



## 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 2005

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-2005 \$'000	2nd Qtr ended 30-Sep-2004 \$'000		Change	Half Year ended 30-Sep-2005 \$'000	
Continuing operations						
Revenue	42,266	41,423	2.04	87,521	81,679	7.15
Cost of Revenue	<u>(36,616)</u>	<u>(37,330)</u>	(1.91)	<u>(77,217)</u>	<u>(73,453)</u>	5.12
Gross Profit	5,650	4,093	38.04	10,304	8,226	25.26
Other income including interest income	7,873	6,684	17.79	15,569	11,831	31.59
General and administrative expenses	(10,809)	(3,940)	174.34	(14,502)	(7,313)	98.30
Profit from operating activities	<u>2,714</u>	<u>6,837</u>	(60.30)	<u>11,371</u>	<u>12,744</u>	(10.77)
Finance costs	(1,043)	(276)	277.90	(1,782)	(459)	288.24
Share of associated companies' results	1,039	417	149.16	1,910	851	124.44
Exceptional items	119,160	-	n.m.	119,160	-	n.m.
Profit from operating activities before taxation	<u>121,870</u>	<u>6,978</u>	1,646.49	<u>130,659</u>	<u>13,136</u>	894.66
Taxation	<u>(1,682)</u>	<u>(1,539)</u>	9.29	<u>(3,783)</u>	<u>(2,719)</u>	39.13
Profit from continuing operations after taxation	<u>120,188</u>	<u>5,439</u>	2,109.74	<u>126,876</u>	<u>10,417</u>	1,117.97
Profit from discontinued operations	802	686	16.91	5,998	568	955.99
Profit for the period	<u><u>120,990</u></u>	<u><u>6,125</u></u>	1,875.35	<u><u>132,874</u></u>	<u><u>10,985</u></u>	1,109.59
Attributable to:						
Shareholders of the Company	120,773	5,967	1,924.02	131,791	10,715	1,129.97
Minority interests	<u>217</u>	<u>158</u>	37.34	<u>1,083</u>	<u>270</u>	301.11
	<u><u>120,990</u></u>	<u><u>6,125</u></u>	1,875.35	<u><u>132,874</u></u>	<u><u>10,985</u></u>	1,109.59

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

	Group			Group		
	2nd Qtr ended 30-Sep-2005 \$'000	2nd Qtr ended 30-Sep-2004 \$'000	% Change	Half Year ended 30-Sep-2005 \$'000	Half Year ended 30-Sep-2004 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Depreciation	(1,854)	(2,036)	(8.94)	(4,276)	(4,146)	3.14
Write back/ (Provision) for obsolete inventory	250	(351)	(171.23)	250	(363)	(168.87)
Write off of inventory	(333)	-	n.m.	(1,000)	-	n.m.
Other income including interest income includes:-						
Dividend from unquoted investments	5,115	1,279	299.92	7,080	1,696	317.45
Dividends from quoted investments	1,137	1,017	11.80	1,545	1,032	49.71
Changes in fair value on short term investments	(3,531)	-	n.m.	(3,661)	-	n.m.
Interest income	1,848	1,709	8.13	4,392	3,343	31.38
Profit on disposal of short term investments	155	19	715.79	155	19	715.79
Amortisation of discount on consolidation	-	146	n.m.	-	363	n.m.
Management and advisory fees	1,396	1,343	3.95	2,612	2,561	1.99
Other fee income from unquoted investment	-	135	n.m.	-	1,024	n.m.
Foreign exchange gain	950	-	n.m.	6,347	-	n.m.

