

## REAL ESTATE EQUITY RESEARCH

## METRO HOLDINGS LTD

SGX: M01

Bloomberg: METRO:SP

ISIN code: SG1111878499

Country: Singapore

Industry: Retail, Real Estate

24 February 2026

RECOMMENDATION: BUY

Current price: S\$0.525

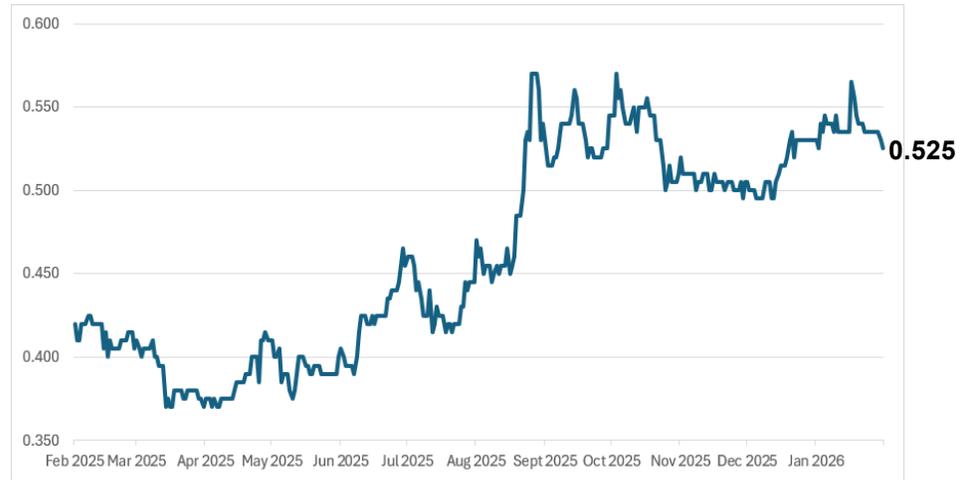
Target price: S\$0.697

Issued units: 828 million (30 Sept 2025)

Market capitalisation: S\$434.7 million

52-week range: S\$0.370 - S\$0.570

## PRICE PERFORMANCE



## COMPANY DESCRIPTION

Metro Holdings Limited ("Metro") is a property investment & development group with net assets of S\$1.1 billion as at 30 September 2025. Metro operates two main segments: property investment & development and retail. As at 10 February 2026, Metro has interests in properties in Singapore, China, Indonesia, the United Kingdom (the "UK"), and Australia.

## SUMMARY

For the six months ended 30 September 2025 (1H FY2026), revenue fell by 13.9% to S\$41.6 million in 1H FY2026 from S\$48.4 million in 1H FY2025, mainly due to retail revenue falling by S\$6.1 million year-on-year ("y-o-y"). Gross profit fell by 51.0% to S\$1.2 million in 1H FY2026 from S\$2.5 million in 1H FY2025, amid the fall in retail gross margin. Loss/profit net of taxation fell further by S\$19.4 million to a loss of S\$15.8 million in 1H FY2026 from a profit of S\$3.6 million in 1H FY2025, mainly due to other net income falling by S\$13.0 million y-o-y. Accordingly, Earnings Per Share ("EPS" in cents) fell by 2.3 y-o-y to negative 1.9 in 1H FY2026. Metro has been declaring dividends at the end of each Financial Year ("FY") and did not declare any dividend for 1H FY2026.

## RECOMMENDATION

We note that the Ong Family (i.e., Ong Sek Hian, one of the grandchildren of Metro's founder, as well as his close relatives, as indicated in the Letter to Shareholders dated July 2025) holds around 42.4% interest in Metro as at 28 August 2025. We also note that: (1) as noted in our initiation report (dated September 2025), the total interest of Ong Sek Hian (Wang ShiXian) rose by 2,633,600 shares from 13 to 28 August 2025, and that a total consideration of S\$1.1 million was paid to acquire the 2,633,600 shares (at an average of S\$0.433 per share); (2) Metro's current P/B multiple is 0.39x, which represents a discount of approximately 61% to NAV; (3) current market capitalisation is S\$434.7 million; and (4) we project Metro's cash & cash equivalents to be S\$316.0 million at end-1H FY2027. Accordingly, we consider the possibility of a privatisation offer by the Ong Family.

We estimate that the Ong Family holds 42.4% interest in Metro. Thus, the Ong Family would need to acquire the remaining 57.6% total interest to privatise Metro. At the market capitalisation of S\$434.7 million as at 24 February 2026, this equals to S\$250.3 million (57.6% × S\$434.7 million). Based on the average price premium of privatisation offers for SGX-listed companies over the last twelve months, we also estimate that any privatisation offer may need a price premium of 32.8% from the current share price of S\$0.525 to have a chance to be successful. Thus, the Ong Family may need to offer a minimum offer price of S\$0.697 (at a full privatisation cost of S\$332.4 million—which is just 5.1% higher than our projected cash & cash equivalents of S\$316.1 million at end-1H FY2027).

We adopt as our overall target price the minimum offer price of S\$0.697, which implies an upside potential of 32.8% from the current share price of S\$0.525. Even though we expect that Metro will continue to face headwinds in its retail operations, and project that Metro will incur losses after taxation, we note that Metro's share price may rise should its properties' valuation improve due to: (1) an earlier-than-expected recovery in the Chinese property market; or (2) an appreciation of RMB against SGD. We also consider that the Ong Family may consider privatising Metro given how: (1) Metro, which was founded by Ong Tjoe Kim, started off with department stores; (2) thus, the Ong Family may be reluctant for Metro to cease retail operations; (3) it might take time for Metro's retail performance to improve; and (4) in the meantime, retail investors may continue to badger Metro over its likely near-term weak retail performance. Accordingly, the upside potential of 32.8% may warrant a buy recommendation if investors consider likely a near-term recovery of the Chinese property market or a potential privatisation attempt. However, we recognise that our target price is subject to risks such as an inability to renew lease of Metro City, Shanghai ("MCSH"), greater-than-expected impact from the commencement of Johor Bahru-Singapore Rapid Transit System ("RTS") Link, and rising instability in China.

KEY FINANCIALS	Revenue	Earnings <sup>(1)</sup>	EPS <sup>(2)</sup>	P/E	DPS	Dividend Yield	NAV per share	P/B
Year ended 31 March	(S\$ million)	(S\$ million)	(cents)	(x)	(cents)	(%)	(S\$)	(x)
2024 Actual	115.9	14.6	1.76	29.9	2.00	3.8%	1.72	0.31
2025 Actual	104.5	(224.8)	(27.15)	n.m.	2.00	3.8%	1.40	0.38
<b>2026 Forecast</b>	97.0	(13.2)	(1.60)	n.m.	2.00	3.8%	-	-
<b>2027 Forecast</b>	97.3	(12.1)	(1.46)	n.m.	2.00	3.8%	-	-

Note: P/E, P/B and dividend yield based on the current unit price of S\$0.525.

<sup>(1)</sup> Profit/loss attributable to owners of the Company.

<sup>(2)</sup> Diluted Earnings Per Share.

Source: Metro, FPA

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## ECONOMIC & INDUSTRY OUTLOOK

### (I) SINGAPOREAN ECONOMY

In February 2026, the Ministry of Trade and Industry (“MTI”) updated that “the Singapore economy expanded by 5.0 per cent in 2025.” MTI also noted that in 4Q 2025, “the Singapore economy expanded by 6.9 per cent on a year-on-year basis, faster than the 4.6 per cent growth in the previous quarter.”

MTI commented, “GDP growth for the year was mainly driven by the manufacturing, wholesale trade and finance & insurance sectors.” MTI also highlighted that, “In particular, the output of the electronics cluster surged by 25.1 per cent on account of stronger-than-anticipated AI-related demand for semiconductors, servers and server-related products.”

For 2026, MTI noted that “the GDP growth forecast for Singapore for 2026 has been upgraded from “1.0 to 3.0 per cent” to “2.0 to 4.0 per cent”.” MTI commented, “The stronger-than-expected growth momentum seen in the last quarter of 2025 is projected to carry into 2026.” MTI added, “Apart from the AI investment boom, which is expected to be sustained in 2026, expansionary fiscal policies in several economies such as the US, Germany and Japan, as well as accommodative global financial conditions, should also support global growth in the quarters ahead.”

Accordingly, we assume that year-on-year (“y-o-y”) growth in annual GDP in 2026 will be 3.0% (midpoint of “2.0 to 4.0 per cent” range). We also assume that y-o-y growth in quarterly GDP will decline over 2026, as shown in **Exhibit 1**.

SingStat indicated in 2026 that Singapore’s top merchandise export destinations included Mainland China, Malaysia, and the U.S. The World Bank noted in January 2026 that annual GDP growth forecasts would fall: (1) from 4.4% in 2026 to 4.2% in 2027 for China; (2) from 4.1% in 2026 to 4.0% in 2027 for Malaysia; and (3) from 2.2% in 2026 to 1.9% in 2027 for the U.S.

Accordingly, we assume that Singapore’s GDP growth in 2027 will fall to 2.8%, as also shown in **Exhibit 1**.

#### **Exhibit 1: Projected GDP Growth (2026 & 2027)**

(in respective units)	Actual			Assumptions	
	2023	2024	2025	2026	2027
<b>GDP in Chained (2015) Million Dollars:</b>					
1Q	130,957.2	136,585.2	141,889.5	150,402.9	153,410.9
2Q	132,664.3	139,040.0	145,390.6	151,206.2	154,986.4
3Q	134,191.1	143,573.7	150,168.1	153,171.5	157,766.6
4Q	138,956.1	146,252.1	156,406.8	156,890.1	162,633.5
<b>Total</b>	<b>536,768.7</b>	<b>565,451.0</b>	<b>593,855.0</b>	<b>611,670.7</b>	<b>628,797.4</b>

#### **Y-o-y growth:**

1Q	0.5%	4.3%	3.9%	6.0%	2.0%
2Q	0.6%	4.8%	4.6%	4.0%	2.5%
3Q	1.6%	7.0%	4.6%	2.0%	3.0%
4Q	3.1%	5.3%	6.9%	0.3%	3.7%
<b>Total</b>	<b>1.5%</b>	<b>5.3%</b>	<b>5.0%</b>	<b>3.0%</b>	<b>2.8%</b>

Note: Blue figures are rough estimates based on our assumptions on GDP growth for 2026 & 2027.

Source: SingStat, FPA

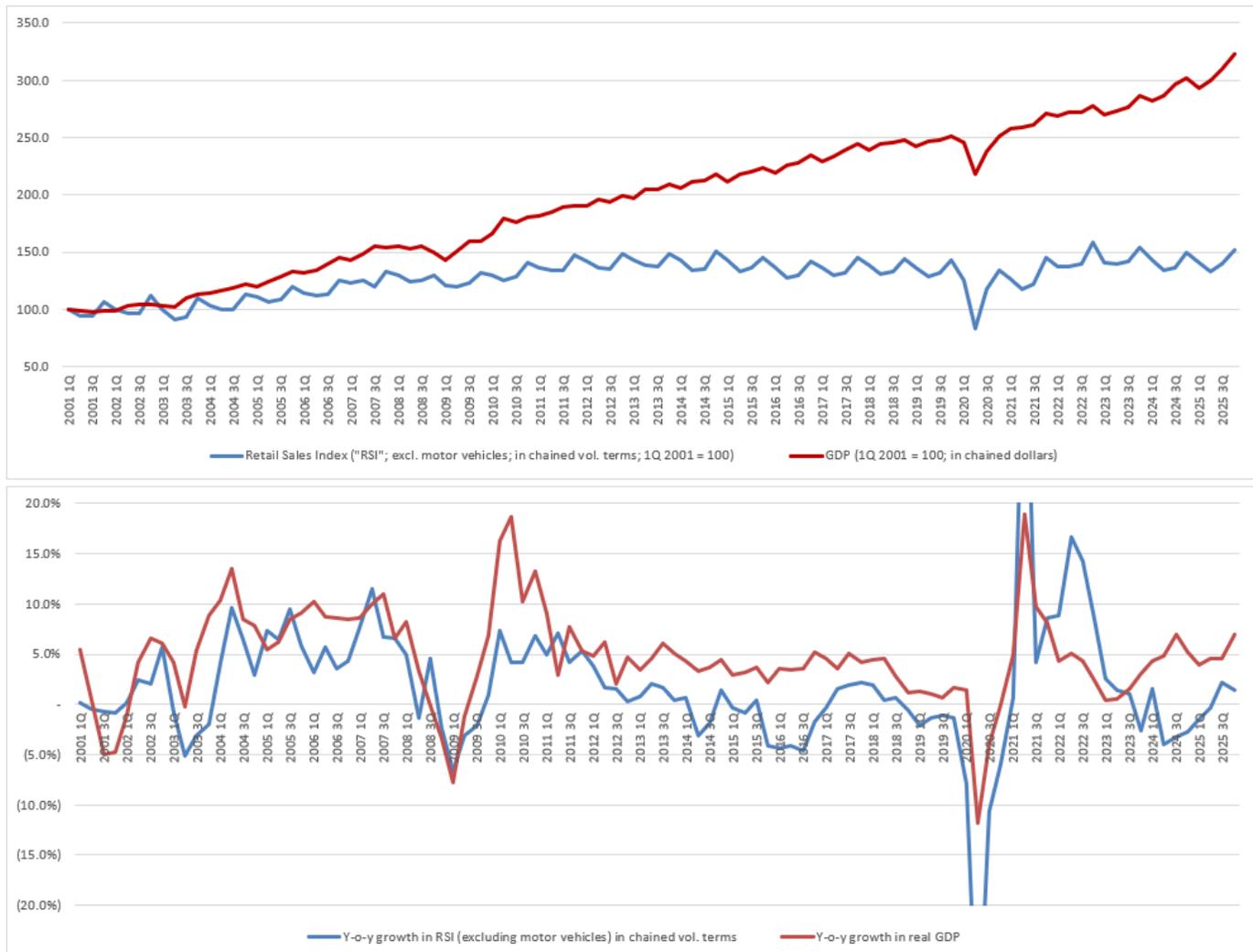
**(II) SINGAPOREAN RETAIL (DEPARTMENT STORES) INDUSTRY**

Meanwhile, based on SingStat data, real Retail Sales Index (“RSI”; excluding motor vehicles) rose by 1.4% y-o-y in 4Q 2025, while real RSI (department stores) rose by 0.2% y-o-y in 4Q 2025. The retail industry (excluding motor vehicles) has generally been underperforming the broader economy for minimally the past 25 years, as shown in **Exhibit 2** (top).

Before 4Q 2021, y-o-y growth in real RSI (excluding motor vehicles) has generally trended with, but generally remained below, y-o-y growth in real GDP, as shown in **Exhibit 2** (bottom). However, from 1Q 2022, RSI (excluding motor vehicles) may have no longer trended with real GDP as: (1) there may have been a post-lockdown retail rebound in 2022; and (2) GDP growth thereafter may have been concentrated only in a few industries, like as noted by the Monetary Authority of Singapore (“MAS”) in January 2026: “A small proportion of industries showed exceptional growth in Q4, while the rest of the economy mainly grew at trend”.

Reasons for the retail underperformance may include outbound travel and online retail. Savills noted in May 2025, “Singapore’s retail and F&B scene will remain challenging as the strong Singapore dollar encourages greater outbound travel, thereby diluting domestic consumption.” Savills also noted that “e-commerce is still growing strongly and drawing more consumption as physical stores deal with higher rents and labour costs.”

**Exhibit 2: Year-on-Year Growth in Real RSI (Excl. Motor Vehicles) vs in Real GDP (1Q 2001 to 4Q 2025)**



Source: SingStat, FPA

Department stores may have been particularly affected by a COVID-induced rise in online retail, as may be seen in **Exhibit 3**.

**Exhibit 3: Real RSIs (Department Stores and Excl. Motor Vehicles) vs Real GDP (1Q 2016 to 4Q 2025)**



Source: SingStat, FPA

The retail industry may continue to underperform the broader economy, especially given that: (1) MTI noted in February 2026, “the performance of consumer-facing sectors such as retail trade and food & beverage services is likely to remain subdued, partly due to locals shifting their spending overseas and changing dining preferences”; and (2) MAS indicated in January 2026 that growth in 4Q 2025 was concentrated only in a few industries. Department stores may also continue to fare worse than the broader retail industry. Thus, even though MTI upgraded its forecast of real GDP growth in 2026 to “2.0 to 4.0 per cent”, the y-o-y growth in RSI (excluding motor vehicles) and RSI (department stores) may remain low or be negative in 2026.

Accordingly, we assume that annual growth in RSI (department stores) will be nil<sup>1</sup> for 2026.

For 2027, we note that: (1) MAS noted that the “rest of the economy mainly grew at trend” in 4Q 2025; and (2) we assume that GDP growth in 2027 would fall from that in 2026. Lower GDP growth may mean lower income growth, thus lower demand for retail goods. Based on only these factors, we assume that annual growth in RSI (department stores) will fall to negative 0.2% in 2027 (same as the assumed fall in annual GDP growth).

However, the expected commencement of the Johor Bahru-Singapore Rapid Transit System (“RTS”) Link by December 2026 may lead to a further downward revision in the annual growth of RSI (department stores) for 2027.

In the latest Annual Report (“AR”) of Frasers Centrepoint Trust (“FCT”) published in December 2025, real estate firm CBRE noted, “One of the primary concerns arising from the enhanced connectivity between JB and Singapore is the potential for increased consumer leakage as Singaporeans gain easier and faster access to value-focused retail and leisure options in JB”.

CBRE elaborated, “This could potentially present a significant competitive challenge for North Region suburban malls, such as Causeway Point, since a portion of discretionary spending could likely be diverted towards cross-border F&B, beauty and health services, entertainment, and potentially weekly grocery purchases by frequent commuters.” One of Metro’s retail outlets is in Causeway Point.

CBRE added, “retail sales leakage from Singapore to JB” was “estimated to rise from its current level of 3% - 4% to approximately 5% by 2032.”

<sup>1</sup> We consider that, given MTI’s growth forecast upgrade, the annual growth of RSI (excluding motor vehicles) in 2026 may be low but positive.

Another real estate firm EdgeProp noted in January 2026, “CBRE research shows that approximately 3% of Singapore’s retail sales are currently leaked to Johor Bahru.” Still citing CBRE, EdgeProp added, “Following the RTS completion, this leakage is projected to rise by 30%–40% from the current level, reaching an estimated 4%–5% of total retail sales.” Given that EdgeProp noted retail sales leakage was expected to rise “Following the RTS completion”, retail sales leakage may rise faster than as indicated in FCT’s latest AR (i.e., “by 2032”).

Accordingly, we assume that annual growth in RSI (department stores) will fall by an additional 1.5% in 2027, as estimated by:

$$\begin{aligned} \text{Annual growth in RSI (department stores) in 2027 due to RTS} &= \frac{1 - \text{new retail leakage}}{1 - \text{previous leakage}} - 1 \\ &= \frac{1 - 4.5\% \text{ (midpoint of 4-5\%)}}{1 - 3\%} - 1 \\ &= -1.5\% \end{aligned}$$

Thus, we assume that RSI (department stores) would fall by 1.7% in 2027 as follows:

$$\begin{aligned} \text{Annual growth in RSI (department stores) in 2027} &= (1 - \text{assumed growth in RSI (dept stores) excl. RTS effect}) \\ &\quad \times (1 - \text{assumed growth due to RTS commencing}) - 1 \\ &= (1 - 0.2\%) \times (1 - 1.5\%) - 1 \\ &= -1.7\% \end{aligned}$$

Accordingly, our assumptions on annual growth in RSI (department stores) from 1Q 2026 to 4Q 2027 are shown in **Exhibit 4**.

