>	<u>400,179</u>	<u>390,143</u>
Current assets				
Development property	53,578	53,100	-	-
Inventories	15,655	15,213	-	-
Accounts receivable	41,867	41,724	417,440	380,136
Tax recoverable	762	762	761	761
Short term investments	31,404	29,239	-	-
Cash and bank balances	185,415	229,877	4,930	4,302
	<u>328,681</u>	<u>369,915</u>	<u>423,131</u>	<u>385,199</u>
Current liabilities				
Bank borrowings	28,557	32,550	-	-
Accounts payable	61,642	77,698	301,850	253,938
Provision for taxation	6,714	6,499	-	-
	<u>96,913</u>	<u>116,747</u>	<u>301,850</u>	<u>253,938</u>
Net current assets	231,768	253,168	121,281	131,261
Non-current liabilities				
Long-term bank borrowings	63,681	47,182	-	-
Deferred taxation	10,502	10,351	1,343	1,247
	(74,183)	(57,533)	(1,343)	(1,247)
	<u>525,230</u>	<u>522,451</u>	<u>520,117</u>	<u>520,157</u>
Shareholders' equity				
Share capital	126,155	126,155	126,155	126,155
Reserves	393,962	394,002	393,962	394,002
	<u>520,117</u>	<u>520,157</u>	<u>520,117</u>	<u>520,157</u>
Minority interests	5,113	2,294	-	-
	<u>525,230</u>	<u>522,451</u>	<u>520,117</u>	<u>520,157</u>

1bii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Sep-2004		As at 31-Mar-2004	
Secured	Unsecured	Secured	Unsecured
27,348,778	1,208,000	29,257,390	3,293,000

Amount repayable after one year

As at 30-Sep-2004		As at 31-Mar-2004	
Secured	Unsecured	Secured	Unsecured
55,297,280	8,383,520	37,711,041	9,471,120

Details of any collateral

Leasehold property and development property with a net book value as at 30 September 2004 totalling \$120.4 million have been mortgaged to banks for banking facilities granted to subsidiaries and jointly controlled entities. Total loans drawn on such facilities as at 30 September 2004 amounted to \$27.8 million. A term loan is secured by the assignment of all revenues, rental and bank balances of a subsidiary company, subject to a limit of \$13.4 million (equivalent to A\$11.1 million). A short term loan of HK\$93.5million (equivalent to S\$20.3 million) and a long term loan of US\$12.5 million (equivalent to S\$21.1 million) granted to subsidiaries were secured by S\$ equivalent fixed deposits.

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

Consolidated Cash Flow Statement for the period ended

	Group	
	2nd Qtr ended 30-Sep-2004 \$'000	2nd Qtr ended 30-Sep-2003 \$'000
Cash flows from operating activities		
Operating profit/(loss) before reinvestment in working capital	6,960	(224)
Decrease in inventories	728	921
Decrease/(increase) in accounts receivable	923	(10,283)
Increase in short term investments	(1,447)	(20,865)
Decrease in accounts payable	(14,698)	(11,497)
Cash generated from operations	<u>(7,534)</u>	<u>(41,948)</u>
Interest expense paid	(786)	(1,241)
Interest income received	1,245	731
Income taxes paid	(2,358)	(3,154)
Net cash used in operating activities	<u>(9,433)</u>	<u>(45,612)</u>
Cash flows from investing activities		
Additions to property, plant & equipment	(130)	(429)
Proceeds from sale of property, plant & equipment	-	116
Proceeds from disposal of investment property	-	507,578
Investment in bonds issued by an associated company	-	(68,500)
Increase in amount owing by associated companies	(985)	(511)
Dividend received from quoted investments	1,017	-
Net cash (used in) / provided by investing activities	<u>(98)</u>	<u>438,254</u>
Cash flows from financing activities		
Repayment of bank borrowings (net)	(2,662)	(114,006)
Dividends paid during the period	(10,092)	(9,840)
Receipt of minority interests' loans to subsidiary companies	7	266
Net cash used in financing activities	<u>(12,747)</u>	<u>(123,580)</u>
Net (decrease)/increase in cash and cash equivalents	(22,278)	269,062
Cash & cash equivalents at beginning of financial period	<u>207,676</u>	<u>35,847</u>
Cash & cash equivalents at end of financial period	<u><u>185,398</u></u>	<u><u>304,909</u></u>

	Group	
	2nd Qtr ended 30-Sep-2004 \$'000	2nd Qtr ended 30-Sep-2003 \$'000
Reconciliation between profit/(loss) from operating activities before taxation and exceptional items and operating profit /(loss) before reinvestment in working capital		
Profit / (loss) from operating activities before taxation and exceptional items	7,664	(3,210)
Adjustments for:		
Interest expense	786	1,241
Depreciation of property, plant and equipment	2,036	2,173
Share of results of associated companies	(417)	(734)
Profit on disposal of property, plant and equipment	-	(10)
Interest and investment income	(4,005)	(731)
Amortisation of discount on consolidation	(146)	(217)
Fixed assets written off	6	-
Provision for impairment of investments	47	-
Foreign exchange adjustments	989	1,264
Operating profit / (loss) before reinvestment in working capital	<u>6,960</u>	<u>(224)</u>