1(a)(ii) Exceptional Items comprise of :-

	2 <sup>nd</sup> Quarter ended		Half Year ended	
	30-Sep-05 \$'000	30-Sep-04 \$'000	30-Sep-05 \$'000	30-Sep-04 \$'000
Surplus on disposal of The Oasis Resort	-	-	353	-
Gain on disposal of preference shares of an associated company	17,795	-	17,795	-
Realisation of prior years' revaluation surplus of an investment property on disposal of interest in an associated company.	100,190	-	100,190	-
Surplus on disposal of a subsidiary company	1,175	-	1,175	-
	119,160	-	119,513	-

1(a)(iii) Taxation

	2nd Qtr ended		%	Half Year ended		%
	30-Sep-05 \$'000	30-Sep-04 \$'000		Change	30-Sep-05 \$'000	
Current Year's tax	2,283	442	416.52	3,625	2,436	48.81
Deferred tax	(1,183)	927	(227.62)	(817)	102	(900.98)
Withholding tax	70	-	n.m.	70	24	191.67
Share of associated companies' tax	512	170	201.18	905	157	476.43
	<u>1,682</u>	<u>1,539</u>	9.29	<u>3,783</u>	<u>2,719</u>	39.13

1(a)(iv) Discontinued Operations

Discontinued operations relate to the disposal of The Oasis Resort and a subsidiary company. The results and net cash flows of discontinued operations are as follows:-

	2nd Qtr ended 30-Sep-2005 \$'000	2nd Qtr ended 30-Sep-2004 \$'000	% Change	Half Year ended 30-Sep-2005 \$'000	Half Year ended 30-Sep-2004 \$'000	% Change
Revenue	179	5,212	(96.57)	4,151	9,079	(54.28)
Cost of Revenue	(246)	(3,620)	(93.20)	(3,414)	(6,846)	(50.13)
Gross Profit	(67)	1,592	(104.21)	737	2,233	(67.00)
Other income including interest income	922	82	1,024.39	5,869	247	2,276.11
General and administrative expenses	(52)	(478)	(89.12)	(569)	(906)	(37.20)
Profit from operating activities	803	1,196	(32.86)	6,037	1,574	283.55
Finance costs	(1)	(510)	(99.80)	(392)	(1,006)	(61.03)
Exceptional items	-	-		353	-	n.m.
Profit from operating activities before tax	802	686	16.91	5,998	568	955.99

Cash generated from/ (used in):

- operating activities	450	657	(31.51)	1,871	2,267	(17.47)
- investing activities	-	(2)	n.m.	52,005	(90)	n.m.
- financing activities	(2,519)	(363)	593.94	(48,827)	(1,869)	2,512.47
Net cash flow	(2,069)	292	(808.56)	5,049	308	1,539.29

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-Sept-2005 \$'000	31-Mar-2005 \$'000	30-Sept-2005 \$'000	31-Mar-2005 \$'000 Restated
<b>Non-current assets</b>				
Property, plant and equipment	117,608	174,615	3,795	3,886
Investment property	91,175	89,017	-	-
Subsidiary companies	-	-	17,195	17,338
Associated companies	82,733	153,400	26,168	26,148
Investments	142,831	94,504	-	-
	<u>434,347</u>	<u>511,536</u>	<u>47,158</u>	<u>47,372</u>
<b>Current assets</b>				
Development property	53,546	52,273	-	-
Inventories	15,404	14,541	-	-
Accounts receivable	17,299	45,003	388,321	426,798
Tax recoverable	1,292	1,381	1,292	1,381
Short term investments	67,432	44,396	-	-
Cash and bank balances	269,920	144,403	4,750	521
	<u>424,893</u>	<u>301,997</u>	<u>394,363</u>	<u>428,700</u>
<b>Current liabilities</b>				
Bank borrowings	62,719	62,308	12,083	6,765
Accounts payable	70,066	65,873	272,569	300,147
Provision for taxation	7,429	5,827	-	-
	<u>140,214</u>	<u>134,008</u>	<u>284,652</u>	<u>306,912</u>
<b>Net current assets</b>	284,679	167,989	109,711	121,788
<b>Non-current liabilities</b>				
Long-term bank borrowings	44,219	33,206	-	-
Deferred taxation	30,628	28,827	1,189	1,209
	(74,847)	(62,033)	(1,189)	(1,209)
	<u>644,179</u>	<u>617,492</u>	<u>155,680</u>	<u>167,951</u>
<b>Shareholders' equity</b>				
Share capital	126,155	126,155	126,155	126,155
Reserves	512,192	482,888	29,525	41,796
	<u>638,347</u>	<u>609,043</u>	<u>155,680</u>	<u>167,951</u>
Minority interests	5,832	8,449	-	-
	<u>644,179</u>	<u>617,492</u>	<u>155,680</u>	<u>167,951</u>