#### **Exhibit 4: Projected Growth in RSI (Department Stores) (2026 & 2027)**

(in respective units)	Actual			Assumptions	
	2023	2024	2025	2026	2027
<b>RSI (department stores; in chained vol. terms):</b>					
1Q	82.0	82.9	80.6	79.3	78.9
2Q	80.1	76.2	74.8	75.9	75.5
3Q	79.8	73.7	74.9	75.6	71.4
4Q	94.9	91.7	91.9	91.5	91.0
<b>Average</b>	<b>84.2</b>	<b>81.1</b>	<b>80.6</b>	<b>80.6</b>	<b>79.2</b>

#### **Y-o-y growth:**

1Q	8.9%	1.1%	(2.7%)	(1.7%)	(0.4%)
2Q	0.2%	(4.8%)	(1.8%)	1.4%	(0.5%)
3Q	(1.9%)	(7.7%)	1.6%	0.9%	(5.6%)
4Q	(3.0%)	(3.4%)	0.2%	(0.4%)	(0.5%)
<b>Based on average RSI for the year</b>	<b>0.7%</b>	<b>(3.6%)</b>	<b>(0.7%)</b>	<b>-</b>	<b>(1.7%)</b>

Note: Blue figures are rough estimates based on our assumptions on RSI (department stores) growth for 2026 & 2027.

Source: SingStat, FPA

Metro's Financial Year ("FY") ends on 31 March. Thus, based on our assumptions shown in **Exhibit 1** (page 3) and **Exhibit 4** (page 6), we assume that the y-o-y growth in RSI (department stores) would be negative 0.7% in 2H FY2026, positive 1.2% in 1H FY2027, and negative 0.4% in 2H FY2027, as shown in **Exhibit 5** (last row).

### Exhibit 5: Assumed Growth in Real GDP and RSI (Department Stores) (2H FY2026 to 2H FY2027)

(in respective units)	Actual (based on Metro's FY)										Assumptions			
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
<b>GDP in Chained (2015) Million Dollars:</b>														
2Q of prev. calendar year (e.g., 2Q '25 = 1Q FY26)	105,617.4		125,600.2		131,892.4		132,664.3		139,040.0		145,390.6		151,206.2	
3Q of prev. calendar year (e.g., 3Q '25 = 2Q FY26)	115,340.7		126,558.1		132,068.6		134,191.1		143,573.7		150,168.1		153,171.5	
4Q of prev. calendar year (e.g., 4Q '25 = 3Q FY26)		121,830.3		131,636.8		134,770.5		138,956.1		146,252.1		156,406.8		156,890.1
1Q of same calendar year (e.g., 1Q '26 = 4Q FY26)		124,900.2		130,363.9		130,957.2		136,585.2		141,889.5		150,402.9		153,410.9
<b>Total</b>	<b>220,958.1</b>	<b>246,730.5</b>	<b>252,158.3</b>	<b>262,000.7</b>	<b>263,961.0</b>	<b>265,727.7</b>	<b>266,855.4</b>	<b>275,541.3</b>	<b>282,613.7</b>	<b>288,141.6</b>	<b>295,558.7</b>	<b>306,809.7</b>	<b>304,377.7</b>	<b>310,301.0</b>
<b>Y-o-y growth:</b>														
2Q of prev. calendar year	(11.7%)		18.9%		5.0%		0.6%		4.8%		4.6%		4.0%	
3Q of prev. calendar year	(3.9%)		9.7%		4.4%		1.6%		7.0%		4.6%		2.0%	
4Q of prev. calendar year		(0.1%)		8.0%		2.4%		3.1%		5.3%		6.9%		0.3%
1Q of current calendar year		4.9%		4.4%		0.5%		4.3%		3.9%		6.0%		2.0%
<b>Total</b>	<b>(7.8%)</b>	<b>2.4%</b>	<b>14.1%</b>	<b>6.2%</b>	<b>4.7%</b>	<b>1.4%</b>	<b>1.1%</b>	<b>3.7%</b>	<b>5.9%</b>	<b>4.6%</b>	<b>4.6%</b>	<b>6.5%</b>	<b>3.0%</b>	<b>1.1%</b>
<b>RSI (department stores; in chained vol. terms):</b>														
2Q of prev. calendar year	17.6		53.1		79.9		80.1		76.2		74.8		75.9	
3Q of prev. calendar year	62.1		60.3		81.4		79.8		73.7		74.9		75.6	
4Q of prev. calendar year		79.4		82.5		97.9		94.9		91.7		91.9		91.5
1Q of current calendar year		64.2		75.3		82.0		82.9		80.6		79.3		78.9
<b>Average</b>	<b>39.9</b>	<b>71.8</b>	<b>56.7</b>	<b>78.9</b>	<b>80.7</b>	<b>89.9</b>	<b>79.9</b>	<b>88.9</b>	<b>75.0</b>	<b>86.2</b>	<b>74.9</b>	<b>85.6</b>	<b>75.7</b>	<b>85.2</b>
<b>Y-o-y growth:</b>														
2Q of prev. calendar year	(80.6%)		202.1%		50.5%		0.2%		(4.8%)		(1.8%)		1.4%	
3Q of prev. calendar year	(34.4%)		(3.0%)		35.0%		(1.9%)		(7.7%)		1.6%		0.9%	
4Q of prev. calendar year		(26.2%)		3.9%		18.7%		(3.0%)		(3.4%)		0.2%		(0.4%)
1Q of current calendar year		(15.8%)		17.2%		8.9%		1.1%		(2.7%)		(1.7%)		(0.4%)
<b>Based on average RSI for the year</b>	<b>(57.0%)</b>	<b>(21.9%)</b>	<b>42.2%</b>	<b>9.9%</b>	<b>42.3%</b>	<b>14.0%</b>	<b>(0.9%)</b>	<b>(1.1%)</b>	<b>(6.2%)</b>	<b>(3.1%)</b>	<b>(0.1%)</b>	<b>(0.7%)</b>	<b>1.2%</b>	<b>(0.4%)</b>

Note: Blue figures are rough estimates based on our assumptions on growth in GDP and RSI (department stores) for 2026 & 2027.

Source: SingStat, FPA

**(III) GUANGZHOU OFFICE REAL ESTATE INDUSTRY**

According to real estate firm Savills, “Office leasing conditions in Guangzhou remained challenging throughout 2025, as a sizeable influx of new completions outpaced relatively subdued leasing demand.” Savills indicated in January 2026 that supply has been exceeding net take-up in each year from 2021 to 2025, such that vacancy has been rising in the same period.

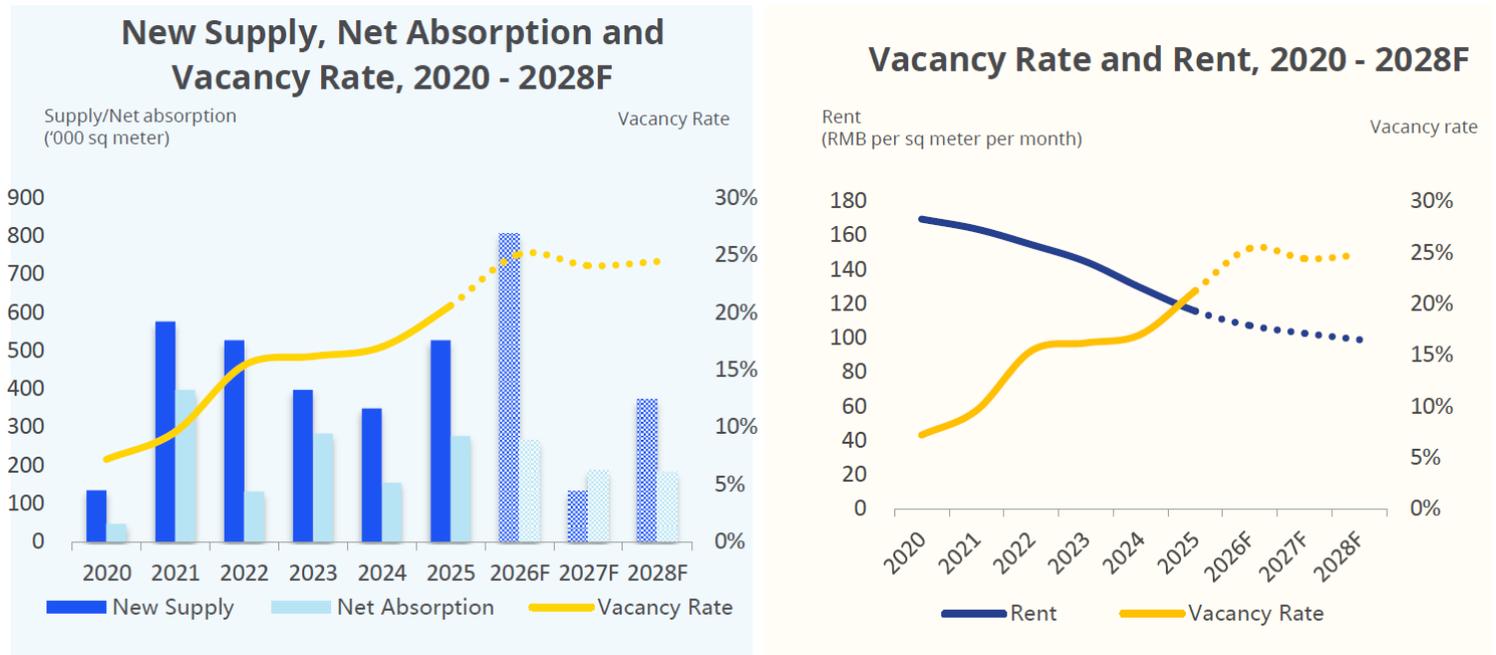
Savills noted that “Market conditions are expected to remain pressured in 2026, with fundamentals broadly in line with 2025.”

Knight Frank noted that, “In Q4 2025, the Guangzhou Grade A office market saw modest short-term improvements, driven by a combination of tightening new supply and a year-end release of pent-up leasing demand.” However, Knight Frank also indicated that supply has been exceeding net absorption since 2019, such that vacancy rate has generally been rising from 2019 to 2025.

For 2026, Knight Frank commented that “downward trend in rents is unlikely to reverse quickly.”

Colliers forecasted in January 2026 that Guangzhou office rents will continue falling from 2026 to 2028, as shown in **Exhibit 6**.

**Exhibit 6: Forecasted Guangzhou Office Supply, Net Absorption, Vacancy, and Rent (2026 to 2028)**



Source: Colliers

Accordingly, based on Colliers' forecasts (shown in **Exhibit 6** on page 8), we project that the y-o-y growth in Guangzhou office rent from 2H FY2026 to 2H FY2027 will be negative 11.4% in 2H FY2026, negative 9.3% in 1H FY2027, and negative 7.1% in 2H FY2027, as shown in **Exhibit 7** (last row).

### Exhibit 7: Projected Guangzhou Office Rent (2H FY2026 to 2H FY2027)

(in RMB/sqm/month)	Actual (based on Metro's FY)						Projection <sup>(1)</sup>			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
2Q of prev. calendar year (e.g., 2Q '25 = 1Q FY26)	167.4 -		147.8 -		135.0 -		124.5 -		n.a.	-
3Q of prev. calendar year (e.g., 3Q '25 = 2Q FY26)	161.8 -		144.1 -		134.8 -		120.7 -		n.a.	-
4Q of prev. calendar year (e.g., 4Q '25 = 3Q FY26)	-	158.0 -		140.8 -		133.8 -		118.7	-	n.a.
1Q of same calendar year (e.g., 1Q '26 = 4Q FY26)	-	152.8 -		137.3 -		128.8 -		n.a.	-	n.a.
<b>Average Guangzhou office rent (Knight Frank or "KF")</b>	<b>164.6</b>	<b>155.4</b>	<b>146.0</b>	<b>139.1</b>	<b>134.9</b>	<b>131.3</b>	<b>122.6</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
2Q of prev. calendar year	160.9 -		149.4 -		137.5 -		121.0 -		110.6	-
3Q of prev. calendar year	157.2 -		147.6 -		134.2 -		117.3 -		108.7	-
4Q of prev. calendar year	-	154.6 -		144.6 -		129.4 -		115.9 -	-	107.0
1Q of current calendar year	-	152.3 -		141.4 -		124.2 -		112.7 -	-	105.4
<b>Average Guangzhou office rent (Colliers)</b>	<b>159.1</b>	<b>153.5</b>	<b>148.5</b>	<b>143.0</b>	<b>135.9</b>	<b>126.8</b>	<b>119.2</b>	<b>114.3</b>	<b>109.7</b>	<b>106.2</b>
Average Guangzhou office rent (Knight Frank)	164.6	155.4	146.0	139.1	134.9	131.3	122.6	-	-	-
Average Guangzhou office rent (Colliers)	159.1	153.5	148.5	143.0	135.9	126.8	119.2	114.3	109.7	106.2
<b>Average Guangzhou office rent (KF &amp; Colliers)<sup>(2)</sup></b>	<b>161.8</b>	<b>154.4</b>	<b>147.2</b>	<b>141.0</b>	<b>135.4</b>	<b>129.1</b>	<b>120.9</b>	<b>114.3</b>	<b>109.7</b>	<b>106.2</b>

#### Y-o-y change (%):

2Q of prev. calendar year	(2.1%)	-	(11.7%)	-	(8.7%)	-	(7.8%)	-	n.a.	-
3Q of prev. calendar year	(4.7%)	-	(10.9%)	-	(6.5%)	-	(10.5%)	-	n.a.	-
4Q of prev. calendar year	-	(6.5%)	-	(10.9%)	-	(5.0%)	-	(11.3%)	-	n.a.
1Q of current calendar year	-	(9.3%)	-	(10.1%)	-	(6.2%)	-	n.a.	-	n.a.
<b>Average Guangzhou office rent (Knight Frank or "KF")</b>	<b>(3.4%)</b>	<b>(7.9%)</b>	<b>(11.3%)</b>	<b>(10.5%)</b>	<b>(7.6%)</b>	<b>(5.6%)</b>	<b>(9.1%)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
2Q of prev. calendar year	n.a.	-	(7.1%)	-	(8.0%)	-	(12.0%)	-	(8.6%)	-
3Q of prev. calendar year	n.a.	-	(6.1%)	-	(9.1%)	-	(12.6%)	-	(7.3%)	-
4Q of prev. calendar year	-	n.a.	-	(6.5%)	-	(10.5%)	-	(10.4%)	-	(7.7%)
1Q of current calendar year	-	(6.6%)	-	(7.2%)	-	(12.2%)	-	(9.2%)	-	(6.5%)
<b>Average Guangzhou office rent (Colliers)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(6.6%)</b>	<b>(6.8%)</b>	<b>(8.5%)</b>	<b>(11.3%)</b>	<b>(12.3%)</b>	<b>(9.9%)</b>	<b>(8.0%)</b>	<b>(7.1%)</b>
Average Guangzhou office rent (Knight Frank)	(3.4%)	(7.9%)	(11.3%)	(10.5%)	(7.6%)	(5.6%)	(9.1%)	-	-	-
Average Guangzhou office rent (Colliers)	n.a.	n.a.	(6.6%)	(6.8%)	(8.5%)	(11.3%)	(12.3%)	(9.9%)	(8.0%)	(7.1%)
<b>Average Guangzhou office rent (KF &amp; Colliers)</b>	<b>(5.0%)</b>	<b>(8.4%)</b>	<b>(9.0%)</b>	<b>(8.7%)</b>	<b>(8.0%)</b>	<b>(8.5%)</b>	<b>(10.7%)</b>	<b>(11.4%)</b>	<b>(9.3%)</b>	<b>(7.1%)</b>

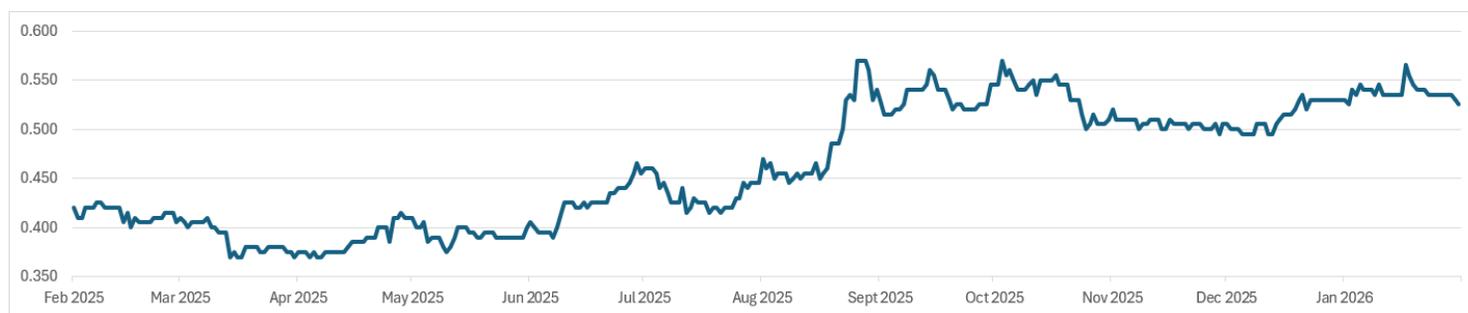
n.a. = not available. <sup>(1)</sup> Actual for 3Q FY2026 (4Q 2025) for figures from both Knight Frank and Colliers. Colliers' forecasted average Guangzhou office rents from 4Q FY2026 (1Q 2026) to 4Q FY2027 (1Q 2027) as estimated from **Exhibit 6** (page 8). <sup>(2)</sup> Figures from 2H FY2026 to 2H FY2027 based on Colliers only.

Source: Colliers, Knight Frank, FPA

## RECENT SHARE PRICE DEVELOPMENTS

Over the last twelve months, Metro's share price rose by 25.0% to S\$0.525 on 24 February 2026 from S\$0.420 on 25 February 2025, as shown in **Exhibit 8**.

### Exhibit 8: Share Price Performance (Last Twelve Months)



Source: Yahoo! Finance (share prices), FPA

On 2 April 2025, U.S. President Donald Trump announced “Liberation Day” tariffs. Share price fell by 7.5% to S\$0.370 on 9 April 2025 from S\$0.400 on 2 April 2025.

On 23 May 2025, Metro released its financial statements for 2H FY2025. Revenue fell by 14.6% y-o-y to S\$56.2 million in 2H FY2025, while profit attributable to owners of the Company fell by S\$234.7 million to negative S\$228.2 million in 2H FY2025 amid share of loss of associates of S\$196.9 million in 2H FY2025. Share price fell by 4.9% to S\$0.390 on 30 May 2025 from S\$0.410 on 23 May 2025.

On 21 July 2025, MAS announced that it appointed the “first batch of asset managers under the S\$5 billion Equity Market Development Programme (EQDP).” In the lead-up to MAS’s announcement, the STI rose by 8.5% from 3,879.260 on 23 June 2025 to 4,207.130 on 21 July 2025. Share price rose by 14.1% from S\$0.390 on 23 June 2025 to S\$0.445 on 21 July 2025.

