



## 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 2007

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-2007 \$'000	2nd Qtr ended 30-Sep-2006 \$'000	% Change	Half Year ended 30-Sep-2007 \$'000	Half Year ended 30-Sep-2006 \$'000	% Change
Continuing operations						
Revenue	58,303	45,876	27.09	113,340	97,429	16.33
Cost of Revenue	(47,133)	(39,450)	19.48	(93,587)	(83,700)	11.81
Gross Profit	11,170	6,426	73.83	19,753	13,729	43.88
Other income including interest income	5,020	12,505	(59.86)	20,150	20,191	(0.20)
General and administrative expenses	(6,546)	(4,271)	53.27	(11,556)	(10,821)	6.79
Profit from operating activities	9,644	14,660	(34.22)	28,347	23,099	22.72
Finance costs	(3,063)	(1,805)	69.70	(5,506)	(3,616)	52.27
Share of associated companies' results (net of tax)	924	969	(4.64)	2,706	1,649	64.10
Profit from operating activities before taxation	7,505	13,824	(45.71)	25,547	21,132	20.89
Taxation	(2,624)	(2,252)	16.52	(6,898)	(4,077)	69.19
Profit from continuing operations after taxation	4,881	11,572	(57.82)	18,649	17,055	9.35
Profit for the period	4,881	11,572	(57.82)	18,649	17,055	9.35
Attributable to:						
Shareholders of the Company	4,826	11,376	(57.58)	18,499	16,670	10.97
Minority interests	55	196	(71.94)	150	385	(61.04)
	4,881	11,572	(57.82)	18,649	17,055	9.35

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

	Group			Group		
	2nd Qtr ended 30-Sep-2007 \$'000	2nd Qtr ended 30-Sep-2006 \$'000	% Change	Half Year ended 30-Sep-2007 \$'000	Half Year ended 30-Sep-2006 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Depreciation	(699)	(1,746)	(59.97)	(1,514)	(3,443)	(56.03)
Write back of provision for obsolete inventory	114	123	(7.32)	102	121	(15.70)
Write off of inventory	(380)	(134)	183.58	(944)	(693)	36.22
Foreign exchange (loss)/ gain	(981)	415	(336.39)	482	(2,002)	(124.08)
Other income including interest income includes:-						
Dividend from unquoted investments	-	2,458	(100.00)	-	4,818	(100.00)
Dividends from quoted investments	1,101	1,300	(15.31)	2,525	1,775	42.25
Changes in fair value of short term investments	(4,365)	1,774	(346.05)	1,615	(1,050)	(253.81)
Interest income	5,147	3,742	37.55	9,676	8,381	15.45
(Loss) / profit on disposal of short term investments	(12)	(22)	(45.45)	490	1	n.m.
Amortisation of discount on unquoted bonds	236	222	6.31	471	442	6.56
Management and advisory fees	982	1,304	(24.69)	1,793	2,477	(27.61)
Negative goodwill on acquisition of Joint Venture	-	160	(100.00)	-	160	(100.00)

1(a)(ii) Taxation

	2nd Qtr ended		% Change	Half Year ended		% Change
	30-Sep-07	30-Sep-06		30-Sep-07	30-Sep-06	
	\$'000	\$'000		\$'000	\$'000	
Current Year's tax	2,650	2,073	27.83	5,072	4,077	24.41
Over provision in prior years	-	(35)	(100.00)	(71)	(35)	102.86
Deferred tax	(6)	215	(102.79)	1,870	(78)	n.m
Withholding tax	(20)	(1)	n.m.	27	113	(76.11)
	<u>2,624</u>	<u>2,252</u>	16.52	<u>6,898</u>	<u>4,077</u>	69.19