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

Amount repayable in one year or less, or on demand

As at 30-Sept-2005		As at 31-Mar-2005	
Secured	Unsecured	Secured	Unsecured
41,678,690	21,040,500	46,049,242	16,258,440

Amount repayable after one year

As at 30-Sept-2005		As at 31-Mar-2005	
Secured	Unsecured	Secured	Unsecured
44,218,850	-	33,206,250	-

Details of any collateral

Leasehold property and development property with a net book value as at 30 September 2005 totalling \$162.8 million have been mortgaged to banks for banking facilities granted to jointly controlled entities. Total loans drawn on such facilities as at 30 September 2005 amounted to \$12.9 million. Short term loans of HK\$152.8million (equivalent to S\$33.3 million) and a long term loan of US\$23.5 million (equivalent to S\$39.7 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-2005 \$'000	2nd Qtr ended 30-Sep-2004 \$'000
<b>Cash flows from operating activities</b>		
Operating (loss)/profit before reinvestment in working capital	(968)	7,311
(Increase)/ decrease in inventories	(1,040)	377
(Increase)/ decrease in accounts receivable	(1,001)	923
Decrease / (increase) in short term investments	4,334	(1,447)
Increase / (decrease) in accounts payable	6,788	(14,698)
Cash generated from/ (applied in) operations	<u>8,113</u>	<u>(7,534)</u>
Interest expense paid	(1,044)	(786)
Interest income received	3,325	1,245
Income taxes paid	(1,680)	(2,358)
Net cash provided by / (used in) operating activities	<u>8,714</u>	<u>(9,433)</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(263)	(130)
Proceeds from disposal of subsidiary company	496	-
Proceeds from disposal of bonds/preference shares	86,438	-
Increase in shareholders loan relating to long-term investment	(13,565)	-
Increase in amount owing by associated companies	(1,471)	(985)
Dividend received from quoted and unquoted investments	3,721	1,017
Net cash provided by / (used in) investing activities	<u>75,356</u>	<u>(98)</u>
<b>Cash flows from financing activities</b>		
Drawdown/ (repayment ) of bank borrowings (net)	5,707	(2,662)
Dividends paid during the period	(10,092)	(10,092)
(Repayment)/ receipt of minority interests' loans to subsidiary companies	(1,362)	7
Net cash used in financing activities	<u>(5,747)</u>	<u>(12,747)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	78,323	(22,278)
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>191,597</u>	<u>207,676</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u>269,920</u>	<u>185,398</u>

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

	2nd Qtr ended 30-Sep-2005 \$'000	2nd Qtr ended 30-Sep-2004 \$'000
Reconciliation between profit from operating activities before taxation and exceptional items and operating profit before reinvestment in working capital		
Profit from operating activities before taxation and exceptional items	3,512	7,664
Adjustments for:		
Interest expense	1,044	786
Depreciation of property, plant and equipment	1,854	2,036
Share of results of associated companies	(1,039)	(417)
Interest and investment income	(8,100)	(4,005)
Amortisation of discount on consolidation	-	(146)
Fixed assets written off	-	6
Write off of inventory	333	-
(Write back)/ Provision for obsolete stock	(250)	351
Provision for impairment of investments	-	47
Changes in fair value in short term investments	3,531	
Foreign exchange adjustments	(1,853)	989
Operating (loss)/ profit before reinvestment in working capital	<u>(968)</u>	<u>7,311</u>

The attributable net assets and proceeds from disposal of subsidiary during the period were as follows:-