On 15 August 2025, Metro announced that Ong Sek Hian (Wang ShiXian)’s total interest in Metro rose by 28,900 shares for a total consideration of S\$12,061.00 (S\$0.417 per share) on 13 August 2025. From 18 to 29 August 2025, Metro announced further increases in Ong Sek Hian’s total interest in Metro. Based on the announcements, a total consideration of S\$1.1 million was paid to acquire 2,633,600 shares (at an average of S\$0.433 per share) from 13 to 28 August 2025, as noted in our initiation report (dated September 2025). The newly-acquired shares were held by Bishopsgate Private Limited, a company in which Ong Sek Hian is deemed to be interested. Share price rose by 11.9% to S\$0.470 on 25 August 2025 from S\$0.420 on 15 August 2025, but fell by 3.2% to S\$0.455 on 29 August 2025 thereafter despite Metro disclosing further changes in interest.

On 14 September 2025, The Business Times (“BT”) reported that Metro “does not plan to exit troubled” retail industry, and “hopes to stabilise loss-making retail operations in one to two years”, e.g., through “global tie-ups, immersive concept stores to woo shoppers”. Share price rose by 17.5% to S\$0.570 on 21 September 2025 from S\$0.485 on 14 September 2025.<sup>1</sup>

On 30 September 2025, Metro announced that it promoted Erwin Wuysang-Oei (the Metro personnel quoted by BT) “from Chief Operating Officer to Chief Executive Officer of Metro (Private) Limited, a principal subsidiary and the retail arm of the Metro Holdings Ltd Group”. Share price rose by 4.8% to S\$0.545 on 7 October 2025 from S\$0.520 on 30 September 2025.

On 14 November 2025, Metro released its financial statements for 1H FY2026. Share price fell by 4.7% to S\$0.505 on 21 November 2025 from S\$0.530 on 14 November 2025.

<sup>1</sup> We also note that, on 15 September 2025, former Straits Times (“ST”) journalist Leong Chan Teik published on NextInsight an article on our initiation report.

## FINANCIAL ANALYSIS

### (I) FINANCIAL REVIEW

#### Revenue:

Revenue fell by 13.9% to S\$41.6 million in 1H FY2026 from S\$48.4 million in 1H FY2025, mainly due to retail revenue falling by S\$6.1 million y-o-y, as shown in **Exhibit 9**.

Retail revenue fell by 13.6% to S\$38.8 million in 1H FY2026 from S\$44.9 million in 1H FY2025, “mainly due to lower sales from Metro Paragon and Metro Causeway Point, the two department stores in Singapore”, according to Metro. Retail revenue comprises sale of goods and net commission from concessionaires, as also shown in **Exhibit 9**.

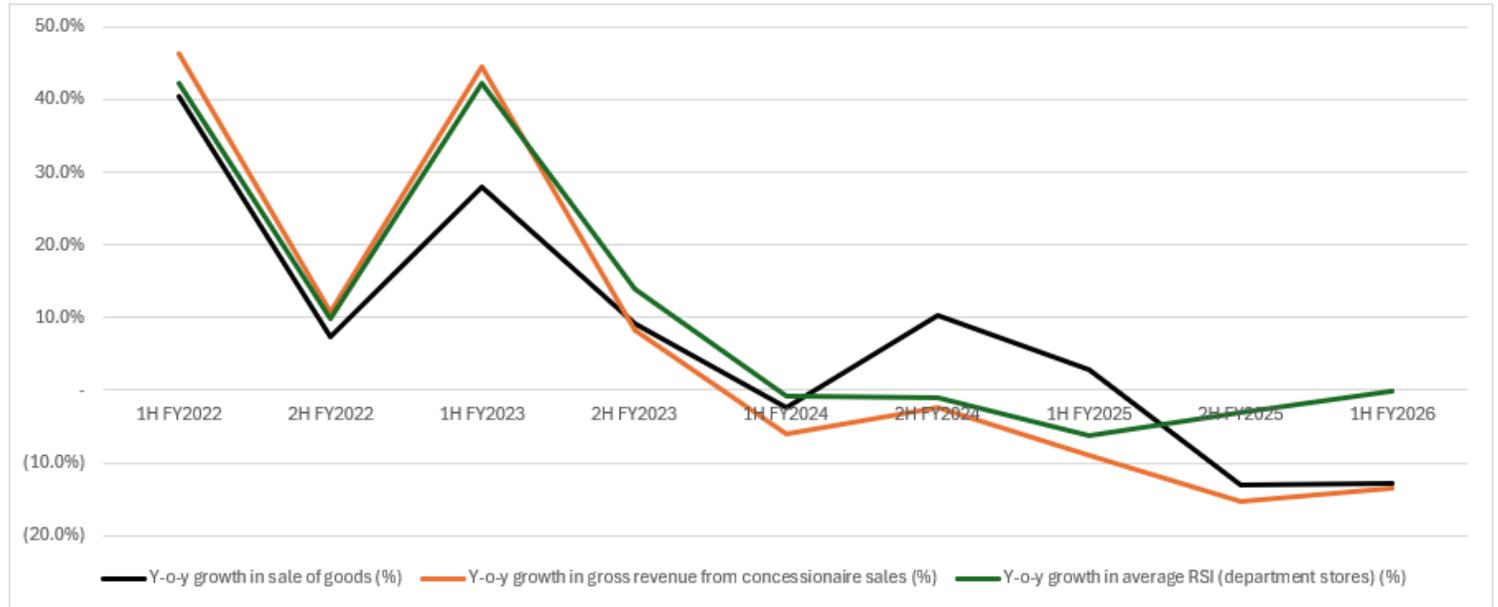
#### **Exhibit 9: Revenue (1H FY2026 vs 1H FY2025)**

(in S\$ '000)	Actual		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
Retail	38,786	44,913	(6,127)	(13.6%)
Sale of property rights	730	871	(141)	(16.2%)
Rental income	2,121	2,566	(445)	(17.3%)
<b>Revenue</b>	<b>41,637</b>	<b>48,350</b>	<b>(6,713)</b>	<b>(13.9%)</b>
Retail - Sale of goods	30,797	35,287	(4,490)	(12.7%)
Retail - Net commission from concessionaires	7,989	9,626	(1,637)	(17.0%)
<b>Retail revenue</b>	<b>38,786</b>	<b>44,913</b>	<b>(6,127)</b>	<b>(13.6%)</b>
(A) Retail - Net commission from concessionaires	7,989	9,626	(1,637)	(17.0%)
(B) Gross revenue from concessionaire sales	31,642	36,551	(4,909)	(13.4%)
<b>A as a % of B</b>	<b>25.2%</b>	<b>26.3%</b>	-	-

Source: Metro, FPA

Y-o-y growth in sale of goods and gross revenue from concessionaire sales generally trended with that of average RSI (department stores) from 1H FY2022 to 1H FY2026, as shown in **Exhibit 10**.

**Exhibit 10: Y-o-Y Growth in Retail Revenue Components vs that of Average RSI (Dept Stores) (1H FY2022 to 1H FY2026)**



Source: Metro, SingStat, FPA

Net commission as a percentage of gross revenue from concessionaire sales generally trended between 28.4% and 25.2% from 1H FY2021 to 1H FY2026, as shown in **Exhibit 11**.

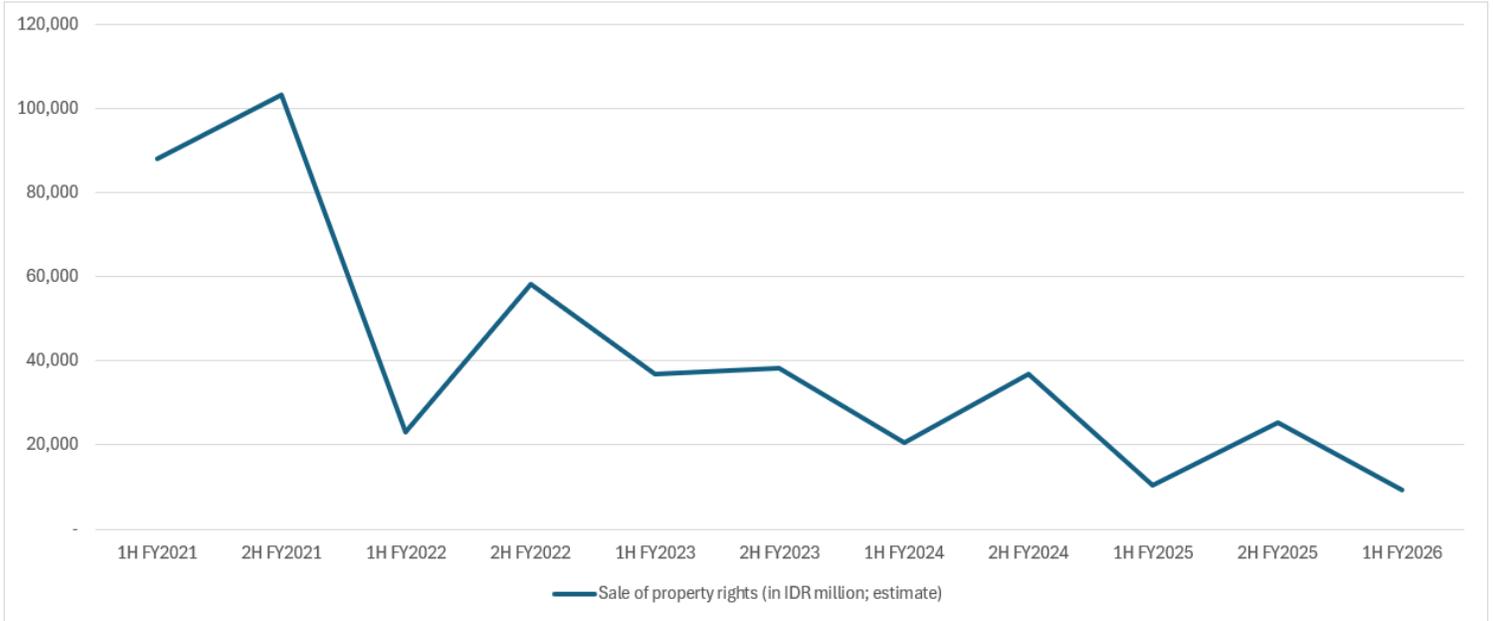
**Exhibit 11: Retail Revenue (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Retail - sale of goods	19,584	35,031	27,487	37,604	35,156	41,036	34,330	45,287	35,287	39,415	30,797
Retail - Net commission from concessionaires	5,642	12,514	7,831	13,672	12,152	15,636	11,264	14,560	9,626	12,182	7,989
<b>Retail revenue</b>	<b>25,226</b>	<b>47,545</b>	<b>35,318</b>	<b>51,276</b>	<b>47,308</b>	<b>56,672</b>	<b>45,594</b>	<b>59,847</b>	<b>44,913</b>	<b>51,597</b>	<b>38,786</b>
(A) Retail - Net commission from concessionaires	5,642	12,514	7,831	13,672	12,152	15,636	11,264	14,560	9,626	12,182	7,989
(B) Gross revenue from concessionaire sales	20,238	46,576	29,596	51,612	42,752	55,826	40,188	54,534	36,551	46,144	31,642
<b>A as a % of B</b>	<b>27.9%</b>	<b>26.9%</b>	<b>26.5%</b>	<b>26.5%</b>	<b>28.4%</b>	<b>28.0%</b>	<b>28.0%</b>	<b>26.7%</b>	<b>26.3%</b>	<b>26.4%</b>	<b>25.2%</b>

Source: Metro, FPA

Sale of property rights (converted to Indonesian Rupiah or “IDR” using the respective average SGD-to-IDR exchange rates for each period) generally fell from 1H FY2021 to 1H FY2026, as shown in **Exhibit 12**.

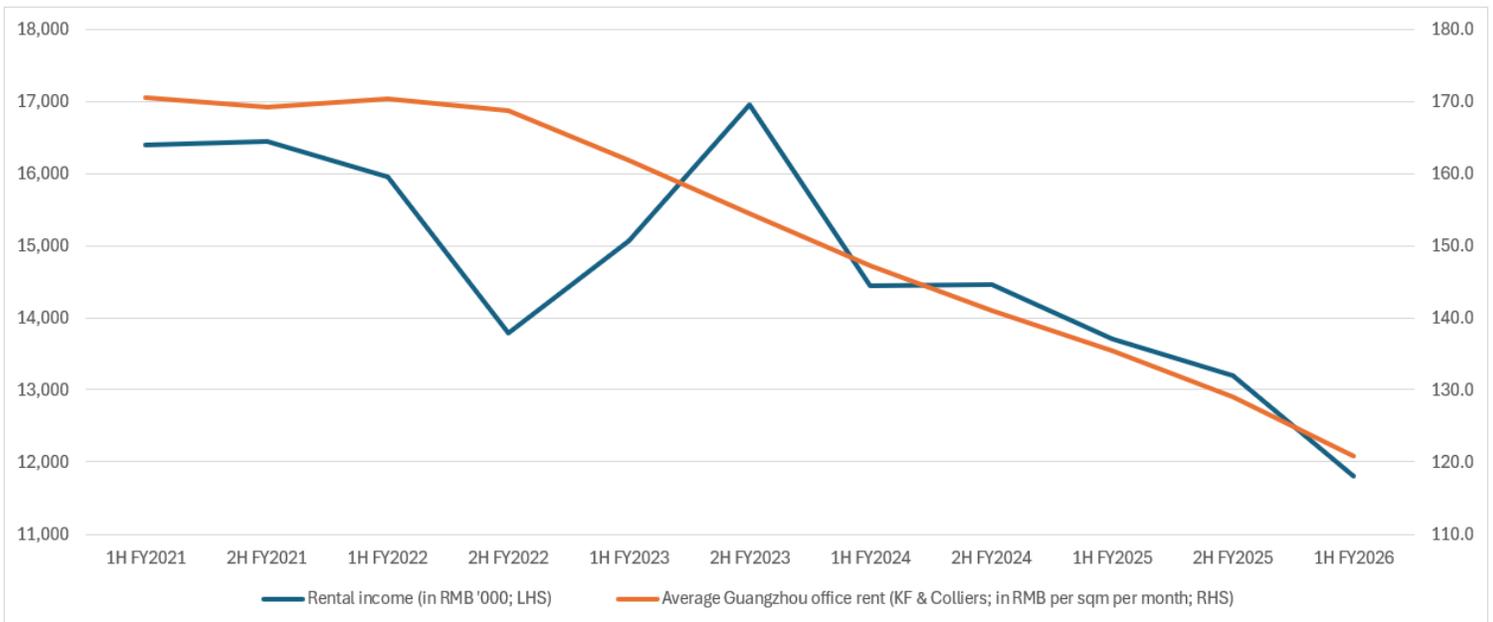
**Exhibit 12: Sale of Property Rights (1H FY2021 to 1H FY2026)**



Source: Metro, Yahoo! Finance (exchange rates), FPA

Rental income (converted to Renminbi or “RMB” using the respective average SGD-to-RMB exchange rates for each period) generally fell from 1H FY2021 to 1H FY2026, in line with the general fall in Guangzhou office rent, as shown in **Exhibit 13**.

**Exhibit 13: Rental Income (1H FY2021 to 1H FY2026)**



Source: Metro, Yahoo! Finance (exchange rates), Knight Frank, Colliers, FPA

The breakdown of revenue from 1H FY2021 to 1H FY2026 is shown in **Exhibit 14**.

#### Exhibit 14: Revenue (1H FY2021 to 1H FY2026)

(in S\$ '000 unless otherwise indicated)	Actual / Estimate										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Retail	25,226	47,545	35,318	51,276	47,308	56,672	45,594	59,847	44,913	51,597	38,786
Sale of property rights	8,227	9,697	2,149	5,506	3,467	3,367	1,827	3,163	871	2,111	730
Rental income	3,264	3,364	3,318	2,936	3,112	3,311	2,740	2,737	2,566	2,446	2,121
<b>Revenue</b>	<b>36,717</b>	<b>60,606</b>	<b>40,785</b>	<b>59,718</b>	<b>53,887</b>	<b>63,350</b>	<b>50,161</b>	<b>65,747</b>	<b>48,350</b>	<b>56,154</b>	<b>41,637</b>
SGD-to-IDR exchange rate (average)	10,693.235	10,627.250	10,747.666	10,567.305	10,633.846	11,313.211	11,195.252	11,615.804	11,952.733	11,973.110	12,700.660
SGD-to-RMB exchange rate (average)	5.021	4.888	4.808	4.696	4.840	5.121	5.270	5.284	5.342	5.395	5.568
Sale of property rights (in IDR million; estimate)	87,973	103,052	23,097	58,184	36,868	38,092	20,454	36,741	10,411	25,275	9,271
Rental income (in RMB '000; estimate)	16,387	16,445	15,953	13,787	15,062	16,955	14,439	14,463	13,707	13,196	11,809

Source: Metro, Yahoo! Finance (exchange rates), FPA

#### Gross profit:

Gross profit fell by 51.0% to S\$1.2 million in 1H FY2026 from S\$2.5 million in 1H FY2025, mainly due to the fall in retail gross profit amid the fall in retail gross margin, as shown in **Exhibit 15**. Metro noted that retail gross margin fell “mainly due to higher inflation-driven costs in raw materials, labour and energy in the current challenging environment.” Metro added, “Pressure on margins amidst a highly competitive trading environment will continue to affect the results.”

#### Exhibit 15: Gross Profit (1H FY2026 vs 1H FY2025)

(in S\$ '000)	Actual / Estimate		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
Gross profit - retail (estimate)	(572)	219	(791)	(361.2%)
Gross profit - property rights (estimate)	84	174	(90)	(51.7%)
Gross profit - rental income (estimate)	1,724	2,128	(404)	(19.0%)
<b>Gross profit</b>	<b>1,236</b>	<b>2,521</b>	<b>(1,285)</b>	<b>(51.0%)</b>

#### Breakdown of gross profit:

Retail revenue	38,786	44,913	(6,127)	(13.6%)
Cost of revenue - retail	(39,358)	(44,694)	5,336	(11.9%)
<b>Gross profit - retail (estimate)</b>	<b>(572)</b>	<b>219</b>	<b>(791)</b>	<b>(361.2%)</b>
Add: Depreciation of Right-of-Use ("ROU") assets	4,233	5,311	(1,078)	(20.3%)
<b>Gross profit - retail (excl. depreciation of ROU assets; estimate)</b>	<b>3,661</b>	<b>5,530</b>	<b>(1,869)</b>	<b>(33.8%)</b>
<b>Gross margin - retail</b>	<b>(1.5%)</b>	<b>0.5%</b>		
<b>Gross margin - retail (excl. depreciation of ROU assets; estimate)</b>	<b>9.4%</b>	<b>12.3%</b>		
Sale of property rights	730	871	(141)	(16.2%)
Cost of revenue - cost of property rights sold	(646)	(697)	51	(7.3%)
<b>Gross profit - property rights (estimate)</b>	<b>84</b>	<b>174</b>	<b>(90)</b>	<b>(51.7%)</b>
<b>Gross margin - property rights</b>	<b>11.5%</b>	<b>20.0%</b>		
Rental income	2,121	2,566	(445)	(17.3%)
Cost of revenue - property rental	(397)	(438)	41	(9.4%)
<b>Gross profit - rental income (estimate)</b>	<b>1,724</b>	<b>2,128</b>	<b>(404)</b>	<b>(19.0%)</b>
<b>Gross margin - rental income</b>	<b>81.3%</b>	<b>82.9%</b>		

Source: Metro, FPA

While retail gross margin generally fell from 1H FY2021 to 1H FY2026, property rights gross margin generally fluctuated while rental income gross margin generally remained at or above 81.3% in the same period (except in 1H FY2021, 2H FY2022, and 2H FY2025), as may be seen in **Exhibit 16**.