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-2007 \$'000	31-Mar-2007 \$'000	30-Sep-2007 \$'000	31-Mar-2007 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	8,008	109,980	4,829	4,800
Investment properties	484,303	356,759	-	-
Subsidiary companies	-	-	479,164	393,425
Associated companies	99,973	49,455	500	500
Amount owing by associated companies	173,373	27,158	25,548	25,548
Investments	232,545	189,595	-	-
	<u>998,202</u>	<u>732,947</u>	<u>510,041</u>	<u>424,273</u>
<b>Current assets</b>				
Inventories	12,174	13,190	-	-
Accounts receivable	16,116	16,788	22,554	27,523
Tax recoverable	1,357	1,332	1,357	1,332
Short term investments	96,482	110,621	-	-
Cash and bank balances	103,000	236,679	370	31,227
	<u>229,129</u>	<u>378,610</u>	<u>24,281</u>	<u>60,082</u>
<b>Current liabilities</b>				
Bank borrowings	58,894	82,900	15,512	10,695
Accounts payable	76,265	110,053	25,559	33,847
Provision for taxation	10,998	10,670	-	-
	<u>146,157</u>	<u>203,623</u>	<u>41,071</u>	<u>44,542</u>
<b>Net current assets/(liabilities)</b>	82,972	174,987	(16,790)	15,540
<b>Non-current liabilities</b>				
Long-term bank borrowings	121,992	55,651	-	-
Amount owing to subsidiaries	-	-	334,347	270,161
Deferred taxation	59,455	52,020	571	479
	<u>899,727</u>	<u>800,263</u>	<u>158,333</u>	<u>169,173</u>
<b>Shareholders' equity</b>				
Share capital	126,155	126,155	126,155	126,155
Reserves	762,344	665,552	32,178	43,018
	<u>888,499</u>	<u>791,707</u>	<u>158,333</u>	<u>169,173</u>
Minority interests	11,228	8,556	-	-
<b>Total Equity</b>	<u>899,727</u>	<u>800,263</u>	<u>158,333</u>	<u>169,173</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-2007		As at 31-Mar-2007	
Secured	Unsecured	Secured	Unsecured
32,391,876	26,502,550	70,688,157	12,211,850

Amount repayable after one year

As at 30-Sept-2007		As at 31-Mar-2007	
Secured	Unsecured	Secured	Unsecured
121,991,580	-	55,651,460	-

Details of any collateral

Investment properties with a net book value as at 30 September 2007 totalling \$391.4 million have been mortgaged to banks for banking facilities granted to jointly controlled entities. Total loans drawn on such facilities as at 30 September 2007 amounted to \$88.2 million. Short term loans of HK\$119.3 million (equivalent to S\$22.4 million) and a long term loan of US\$25.4 million (equivalent to S\$37.8 million) granted to subsidiaries were secured by S\$ equivalent fixed deposits. Another short term loan of S\$6 million granted to a subsidiary was secured by marketable securities.

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-2007 \$'000	2nd Qtr ended 30-Sep-2006 \$'000
<b>Cash flows from operating activities</b>		
Operating profit before reinvestment in working capital	8,998	6,395
Increase in inventories	(395)	(347)
Decrease / (increase) in accounts receivable	2,091	(2,047)
Decrease in short term investments	822	1,975
Decrease in accounts payable	(20,756)	(8,665)
Cash applied in operations	(9,240)	(2,689)
Interest expense paid	(3,063)	(2,305)
Interest income received	1,680	2,836
Income taxes paid	(2,422)	(3,004)
Net cash used in operating activities	<u>(13,045)</u>	<u>(5,162)</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(314)	(3,173)
Additions to property under development	-	(11,485)
Proceed from sale of property, plant & equipment	150	-
Acquisition of jointly controlled entity, net of cash acquired	-	(41,010)
Repayment of shareholders loan relating to long-term investment	7,610	-
Increase in amount owing by associated companies	(29,818)	(2,051)
Dividend received from quoted and unquoted investments	1,101	3,736
Net cash used in investing activities	<u>(21,271)</u>	<u>(53,983)</u>
<b>Cash flows from financing activities</b>		
(Repayment)/ drawdown of bank borrowings (net)	(6,771)	20,354
Dividends paid during the period	(25,862)	(25,231)
Net cash used in financing activities	<u>(32,633)</u>	<u>(4,877)</u>
<b>Net decrease in cash and cash equivalents</b>	(66,949)	(64,022)
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>169,949</u>	<u>273,595</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u><u>103,000</u></u>	<u><u>209,573</u></u>

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

	Group	
	2nd Qtr ended 30-Sep-2007 \$'000	2nd Qtr ended 30-Sep-2006 \$'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	7,505	13,824
Adjustments for:		
Interest expense	3,063	1,805
Depreciation of property, plant and equipment	699	1,746
Share of results of associated companies	(924)	(969)
Interest and investment income	(6,248)	(7,478)
Amortisation of discount on unquoted bonds	(236)	(222)
Negative goodwill arising from acquisition of joint venture	-	(160)
Write off of inventory	380	134
(Profit)/ loss on disposal of property, plant & equipment	(77)	5
Write back of provision for obsolete stock	(114)	(123)
Provision for doubtful debts	122	76
Changes in fair value in short term investments	4,365	(1,774)
Foreign exchange adjustments	463	(469)
Operating profit before reinvestment in working capital	8,998	6,395