	2nd Qtr ended 30-Sep-2005 \$'000
Total Assets	5,188
Total Liabilities	(4,154)
Minority interest	(1,713)
Net liabilities disposed	<u>(679)</u>
Sale consideration	496
Add:	
Net liabilities	679
Profit on disposal	<u>1,175</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 Quarter ended 30-Sep-2005 \$'000	2nd Quarter ended 30-Sep-2004 \$'000	2nd Quarter ended 30-Sep-2005 \$'000	2nd Quarter ended 30-Sep-2004 \$'000
<b>Share Capital</b>				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
<b>Capital Reserve</b>				
Balance at beginning of financial period	178,043	105,469	2,001	5,952
Realised revaluation surplus on disposal of preference shares transferred to profit and loss	(5,199)	-	-	-
Realised prior years' revaluation surplus transferred to profit and loss	(100,190)	-	-	-
Balance at end of financial period	72,654	105,469	2,001	5,952
<b>Foreign Currency Translation Reserve</b>				
Balance at beginning of financial period	(891)	5,035	-	-
Foreign currency translation for the financial period	435	(2,954)	-	-
Balance at end of financial period	(456)	2,081	-	-
<b>Revenue Reserve</b>				
Balance at beginning of financial period	329,313	290,537	43,075	(2,990)
Profit attributable for the financial period	120,773	5,967	(5,459)	(2,654)
Dividend, less income tax	(10,092)	(10,092)	(10,092)	(10,092)
Balance at end of financial period	439,994	286,412	27,524	(15,736)
<b>Total attributable to shareholders of the Company</b>	<b>638,347</b>	<b>520,117</b>	<b>155,680</b>	<b>116,371</b>

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

	Group		Company	
	2nd Quarter ended 30-Sept-2005 \$'000	2nd Quarter ended 30-Sept-2004 \$'000	2nd Quarter ended 30-Sept-2005 \$'000	2nd Quarter ended 30-Sept-2004 \$'000
<b>Minority Interest</b>				
Balance at beginning of financial period	8,811	4,970	-	-
Net profit for the period	217	158	-	-
Foreign currency translation for the period	(121)	(22)	-	-
(Repayment)/receipt of loan	(1,362)	7	-	-
Disposal of subsidiary	(1,713)	-	-	-
Balance at end of financial period	<u>5,832</u>	<u>5,113</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>	<b>644,179</b>	<b>525,230</b>	<b>155,680</b>	<b>116,731</b>

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the most recently audited financial statements as at 31 March 2005.

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

The Group has adopted the various revisions and new Financial Reporting Standards ("FRS"), that are applicable to the Group, with effect from 1 April 2005. These do not have a significant financial impact on the Group except for the following FRS, the impact of which have been reflected in the Statement of Changes in Shareholders' Equity under paragraph 1 (d)(i) above:-

FRS 39	Financial Instruments : Recognition and Measurement
FRS 21 (Revised)	The Effects of Changes in Foreign Exchange Rates
FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 28 (Revised)	Investments in Associates

### FRS 39

In accordance with the transitional provisions of FRS 39, the change in accounting policy relating to the recognition, derecognition and measurement of financial instruments, has been accounted for prospectively without restatement for periods prior to 1 April 2005. The adoption of FRS 39 has resulted in an upward adjustment, mainly relating to the fair valuation of short term investments, of \$11,549,000, net of related deferred taxes, to the opening revenue reserve.

### FRS 27 & 28

With effect from 1 April 2005, the Company changed its accounting policy for the accounting of its investments in subsidiaries and associates in its separate financial statements to the cost method. Previously, the Company accounted for such investments using the equity method, which is no longer allowed under the revised FRS 27 and FRS 28. The change in accounting policy has been accounted for retrospectively and the opening capital reserve, revenue reserve and foreign currency translation reserve of the Company as at 1 April 2004 and 2005 have been restated. Further details of the effect have been disclosed under paragraph 1 (d) (i), Statement of Changes in Shareholders' Equity of the Company, in the Results for the First Quarter announcement dated 15 August 2005.