**Exhibit 16: Gross Profit (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual / Estimate										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Gross profit - retail (estimate)	1,562	6,928	1,991	7,338	5,859	7,871	2,592	4,873	219	2,345	(572)
Gross profit - property rights (estimate)	862	770	239	787	752	555	246	101	174	232	84
Gross profit - rental income (estimate)	2,510	2,858	2,765	2,184	2,594	2,741	2,273	2,259	2,128	1,920	1,724
<b>Gross profit</b>	<b>4,934</b>	<b>10,556</b>	<b>4,995</b>	<b>10,309</b>	<b>9,205</b>	<b>11,167</b>	<b>5,111</b>	<b>7,233</b>	<b>2,521</b>	<b>4,497</b>	<b>1,236</b>
<b>Breakdown of gross profit:</b>											
Retail revenue	25,226	47,545	35,318	51,276	47,308	56,672	45,594	59,847	44,913	51,597	38,786
Cost of revenue - retail	(23,664)	(40,617)	(33,327)	(43,938)	(41,449)	(48,801)	(43,002)	(54,974)	(44,694)	(49,252)	(39,358)
<b>Gross profit - retail (estimate)</b>	<b>1,562</b>	<b>6,928</b>	<b>1,991</b>	<b>7,338</b>	<b>5,859</b>	<b>7,871</b>	<b>2,592</b>	<b>4,873</b>	<b>219</b>	<b>2,345</b>	<b>(572)</b>
Add: Depreciation of Right-of-Use ("ROU") assets	2,214	3,537	3,466	4,365	4,281	5,263	5,266	5,227	5,311	5,335	4,233
<b>Gross profit - retail (excl. depreciation of ROU assets; estimate)</b>	<b>3,776</b>	<b>10,465</b>	<b>5,457</b>	<b>11,703</b>	<b>10,140</b>	<b>13,134</b>	<b>7,858</b>	<b>10,100</b>	<b>5,530</b>	<b>7,680</b>	<b>3,661</b>
<b>Gross margin - retail</b>	<b>6.2%</b>	<b>14.6%</b>	<b>5.6%</b>	<b>14.3%</b>	<b>12.4%</b>	<b>13.9%</b>	<b>5.7%</b>	<b>8.1%</b>	<b>0.5%</b>	<b>4.5%</b>	<b>(1.5%)</b>
<b>Gross margin - retail (excl. depreciation of ROU assets; estimate)</b>	<b>15.0%</b>	<b>22.0%</b>	<b>15.5%</b>	<b>22.8%</b>	<b>21.4%</b>	<b>23.2%</b>	<b>17.2%</b>	<b>16.9%</b>	<b>12.3%</b>	<b>14.9%</b>	<b>9.4%</b>
Sale of property rights	8,227	9,697	2,149	5,506	3,467	3,367	1,827	3,163	871	2,111	730
Cost of revenue - cost of property rights sold	(7,365)	(8,927)	(1,910)	(4,719)	(2,715)	(2,812)	(1,581)	(3,062)	(697)	(1,879)	(646)
<b>Gross profit - property rights (estimate)</b>	<b>862</b>	<b>770</b>	<b>239</b>	<b>787</b>	<b>752</b>	<b>555</b>	<b>246</b>	<b>101</b>	<b>174</b>	<b>232</b>	<b>84</b>
<b>Gross margin - property rights</b>	<b>10.5%</b>	<b>7.9%</b>	<b>11.1%</b>	<b>14.3%</b>	<b>21.7%</b>	<b>16.5%</b>	<b>13.5%</b>	<b>3.2%</b>	<b>20.0%</b>	<b>11.0%</b>	<b>11.5%</b>
Rental income	3,264	3,364	3,318	2,936	3,112	3,311	2,740	2,737	2,566	2,446	2,121
Cost of revenue - property rental	(754)	(506)	(553)	(752)	(518)	(570)	(467)	(478)	(438)	(526)	(397)
<b>Gross profit - rental income (estimate)</b>	<b>2,510</b>	<b>2,858</b>	<b>2,765</b>	<b>2,184</b>	<b>2,594</b>	<b>2,741</b>	<b>2,273</b>	<b>2,259</b>	<b>2,128</b>	<b>1,920</b>	<b>1,724</b>
<b>Gross margin - rental income</b>	<b>76.9%</b>	<b>85.0%</b>	<b>83.3%</b>	<b>74.4%</b>	<b>83.4%</b>	<b>82.8%</b>	<b>83.0%</b>	<b>82.5%</b>	<b>82.9%</b>	<b>78.5%</b>	<b>81.3%</b>

Source: Metro, FPA

**Other net income:**

Other net income fell by 52.9% to S\$11.6 million in 1H FY2026 from S\$24.7 million in 1H FY2025 amid interest income falling by S\$13.8 million y-o-y, as shown in **Exhibit 17**. Metro noted that the fall in other net income was also due to “lower foreign exchange gain by \$1.0 million, partially mitigated by gain on disposal of short term investments by \$1.6 million and lower fair value loss in long term investments by \$0.9 million in 1HFY2026 as compared to 1HFY2025.”

**Exhibit 17: Other Net Income (1H FY2026 vs 1H FY2025)**

(in S\$ '000)	Actual / Estimate		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
Interest income from financial instruments at amortised cost	6,275	20,025	(13,750)	(68.7%)
Dividends, gross (total)	1,955	2,162	(207)	(9.6%)
Net change in fair value of investments at FVPL (total)	577	(619)	1,196	(193.2%)
Gain on disposal of short term investment	1,611	-	1,611	n.m.
Gain on disposal/dissolution of associate	212	-	212	n.m.
Foreign exchange (loss)/gain	(26)	1,023	(1,049)	(102.5%)
Other rental income	485	772	(287)	(37.2%)
Sundry income	532	1,287	(755)	(58.7%)
<b>Other net income</b>	<b>11,621</b>	<b>24,650</b>	<b>(13,029)</b>	<b>(52.9%)</b>

**Components of other net income:**

Carrying amount of Boustead Industrial Fund ("BIF") 7.0% note (est. for 1H)	88,660	88,660	-	-
Multiply by: 7.0% interest ÷ est. 2 payments per year	3.5%	3.5%		
<b>Interest from Boustead Industrial Fund ("BIF") 7.0% note (estimate)</b>	<b>3,103</b>	<b>3,103</b>	<b>-</b>	<b>-</b>
Interest income from associates (excl. BIF note)	387	2,698	(2,311)	(85.7%)
<b>Interest income from associates</b>	<b>3,490</b>	<b>5,801</b>	<b>(2,311)</b>	<b>(39.8%)</b>
Interest income from joint ventures	455	261	194	74.3%
Interest income (others; estimate)	2,330	13,963	(11,633)	(83.3%)
<b>Interest income from financial instruments at amortised cost</b>	<b>6,275</b>	<b>20,025</b>	<b>(13,750)</b>	<b>(68.7%)</b>
Dividends, gross, from LT investments	1,571	1,777	(206)	(11.6%)
Dividends, gross, from ST investments	384	385	(1)	(0.3%)
<b>Dividends, gross (total)</b>	<b>1,955</b>	<b>2,162</b>	<b>(207)</b>	<b>(9.6%)</b>
Net change in fair value of investments at FVPL - LT investments	(105)	(989)	884	(89.4%)
Net change in fair value of investments at FVPL - ST investments	682	370	312	84.3%
<b>Net change in fair value of investments at FVPL (total)</b>	<b>577</b>	<b>(619)</b>	<b>1,196</b>	<b>(193.2%)</b>

Source: Metro, FPA

Other net income rose to a high of S\$24.7 million in 1H FY2025 as interest income rose to a high of S\$20.0 million in 1H FY2025, as may be seen in **Exhibit 18**. Thus, we note that a one-off increase in interest income in 1H FY2025 may have contributed to the y-o-y fall in interest income in 1H FY2026.

### Exhibit 18: Other Net Income (1H FY2021 to 1H FY2026)

(in S\$ '000)	Actual / Estimate											
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	
Interest income from financial instruments at amortised cost	10,529	9,417	10,004	10,821	9,951	14,254	12,918	11,258	20,025	7,781	6,275	
Dividends, gross (total)	2,021	4,948	4,472	9,218	4,985	3,924	3,106	2,317	2,162	1,871	1,955	
Net change in fair value of investments at FVPL (total)	(1,042)	(1,472)	(4,318)	2,164	(3,719)	(10,022)	(317)	(5,925)	(619)	(21,160)	577	
Gain on disposal of short term investment	-	-	-	-	-	-	-	-	-	-	1,611	
Gain on disposal/dissolution of associate	-	-	-	-	-	-	-	-	-	-	212	
Foreign exchange (loss)/gain	881	2,044	696	(480)	(2,599)	(15)	(2,756)	100	1,023	(2,492)	(26)	
Other rental income	6	-	-	-	362	577	666	682	772	629	485	
Sundry income	309	3,896	810	727	679	983	695	1,298	1,287	1,132	532	
<b>Other net income</b>	<b>12,704</b>	<b>18,833</b>	<b>11,664</b>	<b>22,450</b>	<b>9,659</b>	<b>9,701</b>	<b>14,312</b>	<b>9,730</b>	<b>24,650</b>	<b>(12,239)</b>	<b>11,621</b>	
<b>Components of other net income:</b>												
Carrying amount of Boustead Industrial Fund ("BIF") 7.0% note (est. for 1H)	61,360	61,360	61,360	75,660	75,660	88,660	88,660	88,660	88,660	88,660	88,660	
Multiply by: 7.0% interest + est. 2 payments per year	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
<b>Interest from Boustead Industrial Fund ("BIF") 7.0% note (estimate)</b>	<b>2,148</b>	<b>2,148</b>	<b>2,148</b>	<b>2,648</b>	<b>2,648</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	
Interest income from associates (excl. BIF note)	6,418	5,767	6,338	3,467	3,459	3,004	3,004	2,804	2,698	2,154	387	
<b>Interest income from associates</b>	<b>8,566</b>	<b>7,915</b>	<b>8,486</b>	<b>6,115</b>	<b>6,107</b>	<b>6,107</b>	<b>6,107</b>	<b>5,907</b>	<b>5,801</b>	<b>5,257</b>	<b>3,490</b>	
Interest income from joint ventures	19	14	90	182	321	377	420	409	261	434	455	
Interest income (others; estimate)	1,944	1,488	1,428	4,524	3,523	7,770	6,391	4,942	13,963	2,090	2,330	
<b>Interest income from financial instruments at amortised cost</b>	<b>10,529</b>	<b>9,417</b>	<b>10,004</b>	<b>10,821</b>	<b>9,951</b>	<b>14,254</b>	<b>12,918</b>	<b>11,258</b>	<b>20,025</b>	<b>7,781</b>	<b>6,275</b>	
Dividends, gross, from LT investments	1,804	4,492	4,157	8,882	4,626	3,536	2,674	1,929	1,777	1,465	1,571	
Dividends, gross, from ST investments	217	456	315	336	359	388	432	388	385	406	384	
<b>Dividends, gross (total)</b>	<b>2,021</b>	<b>4,948</b>	<b>4,472</b>	<b>9,218</b>	<b>4,985</b>	<b>3,924</b>	<b>3,106</b>	<b>2,317</b>	<b>2,162</b>	<b>1,871</b>	<b>1,955</b>	
Net change in fair value of investments at FVPL - LT investments	(3,976)	(3,482)	(3,555)	840	(1,878)	(9,950)	248	(5,701)	(989)	(22,181)	(105)	
Net change in fair value of investments at FVPL - ST investments	2,934	2,010	(763)	1,324	(1,841)	(72)	(565)	(224)	370	1,021	682	
<b>Net change in fair value of investments at FVPL (total)</b>	<b>(1,042)</b>	<b>(1,472)</b>	<b>(4,318)</b>	<b>2,164</b>	<b>(3,719)</b>	<b>(10,022)</b>	<b>(317)</b>	<b>(5,925)</b>	<b>(619)</b>	<b>(21,160)</b>	<b>577</b>	

Source: Metro, FPA

**Fair value loss on an investment property and impairment on Right-of-Use (“ROU”) and fixed assets:**

There was no fair value loss on investment property(ies) nor impairment on ROU and fixed assets in 1H FY2025 & 1H FY2026.

**General & Administrative (“G&A”) expenses:**

G&A expenses rose by 7.4% y-o-y to S\$11.0 million in 1H FY2026, as shown in **Exhibit 19**. G&A expenses generally remained between S\$10.0 million and S\$11.7 million from 2H FY2021 to 1H FY2026.

**Exhibit 19: G&A Expenses (1H FY2025 & 1H FY2026)**

(in S\$ '000)	Actual / Estimate		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
General and administrative expenses	10,992	10,237	755	7.4%

Source: Metro, FPA

**Finance costs:**

Finance costs fell by 20.5% to S\$12.6 million in 1H FY2026 from S\$15.9 million in 1H FY2025, mainly due to interest on borrowings falling by S\$2.8 million y-o-y, as shown in **Exhibit 20**. Interest on borrowings fell in line with the fall in total borrowings from 2H FY2024 to 2H FY2025 (one period before 1H FY2025 & 1H FY2026 respectively), as well as the fall in annualised effective interest on borrowings (which, in turn, fell in line with the fall in average 3-Month Compounded SORA or “3M SORA”).

**Exhibit 20: Finance Costs (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual / Estimate		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
Interest on borrowings carried at amortised cost	10,929	13,750	(2,821)	(20.5%)
Interest on lease liabilities	580	1,220	(640)	(52.5%)
Others	1,114	915	199	21.7%
<b>Finance costs</b>	<b>12,623</b>	<b>15,885</b>	<b>(3,262)</b>	<b>(20.5%)</b>

**Borrowings & lease liabilities:**

Borrowings (current)	177,708	207,049	(29,341)	(14.2%)
Borrowings (non-current)	397,933	392,768	5,165	1.3%
<b>Borrowings (total excluding fixed rate notes)</b>	<b>575,641</b>	<b>599,817</b>	<b>(24,176)</b>	<b>(4.0%)</b>
4.00% fixed rate SGD notes (repaid in Oct 2021)	-	-	-	n.m.
4.30% fixed rate SGD notes (repaid in Apr 2024)	-	-	-	n.m.
<b>Borrowings (total)</b>	<b>575,641</b>	<b>599,817</b>	<b>(24,176)</b>	<b>(4.0%)</b>
Lease liabilities (current)	12,781	11,198	1,583	14.1%
Lease liabilities (non-current)	10,021	41,398	(31,377)	(75.8%)
<b>Lease liabilities (total)</b>	<b>22,802</b>	<b>52,596</b>	<b>(29,794)</b>	<b>(56.6%)</b>

**Effective interest rates:**

Interest on borrowings carried at amortised cost	10,929	13,750	(2,821)	(20.5%)
Borrowings (total excluding fixed rate notes; prev. period)	604,536	593,115	11,421	1.9%
<b>(A) Effective interest on borrowings (annualised; estimate)</b>	<b>1.8%</b>	<b>2.3%</b>	<b>(0.5%)</b>	<b>(22.0%)</b>
Interest on lease liabilities	580	1,220	(640)	(52.5%)
Lease liabilities (total; prev. period)	28,915	57,955	(29,040)	(50.1%)
<b>(A) Effective interest on lease liabilities (annualised; estimate)</b>	<b>2.0%</b>	<b>2.1%</b>	<b>(0.1%)</b>	<b>(4.7%)</b>

3-Month Compounded SORA (“3M SORA”; average; estimate) 1.5% 3.4%

Source: Metro, MAS, FPA

Finance costs from 1H FY2021 to 1H FY2026 are shown in **Exhibit 21**.

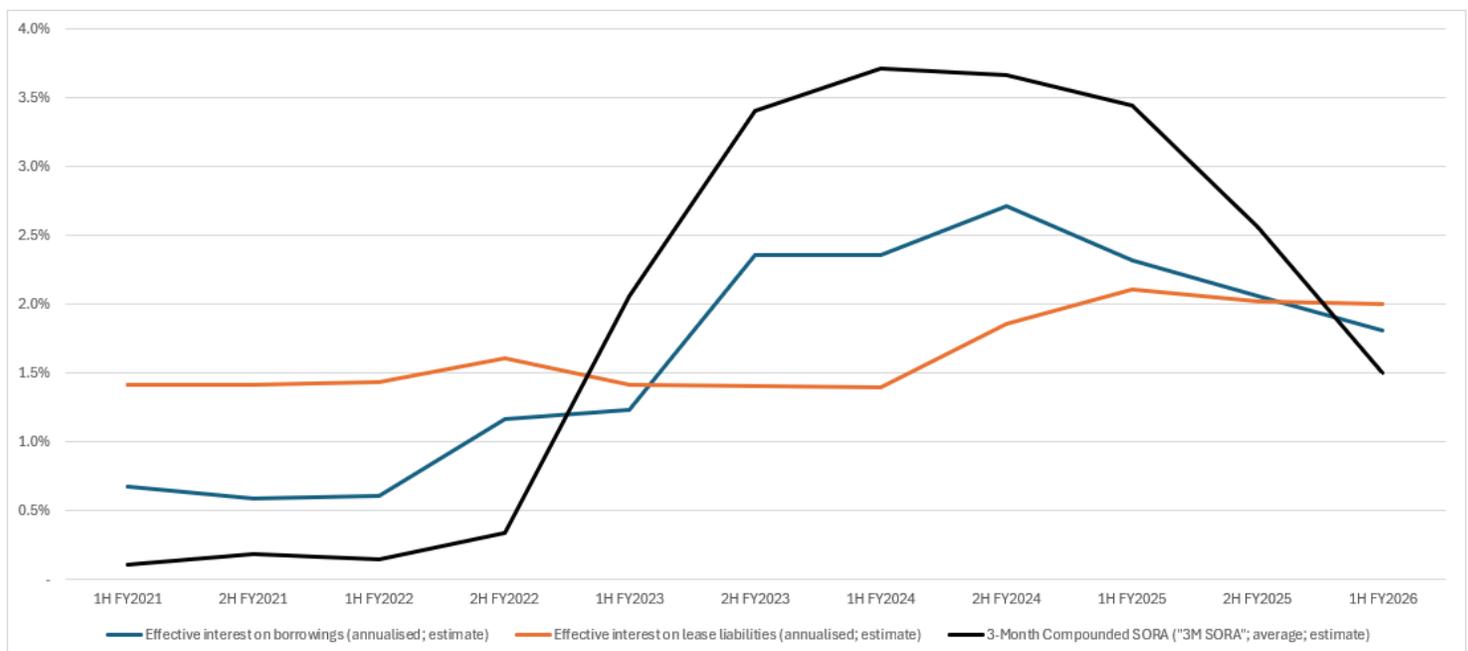
**Exhibit 21: Finance Costs (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual / Estimate										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Interest on borrowings carried at amortised cost	983	911	1,070	2,977	5,023	9,518	9,318	9,441	13,750	12,344	10,929
Interest on lease liabilities	914	837	758	781	859	779	696	818	1,220	1,063	580
Others	234	271	341	755	702	1,079	918	933	915	1,138	1,114
<b>Finance costs</b>	<b>9,757</b>	<b>9,616</b>	<b>9,801</b>	<b>9,367</b>	<b>11,043</b>	<b>15,813</b>	<b>15,359</b>	<b>15,631</b>	<b>15,885</b>	<b>14,545</b>	<b>12,623</b>
<b>Borrowings &amp; lease liabilities:</b>											
Borrowings (current)	154,825	175,142	137,934	135,524	142,652	139,201	85,990	201,747	207,049	207,481	177,708
Borrowings (non-current)	-	-	117,028	270,862	261,259	256,097	262,229	391,368	392,768	397,055	397,933
<b>Borrowings (total excluding fixed rate notes)</b>	<b>154,825</b>	<b>175,142</b>	<b>254,962</b>	<b>406,386</b>	<b>403,911</b>	<b>395,298</b>	<b>348,219</b>	<b>593,115</b>	<b>599,817</b>	<b>604,536</b>	<b>575,641</b>
4.00% fixed rate SGD notes (repaid in Oct 2021)	-	-	-	-	-	-	-	-	-	-	-
4.30% fixed rate SGD notes (repaid in Apr 2024)	348,650	149,815	149,978	-	-	-	-	-	-	-	-
<b>Borrowings (total)</b>	<b>503,475</b>	<b>524,085</b>	<b>604,212</b>	<b>605,801</b>	<b>603,472</b>	<b>595,003</b>	<b>548,070</b>	<b>593,115</b>	<b>599,817</b>	<b>604,536</b>	<b>575,641</b>
Lease liabilities (current)	10,669	9,651	10,981	10,996	11,262	11,454	11,568	10,853	11,198	12,387	12,781
Lease liabilities (non-current)	48,510	43,058	37,529	49,757	44,068	38,303	32,499	47,102	41,398	16,528	10,021
<b>Lease liabilities (total)</b>	<b>59,179</b>	<b>52,709</b>	<b>48,510</b>	<b>60,753</b>	<b>55,330</b>	<b>49,757</b>	<b>44,067</b>	<b>57,955</b>	<b>52,596</b>	<b>28,915</b>	<b>22,802</b>
<b>Effective interest rates:</b>											
Interest on borrowings carried at amortised cost	983	911	1,070	2,977	5,023	9,518	9,318	9,441	13,750	12,344	10,929
Borrowings (total excluding fixed rate notes; prev. period)	145,165	154,825	175,142	254,962	406,386	403,911	395,298	348,219	593,115	599,817	604,536
<b>Effective interest on borrowings (annualised; estimate)</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.7%</b>	<b>2.3%</b>	<b>2.1%</b>	<b>1.8%</b>
Interest on lease liabilities	914	837	758	781	859	779	696	818	1,220	1,063	580
Lease liabilities (total; prev. period)	64,444	59,179	52,709	48,510	60,753	55,330	49,757	44,067	57,955	52,596	28,915
<b>Effective interest on lease liabilities (annualised; estimate)</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>2.0%</b>
3-Month Compounded SORA ("3M SORA"; average; estimate)	0.1%	0.2%	0.1%	0.3%	2.1%	3.4%	3.7%	3.7%	3.4%	2.6%	1.5%