The fair value of net assets of jointly controlled entity acquired was as follows:-

	2nd Qtr ended 30-Sep-2007 \$'000	2nd Qtr ended 30-Sep-2006 \$'000
Total Assets	-	108,524
Total Liabilities	-	(65,146)
Payment for acquisition of joint venture	-	43,378
Less: Cash and bank balance	-	(2,208)
Less: Negative goodwill	-	(160)
Cash outflow on acquisition of jointly controlled entity inclusive of cash and bank balances acquired	-	41,010



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-2007 \$'000	2nd Quarter ended 30-Sep-2006 \$'000	2nd Quarter ended 30-Sep-2007 \$'000	2nd Quarter ended 30-Sep-2006 \$'000
<b>Share Capital</b>				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
<b>Revaluation Reserve</b>				
Balance at beginning of financial period	2,017	84,603	2,017	2,001
Share of associated company's surplus on revaluation of land and buildings	-	403	-	-
Balance at end of financial period	2,017	85,006	2,017	2,001
<b>Fair Value Reserve</b>				
Balance at beginning of financial period	56,749	-	-	-
Fair value adjustment for investment	34,498	64,974	-	-
Balance at end of financial period	91,247	64,974	-	-

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

	Group		Company	
	2nd Quarter ended 30-Sep-2007 \$'000	2nd Quarter ended 30-Sep-2006 \$'000	2nd Quarter ended 30-Sep-2007 \$'000	2nd Quarter ended 30-Sep-2006 \$'000
<b>Foreign Currency Translation Reserve</b>				
Balance at beginning of financial period	(6,397)	(13,945)	-	-
Foreign currency translation for the financial period	(11,828)	2,863	-	-
Balance at end of financial period	<u>(18,225)</u>	<u>(11,082)</u>	<u>-</u>	<u>-</u>
<b>Revenue Reserve</b>				
Balance at beginning of financial period	708,341	455,976	49,388	29,720
Profit attributable for the financial period	4,826	11,376	6,635	70
Dividend, less income tax	(25,862)	(25,231)	(25,862)	(25,231)
Balance at end of financial period	<u>687,305</u>	<u>442,121</u>	<u>30,161</u>	<u>4,559</u>
<b>Total shareholders' equity</b>	<b>888,499</b>	<b>707,174</b>	<b>158,333</b>	<b>132,715</b>
<b>Minority Interest</b>				
Balance at beginning of financial period	9,207	8,523	-	-
Net profit for the period	55	197	-	-
Foreign currency translation for the period	(236)	-	-	-
Fair value adjustment for investment	2,202	4,147	-	-
Balance at end of financial period	<u>11,228</u>	<u>12,867</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<b><u>899,727</u></b>	<b><u>720,041</u></b>	<b><u>158,333</u></b>	<b><u>132,715</u></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 2007.

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.

With effect from 1 April 2007, the Group adopted the following new Financial Reporting Standards ("FRS") that are applicable in the current financial year.

FRS 40                      Investment Property

The financial effect of adopting FRS40 is summarized as follows:

Prior to 1 April 2007, the Group accounted for its Investment properties at valuation annually and changes in fair value were taken to revaluation reserve. With the adoption of FRS40, changes in fair value are included in the income statement for the period in which the changes arise. In accordance with past practice, the Group's Investment properties will be revalued at year end and any surplus or deficit arising from the revaluation will be taken to the income statement at year end.

The adoption of FRS 40 has resulted in Metro City Shanghai being reclassified from Property, plant and equipment to Investment properties and revalued accordingly. Gurney Plaza has been similarly treated at the Associated companies level. The change in accounting policy resulted in a credit to opening revenue reserves of about \$64.5 million, net of related taxes. At the same time, \$136.0 million in respect of all the Investment properties has been transferred from opening revaluation reserve to opening revenue reserve

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	0.76 cents	1.80 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	140.9 cents	25.1 cents
(b) 31 March 2007	125.5 cents	26.8 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
2007				
Sales to external customers	10,235	48,068	-	58,303
Inter-segment sales	217	-	(217)	-
Segment revenue	<u>10,452</u>	<u>48,068</u>	<u>(217)</u>	<u>58,303</u>
Segment results	6,573	3,071	-	9,644
Finance costs	(3,063)	-	-	(3,063)
Share of results of associated companies	230	694	-	924
Profit before taxation	<u>3,740</u>	<u>3,765</u>	-	<u>7,505</u>
Taxation				<u>(2,624)</u>
Profit for the period				<u>4,881</u>
Attributable to:				
Shareholders of the Company				4,826
Minority interests				55
				<u>4,881</u>