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	19.15 cents	0.95 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	101.2 cents	24.7 cents
(b) 31 March 2005	96.6cents	26.6 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	Inter-segment Elimination \$'000	Group \$'000
2005				
Sales to external customers	7,593	34,673	-	42,266
Inter-segment sales	217	-	(217)	-
Segment revenue	<u>7,810</u>	<u>34,673</u>	<u>(217)</u>	<u>42,266</u>
Segment results	1,611	1,103	-	2,714
Finance costs				(1,043)
Share of results of associated companies				1,039
Exceptional items				<u>119,160</u>
Profit before taxation				121,870
Taxation				<u>(1,682)</u>
Profit from continuing operations after taxation				120,188
Profit from discontinued operations				<u>802</u>
Profit for the period				<u>120,990</u>
Attributable to:				
Shareholders of the Company				120,773
Minority interests				<u>217</u>
				<u>120,990</u>

8a) Segmental Results for Second Quarter ended 30 September (Cont'd)

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2004				
Sales to external customers	6,847	34,576	-	41,423
Inter-segment sales	217	-	(217)	-
Segment revenue	<u>7,064</u>	<u>34,576</u>	<u>(217)</u>	<u>41,423</u>
Segment results	6,574	263	-	6,837
Finance costs				(276)
Share of results of associated companies				417
Profit before taxation				6,978
Taxation				(1,539)
Profit from continuing operations after taxation				5,439
Profit from discontinued operations				686
Profit for the period				<u>6,125</u>
Attributable to:				
Shareholders of the Company				5,967
Minority interests				158
				<u>6,125</u>

Geographical segments

	Asean \$'000	Hong Kong and China \$'000	Group \$'000
2005			
Segment revenue	<u>34,764</u>	<u>7,502</u>	<u>42,266</u>
2004			
Segment revenue	<u>34,674</u>	<u>6,749</u>	<u>41,423</u>

## 8b) Review

Group turnover for the second financial quarter to 30 September 2005 rose to \$42.3 million from \$41.4 million previously, as rental income from Metro City grew. The disposal of the junior bonds and preference shares of Orchard Square Capital Assets Ltd (“OSCAL”) in August 2005, resulted in the exceptional gains of \$118 million and accounted for most of the increase in profit before tax from \$7.0 million to \$121.9 million. The exceptional gain of \$118 million, includes the realisation of \$100.2 million, being the balance of prior years’ revaluation surpluses relating to the Group’s 27% interest in Ngee Ann City.

Higher rental income from Metro City accounted for the improvement in the property division’s revenue for the quarter from \$7.1 million to \$7.8 million. The impact of this improvement and higher dividend income from unquoted investments was offset by provisions for performance bonuses of \$6.6 million, included under general and administrative expenses, arising from the higher profit before tax due to the exceptional gains. Excluding these provisions, the property segment’s operating results for the current financial quarter would have been \$8.2 million against the \$1.6 million recorded.

Although lower promotional activities in the quarter resulted in flat sales for the retail division, the consequential lower costs of discounts meant margins improved. The retail division’s operating profit therefore rose from \$0.3 million to \$1.1 million for the financial quarter.

With the sale of the junior bonds and preference shares of OSCAL, the carrying value of Associated companies fell from \$154.2 million as at 30 June 2005 to \$82.7 million as at 30 September 2005. The proceeds received of \$86.7 million from the disposal, accounted for the increase in cash and bank balances from \$191.7 million to \$269.9 million as at 30 September 2005. Investments (non-current assets) also rose \$13.6 million with the disbursement of shareholders loans in connection with the investment in Hualing International Commerce and Trade Plaza. There were no other 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 2005 were largely in line with the comments made under paragraph 10 of the Results for the First Quarter announcement dated 15 August 2005.

### 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 Group’s properties are expected to continue to report incremental improvements in performance in the next financial quarter. It will also continue to reflect steady growth in the flow of income arising from other investments. This will assist to offset the impact of the cessation of interest income from the disposal of the junior bonds of OSCAL.

With the more positive outlook for the Singapore economy, consumer spending during the upcoming festive shopping season is likely to improve.

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? None

(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 2005

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin  
Joint Company Secretaries  
Date 11 November 2005