Source: Metro, MAS, FPA

The annualised effective interest on borrowings generally trended with 3M SORA from 1H FY2021 to 1H FY2026, while the annualised effective interest on lease liabilities did not, as shown in **Exhibit 22**.

**Exhibit 22: Annualised Effective Interest on Borrowings and Lease Liabilities vs 3M SORA (1H FY2021 to 1H FY2026)**



Source: Metro, MAS, FPA

**Share of results of associates & of joint ventures:**

Share of loss of associates rose by 71.7% to S\$11.0 million in 1H FY2026 from S\$6.4 million in 1H FY2025, as shown in **Exhibit 23**. Metro noted that the rise in share of loss was “mainly due to higher net fair value loss (net of tax) on investment properties by \$5.1 million”, with the net fair value loss “attributable to China investment properties.” Metro added that the share of loss was “partially mitigated by lower loss from Top Spring by \$1.0 million, mainly from write back of impairment loss on its properties held for sale, partially offset by higher operating loss.”

Share of profit of joint ventures fell by 28.1% to S\$8.9 million in 1H FY2026 from S\$12.4 million in 1H FY2025, as also shown in **Exhibit 23**. Metro noted that the fall in share of profit was “mainly due to higher fair value loss (net of tax) on China investment properties.”

**Exhibit 23: Share of Results of Associates & of Joint Ventures (1H FY2026 vs 1H FY2025)**

(in S\$ '000)	Actual / Estimate		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
Associates - operating results	4,608	3,853	755	19.6%
Associates - negative goodwill	-	-	-	n.m.
Associates - fair value adjustments on investment properties	(17,314)	(11,724)	(5,590)	47.7%
Associates - impairment of amounts due from associates	-	-	-	n.m.
Associates - non-operating results	-	-	-	n.m.
Associates - taxation	1,717	877	840	95.8%
Associates - others	(29)	576	(605)	(105.0%)
<b>Share of results of associates</b>	<b>(11,018)</b>	<b>(6,418)</b>	<b>(4,600)</b>	<b>71.7%</b>
Joint ventures - operating results	19,559	20,671	(1,112)	(5.4%)
Joint ventures - negative goodwill	-	-	-	n.m.
Joint ventures - fair value loss on investment properties	(8,177)	(3,997)	(4,180)	104.6%
Joint ventures - taxation	(2,481)	(4,301)	1,820	(42.3%)
<b>Share of results of joint ventures</b>	<b>8,901</b>	<b>12,373</b>	<b>(3,472)</b>	<b>(28.1%)</b>

Source: Metro, FPA

Share of results of associates and of joint ventures from 1H FY2021 to 1H FY2026 is shown in **Exhibit 25**. Further info on Metro's associates and joint ventures can be found in our initiation report (dated September 2025).

**Exhibit 24: Share of Results of Associates & of Joint Ventures (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual / Estimate										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Associates - operating results	(4,595)	(17,441)	(316)	2,768	11,860	517	4,164	(28,002)	3,853	(47,003)	4,608
Associates - negative goodwill	-	-	-	-	-	-	-	60,347	-	-	-
Associates - fair value adjustments on investment properties	(2,527)	6,657	2,845	16,174	2,615	(3,596)	(2,000)	(8,031)	(11,724)	(131,684)	(17,314)
Associates - impairment of amounts due from associates	-	-	-	-	-	-	-	-	-	(32,912)	-
Associates - non-operating results	-	-	5,119	8	-	-	2,130	-	-	65	-
Associates - taxation	(574)	(3,327)	(4,885)	(9,549)	(5,773)	(1,285)	(1,397)	(1,285)	877	13,833	1,717
Associates - others	165	1,083	(226)	(117)	(147)	(54)	320	(344)	576	763	(29)
<b>Share of results of associates</b>	<b>(7,531)</b>	<b>(13,028)</b>	<b>2,537</b>	<b>9,284</b>	<b>8,555</b>	<b>(4,418)</b>	<b>3,217</b>	<b>22,685</b>	<b>(6,418)</b>	<b>(196,938)</b>	<b>(11,018)</b>
Joint ventures - operating results	39,017	32,834	32,985	26,706	24,480	24,882	17,710	21,454	20,671	17,941	19,559
Joint ventures - negative goodwill	-	-	-	-	-	-	-	-	-	7,243	-
Joint ventures - fair value loss on investment properties	(2,309)	8,881	(2,430)	4,135	(5,352)	(1,642)	(1,179)	(17,519)	(3,997)	(15,745)	(8,177)
Joint ventures - taxation	(4,631)	(9,638)	(6,560)	(7,521)	(4,185)	(2,874)	(2,918)	(7,853)	(4,301)	1,337	(2,481)
<b>Share of results of joint ventures</b>	<b>32,077</b>	<b>32,077</b>	<b>23,995</b>	<b>23,320</b>	<b>14,943</b>	<b>20,366</b>	<b>13,613</b>	<b>(3,918)</b>	<b>12,373</b>	<b>10,776</b>	<b>8,901</b>

Source: Metro, FPA

**Profit/Loss from operations before taxation:**

Accordingly, profit/loss from operations before taxation fell by S\$19.9 million to a loss of S\$12.9 million in 1H FY2026 from a profit of S\$7.0 million in 1H FY2025, mainly due to other net income falling by S\$13.0 million y-o-y, as shown in **Exhibit 25**.

**Exhibit 25: Profit/Loss from Operations Before Taxation (1H FY2025 & 1H FY2026)**

(in S\$ '000)	Actual		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
<b>Gross profit</b>	<b>1,236</b>	<b>2,521</b>	<b>(1,285)</b>	<b>(51.0%)</b>
Other net income	11,621	24,650	(13,029)	(52.9%)
Fair value loss on an investment property	-	-	-	n.m.
Impairment on right-of-use and fixed assets	-	-	-	n.m.
General and administrative expenses	(10,992)	(10,237)	(755)	7.4%
Finance costs	(12,623)	(15,885)	3,262	(20.5%)
<b>Share of results of associates, net of tax</b>	<b>(11,018)</b>	<b>(6,418)</b>	<b>(4,600)</b>	<b>71.7%</b>
<b>Share of results of joint ventures, net of tax</b>	<b>8,901</b>	<b>12,373</b>	<b>(3,472)</b>	<b>(28.1%)</b>
<b>(Loss)/Profit from operations before taxation</b>	<b>(12,875)</b>	<b>7,004</b>	<b>(19,879)</b>	<b>(283.8%)</b>

Source: Metro, FPA

Profit/loss from operations before taxation from 1H FY2021 to 1H FY2026 is shown in **Exhibit 26**.

**Exhibit 26: Profit/Loss from Operations Before Taxation (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
<b>Gross profit</b>	<b>4,934</b>	<b>10,556</b>	<b>4,995</b>	<b>10,309</b>	<b>9,205</b>	<b>11,167</b>	<b>5,111</b>	<b>7,233</b>	<b>2,521</b>	<b>4,497</b>	<b>1,236</b>
Other net income	12,704	18,833	11,664	22,450	9,659	9,701	14,312	9,730	24,650	(12,239)	11,621
Fair value loss on an investment property	-	533	-	(341)	-	776	-	-	-	(2,535)	-
Impairment on right-of-use and fixed assets	-	(4,578)	-	-	-	-	-	-	-	(4,118)	-
General and administrative expenses	(8,680)	(10,962)	(11,035)	(9,984)	(10,599)	(10,776)	(9,950)	(11,319)	(10,237)	(11,745)	(10,992)
Finance costs	(9,757)	(9,616)	(9,801)	(9,367)	(11,043)	(15,813)	(15,359)	(15,631)	(15,885)	(14,545)	(12,623)
<b>Share of results of associates, net of tax</b>	<b>(7,531)</b>	<b>(13,028)</b>	<b>2,537</b>	<b>(27,043)</b>	<b>8,555</b>	<b>(11,512)</b>	<b>3,217</b>	<b>22,685</b>	<b>(6,418)</b>	<b>(196,938)</b>	<b>(11,018)</b>
<b>Share of results of joint ventures, net of tax</b>	<b>32,077</b>	<b>32,077</b>	<b>23,995</b>	<b>23,320</b>	<b>14,943</b>	<b>20,366</b>	<b>13,613</b>	<b>(3,918)</b>	<b>12,373</b>	<b>10,776</b>	<b>8,901</b>
<b>(Loss)/Profit from operations before taxation</b>	<b>23,747</b>	<b>23,815</b>	<b>22,355</b>	<b>9,344</b>	<b>20,720</b>	<b>11,003</b>	<b>10,944</b>	<b>8,780</b>	<b>7,004</b>	<b>(226,847)</b>	<b>(12,875)</b>

Source: Metro, FPA

**Taxation:**

Taxation fell by 14.1% to S\$3.0 million in 1H FY2026 from S\$3.4 million in 1H FY2025, mainly due to property taxation falling by S\$0.5 million y-o-y, as shown in **Exhibit 27**.

**Exhibit 27: Breakdown of Taxation (1H FY2026 vs 1H FY2025)**

(in S\$ '000)	Actual / Estimate		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
Retail taxation	(2)	(2)	-	-
Property taxation	2,966	3,451	(485)	(14.1%)
<b>Taxation</b>	<b>2,964</b>	<b>3,449</b>	<b>(485)</b>	<b>(14.1%)</b>
(Loss)/Profit before taxation (excl. results from associates & JVs; estimate)	(10,758)	1,049	(11,807)	(1,125.5%)
<b>Effective tax rate</b>	<b>(27.6%)</b>	<b>328.8%</b>	-	-

**(Loss)/Profit before taxation (excl. results from associates & JVs):**

<b>(Loss)/Profit from operations before taxation</b>	<b>(12,875)</b>	<b>7,004</b>	<b>(19,879)</b>	<b>(283.8%)</b>
Deduct: Share of results of associates, net of tax	11,018	6,418	4,600	71.7%
Deduct: Share of results of joint ventures, net of tax	(8,901)	(12,373)	3,472	(28.1%)
<b>(Loss)/Profit before taxation (excl. results from associates &amp; JVs; estimate)</b>	<b>(10,758)</b>	<b>1,049</b>	<b>(11,807)</b>	<b>(1,125.5%)</b>

**Retail & property taxation:**

Retail taxation	(2)	(2)	-	-
Retail segment results	(3,650)	(1,428)	(2,222)	155.6%
<b>Retail effective tax rate (estimate)</b>	<b>0.1%</b>	<b>0.1%</b>	-	-

Property taxation	2,966	3,451	(485)	(14.1%)
Property segment results (excl. net change in FV and forex gain/loss; est.)	4,964	17,958	(12,994)	(72.4%)
<b>Property effective tax rate (estimate)</b>	<b>59.8%</b>	<b>19.2%</b>	-	-

<b>Property segment results</b>	<b>5,515</b>	<b>18,362</b>	<b>(12,847)</b>	<b>(70.0%)</b>
Deduct: Net change in fair value of investments at FVPL - LT investments	105	989	(884)	(89.4%)
Deduct: Net change in fair value of investments at FVPL - ST investments	(682)	(370)	(312)	84.3%
Deduct: Foreign exchange (loss)/gain	26	(1,023)	1,049	(102.5%)
<b>Property segment results (excl. net change in FV and forex gain/loss; est.)</b>	<b>4,964</b>	<b>17,958</b>	<b>(12,994)</b>	<b>(72.4%)</b>

Source: Metro, FPA

We estimate that the effective tax rate of the property segment has generally been higher than that of the retail segment from 1H FY2021 to 1H FY2026 (except in 2H FY2023), as shown in **Exhibit 28**.

**Exhibit 28: Estimated Breakdown of Taxation (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual / Estimate										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Retail taxation	-	(789)	-	(1,068)	464	973	47	182	(2)	(760)	(2)
Property taxation	3,924	7,432	3,971	5,145	3,451	1,491	2,736	2,147	3,451	2,129	2,966
<b>Taxation</b>	<b>3,924</b>	<b>6,643</b>	<b>3,971</b>	<b>4,077</b>	<b>3,915</b>	<b>2,464</b>	<b>2,783</b>	<b>2,329</b>	<b>3,449</b>	<b>1,369</b>	<b>2,964</b>
(Loss)/Profit before taxation (excl. results from associates & JVs; estimate)	(799)	4,766	(4,177)	13,067	(2,778)	2,149	(5,886)	(9,987)	1,049	(40,685)	(10,758)
<b>Effective tax rate</b>	<b>(491.1%)</b>	<b>139.4%</b>	<b>(95.1%)</b>	<b>31.2%</b>	<b>(140.9%)</b>	<b>114.7%</b>	<b>(47.3%)</b>	<b>(23.3%)</b>	<b>328.8%</b>	<b>(3.4%)</b>	<b>(27.6%)</b>
<b>(Loss)/Profit before taxation (excl. results from associates &amp; JVs):</b>											
(Loss)/Profit from operations before taxation	23,747	23,815	22,355	9,344	20,720	11,003	10,944	8,780	7,004	(226,847)	(12,875)
Deduct: Share of results of associates, net of tax	7,531	13,028	(2,537)	27,043	(8,555)	11,512	(3,217)	(22,685)	6,418	196,938	11,018
Deduct: Share of results of joint ventures, net of tax	(32,077)	(32,077)	(23,995)	(23,320)	(14,943)	(20,366)	(13,613)	3,918	(12,373)	(10,776)	(8,901)
<b>(Loss)/Profit before taxation (excl. results from associates &amp; JVs; estimate)</b>	<b>(799)</b>	<b>4,766</b>	<b>(4,177)</b>	<b>13,067</b>	<b>(2,778)</b>	<b>2,149</b>	<b>(5,886)</b>	<b>(9,987)</b>	<b>1,049</b>	<b>(40,685)</b>	<b>(10,758)</b>
<b>Retail &amp; property taxation:</b>											
Retail taxation	-	(789)	-	(1,068)	464	973	47	182	(2)	(760)	(2)
Retail segment results	(766)	349	(723)	4,937	3,295	5,523	674	2,721	(1,428)	(4,053)	(3,650)
<b>Retail effective tax rate (estimate)</b>	<b>-</b>	<b>(226.1%)</b>	<b>-</b>	<b>(21.6%)</b>	<b>14.1%</b>	<b>17.6%</b>	<b>7.0%</b>	<b>6.7%</b>	<b>0.1%</b>	<b>18.8%</b>	<b>0.1%</b>
Property taxation	3,924	7,432	3,971	5,145	3,451	1,491	2,736	2,147	3,451	2,129	2,966
Property segment results (excl. net change in FV and forex gain/loss; est.)	9,885	12,928	9,969	16,154	11,288	14,606	11,872	8,748	17,958	4,100	4,964
<b>Property effective tax rate (estimate)</b>	<b>39.7%</b>	<b>57.5%</b>	<b>39.8%</b>	<b>31.8%</b>	<b>30.6%</b>	<b>10.2%</b>	<b>23.0%</b>	<b>24.5%</b>	<b>19.2%</b>	<b>51.9%</b>	<b>59.8%</b>
<b>Property segment results</b>	<b>9,724</b>	<b>13,500</b>	<b>6,347</b>	<b>17,838</b>	<b>4,970</b>	<b>4,569</b>	<b>8,799</b>	<b>2,923</b>	<b>18,362</b>	<b>(19,552)</b>	<b>5,515</b>
Deduct: Net change in fair value of investments at FVPL - LT investments	3,976	3,482	3,555	(840)	1,878	9,950	(248)	5,701	989	22,181	105
Deduct: Net change in fair value of investments at FVPL - ST investments	(2,934)	(2,010)	763	(1,324)	1,841	72	565	224	(370)	(1,021)	(682)
Deduct: Foreign exchange (loss)/gain	(881)	(2,044)	(696)	480	2,599	15	2,756	(100)	(1,023)	2,492	26
<b>Property segment results (excl. net change in FV and forex gain/loss; est.)</b>	<b>9,885</b>	<b>12,928</b>	<b>9,969</b>	<b>16,154</b>	<b>11,288</b>	<b>14,606</b>	<b>11,872</b>	<b>8,748</b>	<b>17,958</b>	<b>4,100</b>	<b>4,964</b>

Source: Metro, FPA

**Loss/Profit net of taxation and attributable to owners of the Company, as well as Earnings/(Loss) Per Share ("EPS"):**

Accordingly, loss/profit net of taxation fell by S\$19.4 million to a loss of S\$15.8 million in 1H FY2026 from a profit of S\$3.6 million in 1H FY2025, as shown in **Exhibit 29**. Loss/Profit attributable to Non-Controlling Interests ("NCI") may relate to the 10.0% interest in Trans Park Juanda, Bekasi, and Trans Park Bintaro not owned by Metro. After deducting loss/profit attributable to NCI, loss/profit attributable to owners of the Company fell by S\$19.3 million to a loss of S\$16.0 million in 1H FY2026 from a profit of S\$3.3 million in 1H FY2025.