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

Business Segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2006				
Sales to external customers	8,778	37,098	-	45,876
Inter-segment sales	<u>692</u>	<u>-</u>	<u>(692)</u>	<u>-</u>
Segment revenue	<u>9,470</u>	<u>37,098</u>	<u>(692)</u>	<u>45,876</u>
Segment results	13,161	1,630	(131)	14,660
Finance costs	(1,805)	-	-	(1,805)
Share of results of associated companies	<u>410</u>	<u>559</u>	<u>-</u>	<u>969</u>
Profit before taxation	11,766	2,189	(131)	13,824
Taxation				<u>(2,252)</u>
Profit from continuing operations after taxation				11,572
Profit from discontinued operations				<u>-</u>
Profit for the period				<u>11,572</u>
Attributable to:				
Shareholders of the Company				11,376
Minority interests				<u>196</u>
				<u>11,572</u>

Geographical segments

	Asean \$'000	Hong Kong and China \$'000	Group \$'000
2007			
Segment revenue	<u>48,068</u>	<u>10,235</u>	<u>58,303</u>
2006			
Segment revenue	<u>37,184</u>	<u>8,692</u>	<u>45,876</u>

## 8b) Review

Group turnover for the second financial quarter to 30 September 2007 rose 27.1% to \$58.3 million from \$45.9 million previously, mainly due to higher sales reported by the retail division. Profit before tax declined from \$13.8 million to \$7.5 million mainly due to a decrease in the fair value of the Group's portfolio of short term investments.

Higher rental income from Metro City Shanghai and the initial rental income from Metro City Beijing accounted for the improvement in the property division's revenue for the quarter from \$9.5 million to \$10.5 million. Metro City Shanghai's improved results and higher interest income from investments in bonds issued by companies involved in the property sector in China, helped to offset the impact of the start up costs of Metro City Beijing and the cessation of preference dividend from Shui On Land Ltd. For the quarter, a decrease in the fair value of the Group's portfolio of short term investments drove down the property division's operating results.

Strong support for the Metro Tampines closing down sale up to the closure in August 2007, resulted in the 29.6% improvement in the retail division's sales and the higher operating results.

Shareholder loans made to the new associated company, China Infrastructure Group Ltd ("CIG"), to enable it to complete its acquisition of a property under development in Beijing, accounted for most of the increase in Amount owing by associated companies for the quarter of S\$31.3 million. The loans were funded by Cash and bank balances which were further reduced by the dividends payments made in the quarter. An increase of \$34.5 million in the fair value of the Group's investment in Shui On Land accounted for the increase in Investments of \$32.8 million.

Other than the foregoing, 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 2007 were largely in line with the comments made under paragraph 10 of the Results for the First Quarter announcement dated 14 August 2007.

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

Rental income from the Group's properties are expected to rise steadily with the official opening of Metro City Beijing in September 2007. An increase in share of associated companies results, arising from the gain on the expected completion of the disposal of Gurney Plaza as set out in the announcement dated 16 August 2007, is expected to be recorded in the next financial quarter.

Sales of the retail division, as compared with the previous corresponding period, will decline with the closure of Metro Tampines.

## 11. Dividends

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share ( in cent)	1 cent per ordinary share (less tax)
Tax rate	18%

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount per share ( in cent)	3 cents per ordinary share (less tax)
Tax rate	18%

The Company is recommending a net interim and special dividend of 0.82 cents and 2.46 cents per share respectively. The Company is utilising its Section 44A credits for the interim and special dividend.

### (b) Corresponding Period of the immediately preceding financial year? None

### (c) Date payable

Please refer to (d)

### (d) Book closure date

**NOTICE IS HEREBY GIVEN** that the Transfer Books and Register of Members of the Company will be closed on 6 December 2007 for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 8 Cross Street #11-00 PWC Building, Singapore 048424 to the close of business at 5:00 p.m. on 5 December 2007 will be registered to determine shareholders' entitlement to the interim and special cash dividend for the year ending 31 March 2008.

Dividend will be paid on 18 December 2007 to shareholders registered in the books of the Company on 5 December 2007.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividends will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

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

Not applicable



13. Negative assurance statement by directors

The Board of Directors confirms that to the best of their knowledge, nothing has come to their attention which may render the half year financial results to be false or misleading.

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin  
Joint Company Secretaries  
Date 14 November 2007