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

Statement of Changes in Shareholders' Equity

	Group		Company	
	2nd Qtr ended 30-Sep-2004 \$'000	2nd Qtr ended 30-Sep-2003 \$'000	2nd Qtr ended 30-Sep-2004 \$'000	2nd Qtr ended 30-Sep-2003 \$'000
Share Capital				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
Capital Reserve				
Balance at beginning of financial period	105,469	311,744	17,227	332,411
Realised revaluation surplus on disposal of an investment property	-	(233,645)	-	(321,013)
Revaluation deficit of other investment property previously set off against revaluation surplus of investment property disposed	-	21,541	-	-
Net realised revaluation surplus transferred to profit and loss account	-	(212,104)	-	(321,013)
Balance at end of financial period	105,469	99,640	17,227	11,398
Foreign Currency Translation Reserve				
Balance at beginning of financial period	5,035	8,760	5,035	8,760
Foreign currency translation for the financial period	(2,952)	(2,522)	(2,952)	(2,522)
Balance at end of financial period	2,083	6,238	2,083	6,238
Revenue Reserve				
Balance at beginning of financial period	290,537	151,640	378,779	130,973
Profit attributable to shareholders for the financial period	5,965	204,664	5,965	313,573
Dividend, less income tax	(10,092)	(9,840)	(10,092)	(9,840)
Balance at end of financial period	286,410	346,464	374,652	434,706
Total shareholders' equity	520,117	578,497	520,117	578,497

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

There were no changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

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

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

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

Not applicable.

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

There were no changes in accounting policies and method of computation adopted in the financial statements for the current reporting period as compared to the most recently audited annual financial statements as at 31 March 2004.

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

Not applicable.

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

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	0.95 cents	32.45 cents
(b) On a fully diluted basis	N.A.	N.A.

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

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period	82.5 cents	82.5 cents
(b) 31 March 2004	82.5 cents	82.5 cents

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

8a) Segmental Results for Second Quarter ended 30 September

Business segment

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2004					
Sales to external customers	11,227	34,576	832		46,635
Inter-segment sales	217			(217)	-
Segment revenue	<u>11,444</u>	<u>34,576</u>	<u>832</u>	<u>(217)</u>	<u>46,635</u>
Segment results	7,903	263	(133)		8,033
Finance costs					(786)
Share of results of associated companies					417
Profit before taxation					7,664
Taxation					(1,539)
Minority interests					(158)
Profit attributable to shareholders					<u>5,967</u>

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2003					
Sales to external customers	15,285	38,933	456	-	54,674
Inter-segment sales	<u>363</u>	<u>-</u>	<u>-</u>	<u>(363)</u>	<u>-</u>
Segment revenue	<u><u>15,648</u></u>	<u><u>38,933</u></u>	<u><u>456</u></u>	<u><u>(363)</u></u>	<u><u>54,674</u></u>
Segment results	(3,208)	602	(27)	(70)	(2,703)
Finance costs					(1,241)
Share of results of associated companies					734
Exceptional items					<u>208,582</u>
Profit before taxation					<u>205,372</u>
Taxation					(661)
Minority interests					<u>(47)</u>
Profit attributable to shareholders					<u><u>204,664</u></u>

Geographical segments

	Asean \$'000	Hong Kong and China \$'000	Australia \$'000	Group \$'000
2004				
Segment revenue	<u><u>35,506</u></u>	<u><u>6,749</u></u>	<u><u>4,380</u></u>	<u><u>46,635</u></u>
2003				
Segment revenue	<u><u>45,143</u></u>	<u><u>5,987</u></u>	<u><u>3,544</u></u>	<u><u>54,674</u></u>

8b) Review

Group turnover for the second financial quarter to 30 September 2004 declined to \$46.6 million against \$54.7 million previously, as the previous corresponding quarter included sales of the Metro Marina store which was closed in March 2004, as well as rental income from the Group's 27% interest in Ngee Ann City (the "Property") which was divested in August 2003. The divestment also resulted in the reporting of the exceptional items of \$208.6 million in that previous quarter, and accounted for the decline in profit before tax from \$205.4 million to \$7.7 million.

The cessation of rental income from the Property accounted for the decline in the property division's revenue for the quarter from \$15.6 million to \$11.4 million. The impact of this decline was offset by interest income arising from the investment in the junior bonds issued pursuant to the asset securitisation as well as dividend and other fee income from other investments. Results of the other properties in the Group's property division showed a small improvement. The previous corresponding quarter's segment results had also be stated after provisions for performance bonuses of \$10.7 million arising from the higher profit before tax then reported. Excluding these provisions, the property segment's operating results would have been \$7.5 million against the current financial quarter's \$7.9 million.

The retail division operated with four stores against five stores in the previous corresponding quarter. Improved sales of existing stores only partially covered the sales shortfall due to the closure of Metro Marina and consequently turnover dropped from \$38.9 million to \$34.6 million.

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

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

The results for the quarter ended 30 September 2004 were largely in line with the comments made under paragraph 10 of the Results for the First Quarter announcement dated 13 August 2004.

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

The next financial quarter, being the third financial quarter, will continue to reflect steady growth in the flow of income arising from other investments. In the previous corresponding third financial quarter, the revenue stream from certain investments had not yet been established. The other properties are expected to continue to report small improvements in performance.

With the more positive outlook for growth of the Singapore economy, consumer spending during the upcoming festive shopping season is likely to be such as to allow the retail division to recover more of the sales turnover shortfall due to the closure of the Metro Marina store than was the case for the second financial quarter reported on.

11. Dividends

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately preceding financial year? Yes

Name of Dividend	Special Interim Dividend
Dividend Type	Cash
Dividend Amount per share (in cent)	15 cents per ordinary share (less tax)
Dividend Rate (in %)	75% per ordinary share
Par value of shares	S\$0.20 per share
Tax rate	22%

(c) Date payable

Not applicable

(d) Book closure date

Not applicable

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

No interim dividend has been declared for the quarter ended 30 September 2004

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries
Date 10 November 2004