Accordingly, EPS (cents) fell by 2.3 y-o-y to negative 1.9 in 1H FY2026, as also shown in **Exhibit 29**.

**Exhibit 29: (Loss)/Profit Net of Taxation and Attributable to Owners of the Company (1H FY2026 vs 1H FY2025)**

(in S\$ '000)	Actual		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
<b>(Loss)/Profit from operations before taxation</b>	<b>(12,875)</b>	<b>7,004</b>	<b>(19,879)</b>	<b>(283.8%)</b>
Taxation	(2,964)	(3,449)	485	(14.1%)
<b>(Loss)/Profit net of taxation</b>	<b>(15,839)</b>	<b>3,555</b>	<b>(19,394)</b>	<b>(545.5%)</b>
Owners of the Company	(16,002)	3,310	(19,312)	(583.4%)
Non-Controlling Interests ("NCI")	163	245	(82)	(33.5%)
<b>(Loss)/Profit net of taxation</b>	<b>(15,839)</b>	<b>3,555</b>	<b>(19,394)</b>	<b>(545.5%)</b>
<b>Weighted average number of shares (basic &amp; diluted)</b>	<b>828,035,874</b>	<b>828,035,874</b>	-	-
<b>Earnings/(Loss) Per Share (basic &amp; diluted "EPS" in cents)</b>	<b>(1.9)</b>	<b>0.4</b>	<b>(2.3)</b>	<b>(583.4%)</b>

Source: Metro, FPA

Loss/Profit net of taxation and attributable to owners of the Company, as well as EPS, from 1H FY2021 to 1H FY2026, are shown in **Exhibit 30**.

**Exhibit 30: (Loss)/Profit Net of Taxation and Attributable to Owners of the Company (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual											
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	
(Loss)/Profit from operations before taxation	23,747	23,815	22,355	9,344	20,720	11,003	10,944	8,780	7,004	(228,847)	(12,875)	
Taxation	(3,924)	(6,643)	(3,971)	(4,077)	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)	(2,964)	
<b>(Loss)/Profit net of taxation</b>	<b>19,823</b>	<b>17,172</b>	<b>18,384</b>	<b>5,267</b>	<b>16,805</b>	<b>8,539</b>	<b>8,161</b>	<b>6,451</b>	<b>3,555</b>	<b>(228,216)</b>	<b>(15,839)</b>	
Owners of the Company	19,783	16,969	18,335	5,365	16,887	8,264	8,192	6,361	3,310	(228,146)	(16,002)	
Non-Controlling Interests ("NCI")	40	203	49	(98)	(82)	275	(31)	90	245	(70)	163	
<b>(Loss)/Profit net of taxation</b>	<b>19,823</b>	<b>17,172</b>	<b>18,384</b>	<b>5,267</b>	<b>16,805</b>	<b>8,539</b>	<b>8,161</b>	<b>6,451</b>	<b>3,555</b>	<b>(228,216)</b>	<b>(15,839)</b>	
<b>Weighted average number of shares (basic &amp; diluted)</b>	<b>828,035,874</b>											
<b>Earnings/(Loss) Per Share (basic &amp; diluted "EPS" in cents)</b>	<b>2.4</b>	<b>2.0</b>	<b>2.2</b>	<b>0.6</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.8</b>	<b>0.4</b>	<b>(27.6)</b>	<b>(1.9)</b>	

Source: Metro, FPA

**Dividend Per Share ("DPS"):**

Metro did not declare any dividend for 1H FY2026. Metro noted that it "usually declares dividend at financial year end." Payout ratio exceeded 100.0% in FY2022 and FY2024, as shown in **Exhibit 31**.

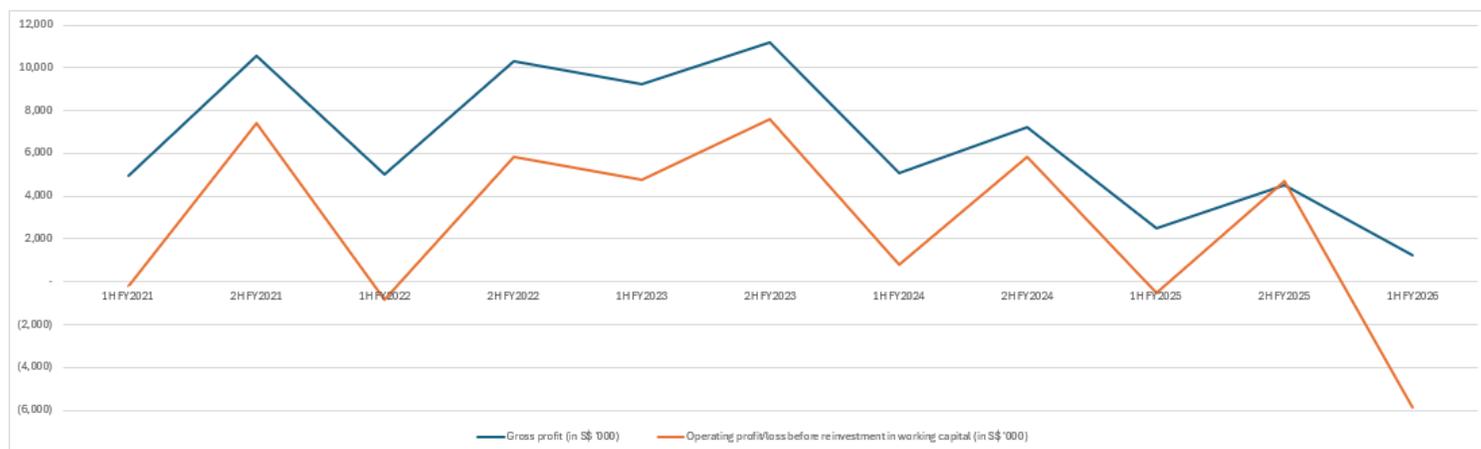
**Exhibit 31: Dividend Per Share (FY2021 to FY2025)**

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Dividend Per Share ("DPS" in cents)	2.25	3.00	2.25	2.00	2.00
Earnings/(Loss) Per Share ("EPS" in cents)	4.40	2.90	3.00	1.80	(27.20)
<b>Payout ratio</b>	<b>51.1%</b>	<b>103.4%</b>	<b>75.0%</b>	<b>111.1%</b>	<b>(7.4%)</b>

Source: Metro, FPA

However, EPS may be influenced by non-cash items such as fair value adjustments, which may play only a minor role (if any) in determining cash dividends. Thus, we briefly review Metro's cash flows statement to discuss dividends.

Operating profit/loss before reinvestment in working capital generally trended with gross profit, as shown in **Exhibit 32** (top). A reconciliation between the former and the latter is shown in **Exhibit 32** (bottom).

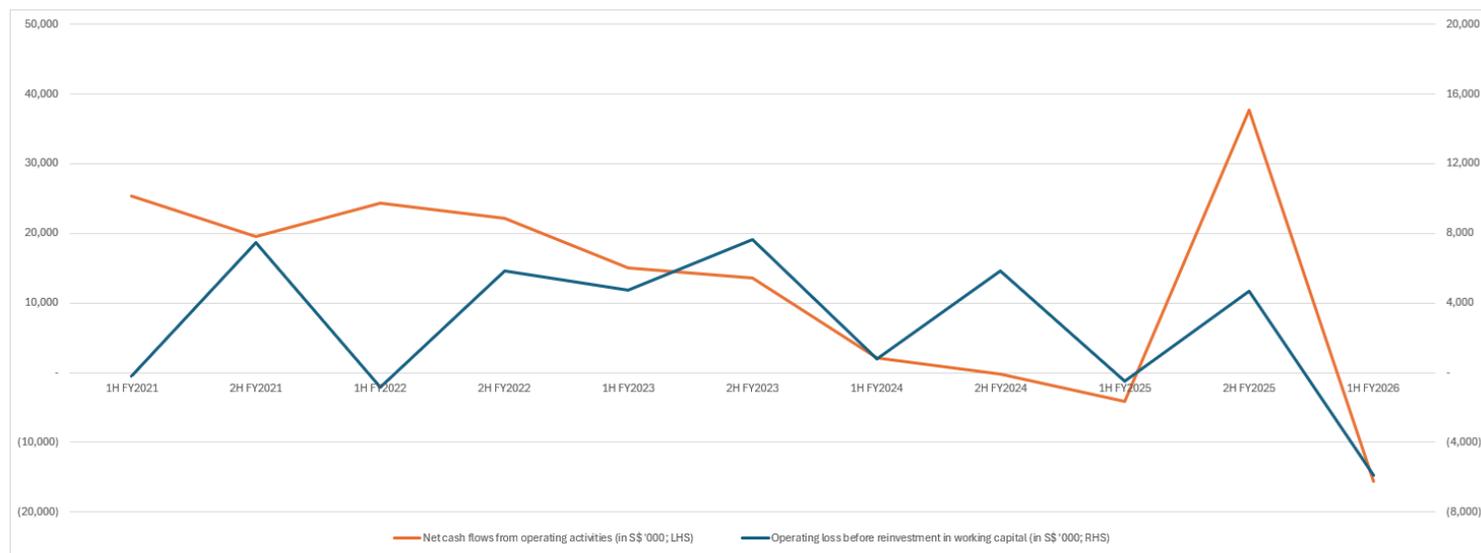
**Exhibit 32: Operating Profit/Loss Before Reinvestment in Working Capital vs Gross Profit (1H FY2021 to 1H FY2026)**

(in S\$ '000)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
<b>Gross profit</b>	<b>4,934</b>	<b>10,556</b>	<b>4,995</b>	<b>10,309</b>	<b>9,205</b>	<b>11,167</b>	<b>5,111</b>	<b>7,233</b>	<b>2,521</b>	<b>4,497</b>	<b>1,236</b>
Foreign exchange (loss)/gain	881	2,044	696	(480)	(2,599)	(15)	(2,756)	100	1,023	(2,492)	(26)
Other rental income	6	-	-	-	362	577	666	682	772	629	485
Sundry income	309	3,896	810	727	679	983	695	1,298	1,287	1,132	532
General and administrative expenses	(8,680)	(10,962)	(11,035)	(9,984)	(10,599)	(10,776)	(9,950)	(11,319)	(10,237)	(11,745)	(10,992)
<b>Gross profit (after deducting selected items)</b>	<b>(2,550)</b>	<b>5,534</b>	<b>(4,534)</b>	<b>572</b>	<b>(2,952)</b>	<b>1,936</b>	<b>(6,234)</b>	<b>(2,006)</b>	<b>(4,634)</b>	<b>(7,979)</b>	<b>(8,765)</b>
<b>Operating profit/loss before reinvestment in working capital</b>	<b>(189)</b>	<b>7,439</b>	<b>(828)</b>	<b>5,838</b>	<b>4,739</b>	<b>7,623</b>	<b>812</b>	<b>5,858</b>	<b>(490)</b>	<b>4,697</b>	<b>(5,866)</b>
Deduct: Depreciation of plant and equipment	(364)	(807)	(628)	(581)	(604)	(590)	(556)	(425)	(435)	(408)	(361)
Deduct: Depreciation of right-of-use assets	(2,214)	(3,537)	(3,466)	(4,365)	(4,281)	(5,263)	(5,266)	(5,227)	(5,311)	(5,335)	(4,233)
Deduct: Impairment of plant and equipment (set as nil in 2H FY2025)	-	(138)	-	-	-	-	-	-	-	-	-
Deduct: Gain on disposal of plant and equipment	1	-	-	-	-	-	-	-	-	-	-
Deduct: Inventories written down	(215)	55	(43)	(182)	(47)	(37)	(77)	(44)	(55)	(87)	(27)
Deduct: Allowance for/(write-back of) obsolete inventories	(11)	556	195	86	191	93	(40)	37	25	75	(107)
Deduct: (Write-back of)/allowance for doubtful debts	-	(18)	(3)	2	(23)	-	-	-	(18)	(5)	5
Deduct: Plant and equipment written off	(2)	-	(1)	-	-	-	-	-	-	-	-
Deduct: Unrealised foreign exchange adjustments	444	1,984	240	(226)	(2,927)	110	(1,107)	(2,205)	1,650	(6,916)	1,824
<b>Gross profit (after deducting selected items)</b>	<b>(2,550)</b>	<b>5,534</b>	<b>(4,534)</b>	<b>572</b>	<b>(2,952)</b>	<b>1,936</b>	<b>(6,234)</b>	<b>(2,006)</b>	<b>(4,634)</b>	<b>(7,979)</b>	<b>(8,765)</b>

Source: Metro, FPA

However, net cash flows from operating activities generally fell from 1H FY2021 to 1H FY2026 despite fluctuations in operating profit/loss before reinvestment in working capital, as shown in **Exhibit 33**.

**Exhibit 33: Net Cash Flows from Operating Activities (1H FY2021 to 1H FY2026)**



(in S\$ '000)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
<b>Operating profit/loss before reinvestment in working capital</b>	(189)	7,439	(828)	5,838	4,739	7,623	812	5,858	(490)	4,697	(5,866)
Decrease in development properties	6,341	7,686	1,675	4,256	2,451	2,532	1,449	2,625	614	1,697	600
Increase in inventories	(7)	1,529	768	(771)	(1,360)	(642)	1,055	(223)	(130)	1,042	(1,747)
Decrease/(Increase) in accounts and other receivables	7,535	11,513	4,189	9,085	689	4,956	4,112	(951)	(8,095)	(2,042)	1,547
Decrease in accounts and other payables	9,655	(8,872)	6,945	(5,984)	5,936	(2,784)	(1,956)	(1,898)	(3,179)	33,087	(3,062)
<b>Cash flows used in operations</b>	<b>23,335</b>	<b>19,295</b>	<b>12,749</b>	<b>12,424</b>	<b>12,455</b>	<b>11,685</b>	<b>5,472</b>	<b>5,411</b>	<b>(11,280)</b>	<b>38,481</b>	<b>(8,528)</b>
Interest expense paid	(8,785)	(8,985)	(9,103)	(11,531)	(10,681)	(15,745)	(14,802)	(16,329)	(15,076)	(14,637)	(12,306)
Interest income received	14,602	11,140	24,900	22,062	16,227	17,717	16,542	15,190	23,987	17,330	6,160
Income taxes paid	(3,820)	(1,845)	(4,284)	(844)	(2,998)	(121)	(5,113)	(4,442)	(1,730)	(3,458)	(856)
<b>Net cash flows from operating activities</b>	<b>25,332</b>	<b>19,605</b>	<b>24,262</b>	<b>22,111</b>	<b>15,003</b>	<b>13,536</b>	<b>2,099</b>	<b>(170)</b>	<b>(4,099)</b>	<b>37,716</b>	<b>(15,530)</b>

(in S\$ '000)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
(A) Decrease in development properties	6,341	7,686	1,675	4,256	2,451	2,532	1,449	2,625	614	1,697	600
(B) Revenue - Sale of property rights	8,227	9,697	2,149	5,506	3,467	3,367	1,827	3,163	871	2,111	730
<b>A as a % of B</b>	<b>77.1%</b>	<b>79.3%</b>	<b>77.9%</b>	<b>77.3%</b>	<b>70.7%</b>	<b>75.2%</b>	<b>79.3%</b>	<b>83.0%</b>	<b>70.5%</b>	<b>80.4%</b>	<b>82.2%</b>
(C) Interest expense paid	(8,785)	(8,985)	(9,103)	(11,531)	(10,681)	(15,745)	(14,802)	(16,329)	(15,076)	(14,637)	(12,306)
(D) Finance costs	(9,757)	(9,616)	(9,801)	(9,367)	(11,043)	(15,813)	(15,359)	(15,631)	(15,885)	(14,545)	(12,623)
<b>C as a % of D</b>	<b>90.0%</b>	<b>93.4%</b>	<b>92.9%</b>	<b>123.1%</b>	<b>96.7%</b>	<b>99.6%</b>	<b>96.4%</b>	<b>104.5%</b>	<b>94.9%</b>	<b>100.6%</b>	<b>97.5%</b>
(E) Interest income received	14,602	11,140	24,900	22,062	16,227	17,717	16,542	15,190	23,987	17,330	6,160
(F) Interest income from financial instruments at amortised cost	10,529	9,417	10,004	10,821	9,951	14,254	12,918	11,258	20,025	7,781	6,275
<b>E as a % of F</b>	<b>138.7%</b>	<b>118.3%</b>	<b>248.9%</b>	<b>203.9%</b>	<b>163.1%</b>	<b>124.3%</b>	<b>128.1%</b>	<b>134.9%</b>	<b>119.8%</b>	<b>222.7%</b>	<b>98.2%</b>
(G) Income taxes paid	(3,820)	(1,845)	(4,284)	(844)	(2,998)	(121)	(5,113)	(4,442)	(1,730)	(3,458)	(856)
(H) Taxation	(3,924)	(6,643)	(3,971)	(4,077)	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)	(2,964)
<b>G as a % of H</b>	<b>97.3%</b>	<b>27.8%</b>	<b>107.9%</b>	<b>20.7%</b>	<b>76.6%</b>	<b>4.9%</b>	<b>183.7%</b>	<b>190.7%</b>	<b>50.2%</b>	<b>252.6%</b>	<b>28.9%</b>

Source: Metro, FPA

While Metro has been receiving dividends from its long-term & short-term investments, as well as from associates & joint ventures, its amounts due from joint ventures have also been increasing, as shown in **Exhibit 34**.

Meanwhile, Metro has also been refinancing its loans, as may also be seen in **Exhibit 34**.

### Exhibit 34: Net Cash Flows from or used in Investing and Financing Activities (1H FY2021 to 1H FY2026)

(in S\$ '000)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Purchase of plant & equipment	(1,035)	(1,500)	(108)	(380)	(539)	(512)	(76)	(405)	(862)	(590)	(343)
Proceeds from disposal of long term investments	210	2,903	(15,224)	(31,005)	(6,031)	732	(1,113)	2	2,886	257	1,982
Redemption of short term investments	-	-	-	-	-	-	-	-	-	-	1,298
Proceeds from disposal of short term investments	-	-	-	-	-	-	-	-	-	-	9,943
Proceeds from disposal of plant and equipment	1	-	-	-	-	-	-	-	-	-	-
Investment in associates	2,335	(26,116)	(2,038)	(69,601)	(11,543)	(5,581)	(988)	(15,884)	10,957	-	-
Investment in joint venture	-	-	-	-	-	-	-	(33,627)	-	(14,763)	-
(Increase)/Decrease in amounts due from associates	(20,802)	(83,038)	(176,561)	50,717	(3,582)	(16,101)	2,289	(7,950)	1,596	(1,177)	(3,114)
(Increase)/Decrease in amounts due from joint ventures	76,301	26,563	8,431	(4,550)	(3,408)	(1,958)	(17,415)	(2,884)	(8,249)	(15,398)	(5,893)
(Decrease)/Increase in amounts due to joint ventures	14,933	33,780	18,720	-	-	-	-	-	-	-	-
Dividends received from LT investments	1,804	4,492	4,157	8,882	4,335	3,236	2,387	1,682	1,543	1,208	1,319
Dividends received from ST investments	217	456	315	336	359	388	432	388	385	406	385
Dividends received from associates	5,163	3,112	4,702	5,277	3,703	1,808	2,080	725	2,212	911	828
Dividends received from joint ventures	2,108	-	-	2,280	15,181	14,611	20,103	30,061	-	26,671	160
<b>Net cash flows from/used in investing activities</b>	<b>81,215</b>	<b>(39,348)</b>	<b>(157,606)</b>	<b>(38,044)</b>	<b>(1,525)</b>	<b>(3,377)</b>	<b>7,699</b>	<b>(27,892)</b>	<b>10,468</b>	<b>(2,475)</b>	<b>6,565</b>
(Repayment)/drawdown of short term borrowings (net)	(2)	12,276	(31,720)	(1,589)	20,138	(3,305)	(55,727)	65,000	5,000	(100,000)	(29,736)
Drawdown of long term borrowings	-	-	117,015	150,000	-	-	6,608	180,000	-	110,000	-
Redemption of \$150 million 4% Notes due 2021	-	-	-	(150,000)	-	-	-	-	-	-	-
Redemption of \$200 million 4.3% Notes due 2024	-	-	-	-	-	-	-	(200,000)	-	-	-
Payment of lease liabilities	(2,867)	(5,318)	(3,277)	(5,351)	(5,298)	(6,351)	(6,386)	(6,296)	(6,578)	(6,568)	(6,692)
Dividends paid	(16,561)	-	(18,631)	-	(24,841)	-	(18,631)	-	(16,561)	-	(16,561)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(887)
Capital reduction by non-controlling interest	(1,496)	-	-	(3,379)	-	-	-	-	-	-	-
<b>Net cash flows from/used in financing activities</b>	<b>(20,926)</b>	<b>6,958</b>	<b>63,387</b>	<b>(10,319)</b>	<b>(10,001)</b>	<b>(9,656)</b>	<b>(74,136)</b>	<b>38,704</b>	<b>(18,139)</b>	<b>3,432</b>	<b>(53,876)</b>

Source: Metro, FPA

Overall, Metro's cash & cash equivalents generally fell from 1H FY2021 to 1H FY2026, as shown in **Exhibit 35**.

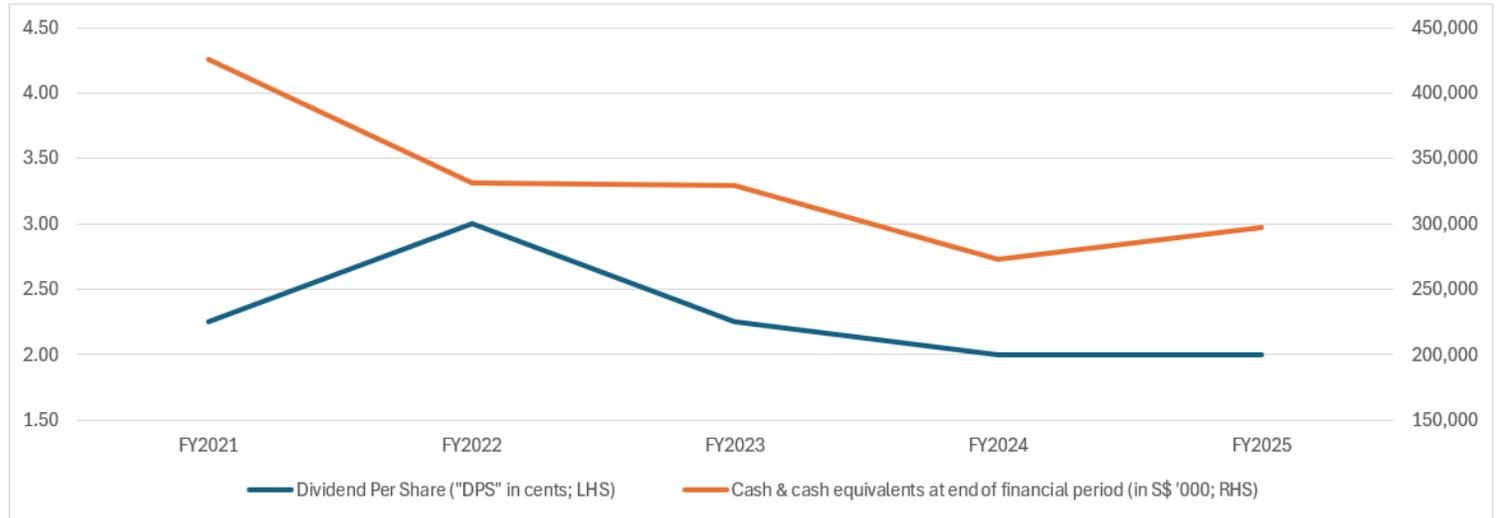
### Exhibit 35: Cash & Cash Equivalents (1H FY2021 to 1H FY2026)

(in S\$ '000)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026
Net cash flows used in operating activities	25,332	19,605	24,262	22,111	15,003	13,536	2,099	(170)	(4,099)	37,716	(15,530)
Net cash flows from investing activities	81,215	(39,348)	(157,606)	(38,044)	(1,525)	(3,377)	7,699	(27,892)	10,468	(2,475)	6,565
Net cash flows used in financing activities	(20,926)	6,958	63,387	(10,319)	(10,001)	(9,656)	(74,136)	38,704	(18,139)	3,432	(53,876)
<b>Net decrease in cash and cash equivalents</b>	<b>85,621</b>	<b>(12,785)</b>	<b>(69,957)</b>	<b>(26,252)</b>	<b>3,477</b>	<b>503</b>	<b>(64,338)</b>	<b>10,642</b>	<b>(11,770)</b>	<b>38,673</b>	<b>(62,841)</b>
Effect of exchange rate changes in cash and cash equivalents	1,869	1,597	1,758	142	(1,545)	(4,490)	(1,679)	(1,243)	(792)	(1,291)	(2,047)
Cash & cash equivalents at beginning of financial period	349,367	436,857	425,669	357,470	331,360	333,292	329,305	263,288	272,687	260,125	297,507
<b>Cash &amp; cash equivalents at end of financial period</b>	<b>436,857</b>	<b>425,669</b>	<b>357,470</b>	<b>331,360</b>	<b>333,292</b>	<b>329,305</b>	<b>263,288</b>	<b>272,687</b>	<b>260,125</b>	<b>297,507</b>	<b>232,619</b>

Source: Metro, FPA

We note that the fall in DPS from FY2022 to FY2024 was generally in line with the fall in cash & cash equivalents in the same period, as shown in **Exhibit 36**.

**Exhibit 36: Dividend Per Share vs Cash & Cash Equivalents (FY2021 to FY2025)**



(in S\$ '000 unless otherwise indicated)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Dividend Per Share ("DPS" in cents)	2.25	3.00	2.25	2.00	2.00
Multiply by: Weighted average number of shares (basic & diluted in units)	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874
<b>Dividends paid/to be paid</b>	<b>18,631</b>	<b>24,841</b>	<b>18,631</b>	<b>16,561</b>	<b>16,561</b>
Cash & cash equivalents at end of financial period	425,669	331,360	329,305	272,687	297,507

Source: Metro, FPA

Metro's financial performance for 1H FY2025 & 1H FY2026 is summarised in **Exhibit 37**.

**Exhibit 37: Financial Performance (1H FY2026 vs 1H FY2025)**

(in S\$ '000)	Actual		1H FY2026 v 1H FY2025	
	1H FY2026	1H FY2025	Absolute Change	Change (%)
Retail	38,786	44,913	(6,127)	(13.6%)
Sale of property rights	730	871	(141)	(16.2%)
Rental income	2,121	2,566	(445)	(17.3%)
<b>Revenue</b>	<b>41,637</b>	<b>48,350</b>	<b>(6,713)</b>	<b>(13.9%)</b>
Cost of revenue	(40,401)	(45,829)	5,428	(11.8%)
<b>Gross profit</b>	<b>1,236</b>	<b>2,521</b>	<b>(1,285)</b>	<b>(51.0%)</b>
Other net income	11,621	24,650	(13,029)	(52.9%)
Fair value loss on an investment property	-	-	-	n.m.
Impairment on right-of-use and fixed assets	-	-	-	n.m.
General and administrative expenses	(10,992)	(10,237)	(755)	7.4%
Finance costs	(12,623)	(15,885)	3,262	(20.5%)
<b>Share of results of associates, net of tax</b>	<b>(11,018)</b>	<b>(6,418)</b>	<b>(4,600)</b>	<b>71.7%</b>
<b>Share of results of joint ventures, net of tax</b>	<b>8,901</b>	<b>12,373</b>	<b>(3,472)</b>	<b>(28.1%)</b>
<b>(Loss)/Profit from operations before taxation</b>	<b>(12,875)</b>	<b>7,004</b>	<b>(19,879)</b>	<b>(283.8%)</b>
Taxation	(2,964)	(3,449)	485	(14.1%)
<b>(Loss)/Profit net of taxation</b>	<b>(15,839)</b>	<b>3,555</b>	<b>(19,394)</b>	<b>(545.5%)</b>
Owners of the Company	(16,002)	3,310	(19,312)	(583.4%)
Non-Controlling Interests ("NCI")	163	245	(82)	(33.5%)
<b>(Loss)/Profit net of taxation</b>	<b>(15,839)</b>	<b>3,555</b>	<b>(19,394)</b>	<b>(545.5%)</b>
<b>Weighted average number of shares (basic &amp; diluted)</b>	<b>828,035,874</b>	<b>828,035,874</b>	-	-
<b>Earnings/(Loss) Per Share (basic &amp; diluted "EPS" in cents)</b>	<b>(1.9)</b>	<b>0.4</b>	<b>(2.3)</b>	<b>(583.4%)</b>

Source: Metro, FPA

## FINANCIAL PROJECTIONS

### (I) REVENUE PROJECTION

We assume that the y-o-y growth in both sales of goods and gross revenue from concessionaire sales from 2H FY2026 to 2H FY2027 will be negative 0.7% in 2H FY2026, positive 1.2% in 1H FY2027, and negative 0.4% in 2H FY2027, the same rates as for RSI (department stores) (as mentioned on page 7). We also assume that net commission from concessionaires as a percentage of gross revenue from concessionaire sales from 2H FY2026 to 2H FY2027 will be the same as the average of 1H FY2024 to 1H FY2026.

Thus, we project that retail revenue will rise to S\$51.3 million in 2H FY2026 (totalling S\$90.1 million in FY2026), S\$39.7 million in 1H FY2027, and S\$51.1 million in 2H FY2027 (totalling S\$90.7 million in FY2027), as shown in **Exhibit 38**.

#### **Exhibit 38: Projected Retail Revenue (2H FY2026 to 2H FY2027)**

(in S\$ '000)	Actual / Estimate						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Retail - Sale of goods	35,156	41,036	34,330	45,287	35,287	39,415	30,797	39,150	31,158	38,976
Retail - Net commission from concessionaires	12,152	15,636	11,264	14,560	9,626	12,182	7,989	12,165	8,497	12,111
<b>Retail revenue</b>	<b>47,308</b>	<b>56,672</b>	<b>45,594</b>	<b>59,847</b>	<b>44,913</b>	<b>51,597</b>	<b>38,786</b>	<b>51,315</b>	<b>39,656</b>	<b>51,087</b>
(A) Retail - Net commission from concessionaires	12,152	15,636	11,264	14,560	9,626	12,182	7,989	12,165	8,497	12,111
(B) Gross revenue from concessionaire sales	42,752	55,826	40,188	54,534	36,551	46,144	31,642	45,833	32,013	45,630
<b>A as a % of B</b>	<b>28.4%</b>	<b>28.0%</b>	<b>28.0%</b>	<b>26.7%</b>	<b>26.3%</b>	<b>26.4%</b>	<b>25.2%</b>	<b>26.5%</b>	<b>26.5%</b>	<b>26.5%</b>

Source: Metro, FPA

We assume that the average SGD-to-IDR exchange rate for 2H FY2026 will be the to-date average from 1 October 2025 to 13 February 2026, and that the average rate in 1H & 2H FY2027 will be the same as at 13 February 2026. Thereafter, we assume that sale of property rights (in IDR) in 2H FY2026 & 2H FY2027 will be the same as in 2H FY2025, and that sale of property rights (in IDR) in 1H FY2027 will be the same as in 1H FY2026.

Thus, we project that sale of property rights will be S\$2.0 million in 2H FY2026 (totalling S\$2.7 million in FY2026), S\$0.7 million in 1H FY2027, and S\$1.9 million in 2H FY2027 (totalling S\$2.6 million in FY2027), as shown in **Exhibit 39**.

We assume that the average SGD-to-RMB exchange rate for 2H FY2026 will be the to-date average from 1 October 2025 to 13 February 2026, and that the average rate in 1H & 2H FY2027 will be the same as at 13 February 2026. Thereafter, we assume that the y-o-y growth in rental income (in RMB) from 2H FY2026 to 2H FY2027 will be negative 11.4% in 2H FY2026, negative 9.3% in 1H FY2027, and negative 7.1% in 2H FY2027, the same rates as for Guangzhou office rents (as mentioned on page 9).

Thus, we project that rental income will be S\$2.1 million in 2H FY2026 (totalling S\$4.3 million in FY2026), S\$2.0 million in 1H FY2027, and S\$2.0 million in 2H FY2027 (totalling S\$3.9 million in FY2027), as also shown in **Exhibit 39**.

Accordingly, we project that revenue will be S\$55.4 million in 2H FY2026 (totalling S\$97.0 million in FY2026), S\$42.3 million in 1H FY2027, and S\$55.0 million in 2H FY2027 (totalling S\$97.3 million in FY2027), as also shown in **Exhibit 39**.

#### **Exhibit 39: Projected Revenue (2H FY2026 to 2H FY2027)**

(in S\$ '000 unless otherwise indicated)	Actual / Estimate						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Retail	47,308	56,672	45,594	59,847	44,913	51,597	38,786	51,315	39,656	51,087
Sale of property rights	3,467	3,367	1,827	3,163	871	2,111	730	1,953	696	1,898
Rental income	3,112	3,311	2,740	2,737	2,566	2,446	2,121	2,139	1,960	1,986
<b>Revenue</b>	<b>53,887</b>	<b>63,350</b>	<b>50,161</b>	<b>65,747</b>	<b>48,350</b>	<b>56,154</b>	<b>41,637</b>	<b>55,407</b>	<b>42,312</b>	<b>54,971</b>
SGD-to-IDR exchange rate (average)	10,633.846	11,313.211	11,195.252	11,615.804	11,952.733	11,973.110	12,700.660	12,941.362	13,317.915	13,317.915
SGD-to-RMB exchange rate (average)	4.840	5.121	5.270	5.284	5.342	5.395	5.568	5.464	5.466	5.466
Sale of property rights (in IDR million; estimate)	36,868	38,092	20,454	36,741	10,411	25,275	9,271	25,275	9,271	25,275
Rental income (in RMB '000; estimate)	15,062	16,955	14,439	14,463	13,707	13,196	11,809	11,689	10,713	10,858

Source: Metro, Yahoo! Finance (exchange rates), FPA

**(II) GROSS PROFIT PROJECTION**

We assume that the depreciation of ROU assets in each of 2H FY2026 to 2H FY2027 will be the same as the average of 1H FY2024 to 1H FY2026.

However, as gross margin for retail (excluding depreciation of ROU assets) has generally been falling from 2H FY2023 to 1H FY2026, we assume that the margin from 2H FY2026 to 2H FY2027 will be the same as in 1H FY2026.

We assume that the gross margins of sale of property rights and rental income from 2H FY2026 to 2H FY2027 will be the same as the respective averages of 1H FY2024 to 1H FY2026.

Thus, we project that gross profit will be S\$1.7 million in 2H FY2026 (totalling S\$3.0 million in FY2026), S\$0.4 million in 1H FY2027, and S\$1.6 million in 2H FY2027 (totalling S\$1.9 million in FY2027), as shown in **Exhibit 40**.

**Exhibit 40: Projected Gross Profit (2H FY2026 to 2H FY2027)**

(in S\$ '000)	Actual / Estimate						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Gross profit - retail (estimate)	5,859	7,871	2,592	4,873	219	2,345	(572)	(231)	(1,331)	(252)
Gross profit - property rights (estimate)	752	555	246	101	174	232	84	231	82	224
Gross profit - rental income (estimate)	2,594	2,741	2,273	2,259	2,128	1,920	1,724	1,746	1,600	1,622
<b>Gross profit</b>	<b>9,205</b>	<b>11,167</b>	<b>5,111</b>	<b>7,233</b>	<b>2,521</b>	<b>4,497</b>	<b>1,236</b>	<b>1,747</b>	<b>351</b>	<b>1,594</b>
<b>Breakdown of gross profit:</b>										
Retail revenue	47,308	56,672	45,594	59,847	44,913	51,597	38,786	51,315	39,656	51,087
Cost of revenue - retail	(41,449)	(48,801)	(43,002)	(54,974)	(44,694)	(49,252)	(39,358)	(51,546)	(40,987)	(51,339)
<b>Gross profit - retail (estimate)</b>	<b>5,859</b>	<b>7,871</b>	<b>2,592</b>	<b>4,873</b>	<b>219</b>	<b>2,345</b>	<b>(572)</b>	<b>(231)</b>	<b>(1,331)</b>	<b>(252)</b>
Add: Depreciation of Right-of-Use ("ROU") assets	4,281	5,263	5,266	5,227	5,311	5,335	4,233	5,074	5,074	5,074
<b>Gross profit - retail (excl. depreciation of ROU assets; estimate)</b>	<b>10,140</b>	<b>13,134</b>	<b>7,858</b>	<b>10,100</b>	<b>5,530</b>	<b>7,680</b>	<b>3,661</b>	<b>4,844</b>	<b>3,743</b>	<b>4,822</b>
<b>Gross margin - retail</b>	<b>12.4%</b>	<b>13.9%</b>	<b>5.7%</b>	<b>8.1%</b>	<b>0.5%</b>	<b>4.5%</b>	<b>(1.5%)</b>	<b>(0.4%)</b>	<b>(3.4%)</b>	<b>(0.5%)</b>
<b>Gross margin - retail (excl. depreciation of ROU assets; estimate)</b>	<b>21.4%</b>	<b>23.2%</b>	<b>17.2%</b>	<b>16.9%</b>	<b>12.3%</b>	<b>14.9%</b>	<b>9.4%</b>	<b>9.4%</b>	<b>9.4%</b>	<b>9.4%</b>
Sale of property rights	3,467	3,367	1,827	3,163	871	2,111	730	1,953	696	1,898
Cost of revenue - cost of property rights sold	(2,715)	(2,812)	(1,581)	(3,062)	(697)	(1,879)	(646)	(1,722)	(614)	(1,673)
<b>Gross profit - property rights (estimate)</b>	<b>752</b>	<b>555</b>	<b>246</b>	<b>101</b>	<b>174</b>	<b>232</b>	<b>84</b>	<b>231</b>	<b>82</b>	<b>224</b>
<b>Gross margin - property rights</b>	<b>21.7%</b>	<b>16.5%</b>	<b>13.5%</b>	<b>3.2%</b>	<b>20.0%</b>	<b>11.0%</b>	<b>11.5%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>
Rental income	3,112	3,311	2,740	2,737	2,566	2,446	2,121	2,139	1,960	1,986
Cost of revenue - property rental	(518)	(570)	(467)	(478)	(438)	(526)	(397)	(393)	(360)	(365)
<b>Gross profit - rental income (estimate)</b>	<b>2,594</b>	<b>2,741</b>	<b>2,273</b>	<b>2,259</b>	<b>2,128</b>	<b>1,920</b>	<b>1,724</b>	<b>1,746</b>	<b>1,600</b>	<b>1,622</b>
<b>Gross margin - rental income</b>	<b>83.4%</b>	<b>82.8%</b>	<b>83.0%</b>	<b>82.5%</b>	<b>82.9%</b>	<b>78.5%</b>	<b>81.3%</b>	<b>81.6%</b>	<b>81.6%</b>	<b>81.6%</b>

Source: Metro, FPA

### (III) EARNINGS PROJECTION

#### Other net income:

Metro announced in February 2026 that its indirect wholly-owned subsidiary, Metrobilt Construction Pte Ltd (“Metrobilt Construction”), would divest its Units in Boustead Industrial Fund (“BIF”) and have its BIF Notes redeemed for “approximately S\$116.0 million.” Metro noted that the divestment “is expected to be by March 2026.” BIF is currently an associate of Metro.

Accordingly, we assume that Metro will divest its BIF units and have its BIF notes redeemed at end-2H FY2026, such that Metro will still receive dividend from BIF and interest income from BIF notes in 2H FY2026. However, we also assume that Metro would thereafter receive neither dividend nor interest income from BIF in 1H & 2H FY2027.

We also assume that Metro would earn a gain on sale of associate of S\$6.0 million in 2H FY2026, given that it acquired its BIF units and notes for around S\$110.0 million (S\$76.6 million + S\$17.58 million + S\$15.8 million).

We assume that Metro will receive S\$116.0 million at end-2H FY2026 after divesting its BIF units and notes. Thus, its cash & cash equivalents are expected to rise in 2H FY2026. Our cash & cash equivalent projections are shown separately later.

Given that the annualised effective interest on interest income (others) fell to 1.6% in 2H FY2025 & 1H FY2026, we assume that the annualised effective interest on interest income (others) from 2H FY2026 to 2H FY2027 will remain at 1.6%, the same as the average of 2H FY2025 & 1H FY2026.

Interest income from associates (excluding BIF) fell to S\$0.4 million in 1H FY2026. We assume that interest income from associates (excluding BIF) in each of 2H FY2026 to 2H FY2027 will remain at S\$0.4 million.

We also assume that the following items in each of 2H FY2026 to 2H FY2027 will be their respective averages of 1H FY2024 to 1H FY2026: interest income from joint ventures, dividends from short-term investments, and sundry income. We assume no change in fair value of investments from 2H FY2026 to 2H FY2027.

Other rental income rose from 1H FY2023 to 1H FY2025 before falling to S\$0.5 million in 1H FY2026. We assume that other rental income in each of 2H FY2026 to 2H FY2027 will remain at \$0.5 million, the same as in 1H FY2026.<sup>1</sup>

<sup>1</sup> Sundry income may have followed a similar trend as other rental income from 1H FY2023 to 1H FY2026. However, we note that sundry income may be more erratic as it may comprise more than one item, thus we project it by using its average from 1H FY2024 to 1H FY2026.

Accordingly, we project that other net income will be S\$15.1 million in 2H FY2026 (totalling S\$26.8 million in FY2026), S\$6.9 million in 1H FY2027, and S\$6.7 million in 2H FY2027 (totalling S\$13.6 million in FY2027), as shown in **Exhibit 41**.

**Exhibit 41: Projected Other Net Income (2H FY2026 to 2H FY2027)**

(in S\$ '000)	Actual / Estimate							Projection		
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Interest income from financial instruments at amortised cost	9,951	14,254	12,918	11,258	20,025	7,781	6,275	5,731	3,528	3,290
Dividends, gross (total)	4,985	3,924	3,106	2,317	2,162	1,871	1,955	1,917	1,917	1,917
Net change in fair value of investments at FVPL (total)	(3,719)	(10,022)	(317)	(5,925)	(619)	(21,160)	577	-	-	-
Gain on disposal of short term investment	-	-	-	-	-	-	1,611	-	-	-
Gain on disposal/dissolution of associate	-	-	-	-	-	-	212	6,020	-	-
Foreign exchange (loss)/gain	(2,599)	(15)	(2,756)	100	1,023	(2,492)	(26)	-	-	-
Other rental income	362	577	666	682	772	629	485	485	485	485
Sundry income	679	983	695	1,298	1,287	1,132	532	989	989	989
<b>Other net income</b>	<b>9,659</b>	<b>9,701</b>	<b>14,312</b>	<b>9,730</b>	<b>24,650</b>	<b>(12,239)</b>	<b>11,621</b>	<b>15,142</b>	<b>6,919</b>	<b>6,681</b>
<b>Components of other net income:</b>										
Carrying amount of Boustead Industrial Fund ("BIF") 7.0% note (est. for 1H)	75,660	88,660	88,660	88,660	88,660	88,660	88,660	-	-	-
Multiply by: 7.0% interest + est. 2 payments per year	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-
<b>Interest from Boustead Industrial Fund ("BIF") 7.0% note (estimate)</b>	<b>2,648</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	<b>3,103</b>	-	-
Interest income from associates (excl. BIF note)	3,459	3,004	3,004	2,804	2,698	2,154	387	387	387	387
<b>Interest income from associates</b>	<b>6,107</b>	<b>6,107</b>	<b>6,107</b>	<b>5,907</b>	<b>5,801</b>	<b>5,257</b>	<b>3,490</b>	<b>3,490</b>	<b>387</b>	<b>387</b>
Interest income from joint ventures	321	377	420	409	261	434	455	396	396	396
Interest income (others; estimate)	3,523	7,770	6,391	4,942	13,963	2,090	2,330	1,845	2,746	2,507
<b>Interest income from financial instruments at amortised cost</b>	<b>9,951</b>	<b>14,254</b>	<b>12,918</b>	<b>11,258</b>	<b>20,025</b>	<b>7,781</b>	<b>6,275</b>	<b>5,731</b>	<b>3,528</b>	<b>3,290</b>
Interest income (others; estimate)	3,523	7,770	6,391	4,942	13,963	2,090	2,330	1,845	2,746	2,507
Cash & cash equivalents at end of financial period (prev. period)	331,360	333,292	329,305	263,288	272,687	260,125	297,507	232,619	346,090	316,039
<b>Annualised effective interest on interest income (others)</b>	<b>2.1%</b>	<b>4.7%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>10.2%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>
Dividends, gross, from LT investments	4,626	3,536	2,674	1,929	1,777	1,465	1,571	1,518	1,518	1,518
Dividends, gross, from ST investments	359	388	432	388	385	406	384	399	399	399
<b>Dividends, gross (total)</b>	<b>4,985</b>	<b>3,924</b>	<b>3,106</b>	<b>2,317</b>	<b>2,162</b>	<b>1,871</b>	<b>1,955</b>	<b>1,917</b>	<b>1,917</b>	<b>1,917</b>
Net change in fair value of investments at FVPL - LT investments	(1,878)	(9,950)	248	(5,701)	(989)	(22,181)	(105)	-	-	-
Net change in fair value of investments at FVPL - ST investments	(1,841)	(72)	(565)	(224)	370	1,021	682	-	-	-
<b>Net change in fair value of investments at FVPL (total)</b>	<b>(3,719)</b>	<b>(10,022)</b>	<b>(317)</b>	<b>(5,925)</b>	<b>(619)</b>	<b>(21,160)</b>	<b>577</b>	-	-	-

Source: Metro, FPA

**Fair value loss and impairment on ROU and fixed assets:**

We assume no fair value loss on investment property(ies) nor impairment on ROU & fixed assets from 2H FY2026 to 2H FY2027.

**General & Administrative (“G&A”) expenses:**

We assume that G&A expenses in each of 2H FY2026 to 2H FY2027 will be S\$10.8 million (totalling S\$21.8 million in FY2026 and S\$21.7 million in FY2027), the average of 1H FY2024 to 1H FY2026.

**Finance costs:**

In December 2025, the U.S. Federal Open Market Committee (“U.S. FOMC”) noted that the median projection for the federal funds rate was 3.6% at end-2025, 3.4% at end-2026, and 3.1% at end-2027. The U.S. FOMC also noted that it “is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment rose in recent months”, and lowered the target federal funds range by 25 basis points (“bps”) to 3.50–3.75%. However, in January 2026, the U.S. FOMC noted that “the unemployment rate has shown some signs of stabilization” and maintained the target federal funds range.

Reuters reported in January 2026 that “The Federal Reserve held interest rates steady on Wednesday amid what U.S. central bank chief Jerome Powell described as a solid economy and diminished risks to both inflation and employment, an outlook that could signal a lengthy wait before any further reductions in borrowing costs.”

Accordingly, we assume that the U.S. FOMC would lower the target federal funds range by 25 bps only in end-September 2026 (end-1H FY2027) and end-March 2027 (end-2H FY2027). We also assume that the average EFFR and 3M SORA for 2H FY2026 will be the respective to-date averages as at 13 February 2026, and that, in 1H FY2027, they will be the respective rates as at 13 February 2026. For 2H FY2027, we assume that the average EFFR will fall by 25 bps while the average 3M SORA will fall in line with the fall in average EFFR.

We also assume that the annualised effective interest on borrowings will fall in line with the fall in average 3M SORA from 2H FY2026 to 2H FY2027.

We assume that borrowings, lease liabilities, and the annualised effective interest on lease liabilities in each of 2H FY2026 to 2H FY2027 will remain the same as in 1H FY2026, while other finance costs in each of 2H FY2026 to 2H FY2027 will be the same as in 1H FY2026 as they have generally been rising from 1H FY2024.

Thus, we project that finance costs will be S\$8.5 million in 2H FY2026 (totalling S\$21.1 million in FY2026), S\$7.6 million in 1H FY2027, and S\$7.3 million in 2H FY2027 (totalling S\$14.9 million in FY2027), as shown in **Exhibit 42**.

**Exhibit 42: Projected Finance Costs (2H FY2026 to 2H FY2027)**

(in S\$ '000)	Actual / Estimate						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Interest on borrowings carried at amortised cost	5,023	9,518	9,318	9,441	13,750	12,344	10,929	6,908	6,044	5,756
Interest on lease liabilities	859	779	696	818	1,220	1,063	580	455	455	455
Others	702	1,079	918	933	915	1,138	1,114	1,114	1,114	1,114
<b>Finance costs</b>	<b>11,043</b>	<b>15,813</b>	<b>15,359</b>	<b>15,631</b>	<b>15,885</b>	<b>14,545</b>	<b>12,623</b>	<b>8,477</b>	<b>7,614</b>	<b>7,326</b>

**Effective interest rates:**

Interest on borrowings carried at amortised cost	5,023	9,518	9,318	9,441	13,750	12,344	10,929	6,908	6,044	5,756
Borrowings (total excluding fixed rate notes; prev. period)	406,386	403,911	395,298	348,219	593,115	599,817	604,536	575,641	575,641	575,641
<b>Effective interest on borrowings (annualised; estimate)</b>	<b>2.5%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>5.4%</b>	<b>4.6%</b>	<b>4.1%</b>	<b>3.6%</b>	<b>2.4%</b>	<b>2.1%</b>	<b>2.0%</b>
Interest on lease liabilities	859	779	696	818	1,220	1,063	580	455	455	455
Lease liabilities (total; prev. period)	60,753	55,330	49,757	44,067	57,955	52,596	28,915	22,802	22,802	22,802
<b>Effective interest on lease liabilities (annualised; estimate)</b>	<b>2.8%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>3.7%</b>	<b>4.2%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>
<b>3-Month Compounded SORA (“3M SORA”; average; estimate)</b>	<b>0.9%</b>	<b>2.9%</b>	<b>3.7%</b>	<b>3.7%</b>	<b>3.6%</b>	<b>3.0%</b>	<b>2.0%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.0%</b>
<b>Effective Federal Funds Rate (“EFFR”; average)</b>	<b>1.5%</b>	<b>4.1%</b>	<b>5.1%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>4.5%</b>	<b>4.3%</b>	<b>3.8%</b>	<b>3.6%</b>	<b>3.4%</b>

Source: Metro, Federal Reserve Bank of New York, MAS, FPA

**Share of results of associates and of joint ventures:**

We assume for each of 2H FY2026 to 2H FY2027 no one-off items such as negative goodwill, impairment of amounts due from associates, and non-operating results, as well as no fair value adjustment on investment properties.

We assume for the remaining items that, in each of 2H FY2026 to 2H FY2027, each of them will be their respective averages from 1H FY2024 to 1H FY2026.

Accordingly, we project that share of loss of associates in each of 2H FY2026 to 2H FY2027 will be S\$9.5 million (totalling S\$20.5 million in FY2026 and S\$18.9 million in FY2027), while share of profit of joint ventures in each of 2H FY2026 to 2H FY2027 would be S\$16.2 million (totalling S\$25.1 million in FY2026 and S\$32.4 million in FY2027), as shown in **Exhibit 43**.

**Exhibit 43: Projected Share of Results of Associates and of Joint Ventures (2H FY2026 to 2H FY2027)**

(in S\$ '000)	Actual / Estimate						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Associates - operating results	11,860	517	4,164	(28,002)	3,853	(47,003)	4,608	(12,476)	(12,476)	(12,476)
Associates - negative goodwill	-	-	-	60,347	-	-	-	-	-	-
Associates - fair value adjustments on investment properties	2,615	(3,596)	(2,000)	(8,031)	(11,724)	(131,684)	(17,314)	-	-	-
Associates - impairment of amounts due from associates	-	-	-	-	-	(32,912)	-	-	-	-
Associates - non-operating results	-	-	2,130	-	-	65	-	-	-	-
Associates - taxation	(5,773)	(1,285)	(1,397)	(1,285)	877	13,833	1,717	2,749	2,749	2,749
Associates - others	(147)	(54)	320	(344)	576	763	(29)	257	257	257
<b>Share of results of associates</b>	<b>8,555</b>	<b>(4,418)</b>	<b>3,217</b>	<b>22,685</b>	<b>(6,418)</b>	<b>(196,938)</b>	<b>(11,018)</b>	<b>(9,470)</b>	<b>(9,470)</b>	<b>(9,470)</b>
Joint ventures - operating results	24,480	24,882	17,710	21,454	20,671	17,941	19,559	19,467	19,467	19,467
Joint ventures - negative goodwill	-	-	-	-	-	7,243	-	-	-	-
Joint ventures - fair value loss on investment properties	(5,352)	(1,642)	(1,179)	(17,519)	(3,997)	(15,745)	(8,177)	-	-	-
Joint ventures - taxation	(4,185)	(2,874)	(2,918)	(7,853)	(4,301)	1,337	(2,481)	(3,243)	(3,243)	(3,243)
<b>Share of results of joint ventures</b>	<b>14,943</b>	<b>20,366</b>	<b>13,613</b>	<b>(3,918)</b>	<b>12,373</b>	<b>10,776</b>	<b>8,901</b>	<b>16,224</b>	<b>16,224</b>	<b>16,224</b>

Source: Metro, FPA

**Loss/Profit from operations before taxation:**

Accordingly, we project that loss/profit from operations before taxation will be a profit of S\$4.3 million in 2H FY2026 (totalling a loss of S\$8.6 million in FY2026), followed by losses of S\$4.4 million in 1H FY2027, and S\$3.1 million in 2H FY2027 (totalling a loss of S\$7.6 million in FY2027), as shown in **Exhibit 44**.

**Exhibit 44: Projected Loss/Profit from Operations Before Taxation (2H FY2026 to 2H FY2027)**

(in S\$ '000 unless otherwise indicated)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Gross profit	9,205	11,167	5,111	7,233	2,521	4,497	1,236	1,747	351	1,594
Other net income	9,659	9,701	14,312	9,730	24,650	(12,239)	11,621	15,142	6,919	6,682
Fair value loss on an investment property	-	776	-	-	-	(2,535)	-	-	-	-
Impairment on right-of-use and fixed assets	-	-	-	-	-	(4,118)	-	-	-	-
General and administrative expenses	(10,599)	(10,776)	(9,950)	(11,319)	(10,237)	(11,745)	(10,992)	(10,849)	(10,849)	(10,849)
Finance costs	(11,043)	(15,813)	(15,359)	(15,631)	(15,885)	(14,545)	(12,623)	(8,477)	(7,614)	(7,326)
<b>Share of results of associates, net of tax</b>	<b>8,555</b>	<b>(11,512)</b>	<b>3,217</b>	<b>22,685</b>	<b>(6,418)</b>	<b>(196,938)</b>	<b>(11,018)</b>	<b>(9,470)</b>	<b>(9,470)</b>	<b>(9,470)</b>
<b>Share of results of joint ventures, net of tax</b>	<b>14,943</b>	<b>20,366</b>	<b>13,613</b>	<b>(3,918)</b>	<b>12,373</b>	<b>10,776</b>	<b>8,901</b>	<b>16,224</b>	<b>16,224</b>	<b>16,224</b>
<b>(Loss)/Profit from operations before taxation</b>	<b>20,720</b>	<b>11,003</b>	<b>10,944</b>	<b>8,780</b>	<b>7,004</b>	<b>(226,847)</b>	<b>(12,875)</b>	<b>4,317</b>	<b>(4,438)</b>	<b>(3,145)</b>

Source: Metro, FPA

**Taxation:**

We assume that the effective tax rate from 2H FY2026 to 2H FY2027 will be 33.7%, the average of 1H FY2024 to 1H FY2025 (i.e., excluding 2H FY2025 & 2H FY2026 as the effective tax rates were not meaningful). Thus, we project taxation to be S\$1.5 million in 2H FY2026 (totalling S\$4.4 million in FY2026), as shown in **Exhibit 45**.

However, as we project losses from operations before taxation in each of 1H & 2H FY2027, we assume that taxation in each of 1H & 2H FY2027 would be S\$2.2 million (totalling S\$4.3 million in FY2027), as also shown in **Exhibit 45**, the average of 2H FY2025 & 1H FY2026 (in which there were also losses from operations before taxation).

**Exhibit 45: Projected Taxation (2H FY2026 to 2H FY2027)**

(in S\$ '000)	Actual							Projection		
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Taxation	3,915	2,464	2,783	2,329	3,449	1,369	2,964	1,456	2,167	2,167
(Loss)/Profit from operations before taxation	20,720	11,003	10,944	8,780	7,004	(226,847)	(12,875)	4,317	(4,438)	(3,145)
Effective tax rate	18.9%	22.4%	25.4%	26.5%	49.2%	n.m.	n.m.	33.7%	n.m.	n.m.

n.m. = not meaningful.

Source: Metro, FPA

**Loss/Profit net of taxation and attributable to owners of the Company, and EPS:**

Accordingly, we project that loss/profit net of taxation will be a profit of S\$2.9 million in 2H FY2026 (totalling a loss of S\$13.0 million in FY2026), followed by losses of S\$6.6 million in 1H FY2027, and S\$5.3 million in 2H FY2027 (totalling a loss of S\$11.9 million in FY2027), as shown in **Exhibit 46**.

We assume that profit attributable to NCI in each of 2H FY2026 to 2H FY2027 will be the average of 1H FY2024 to 1H FY2026. Thus, we project that loss/profit attributable to owners of the Company will be a profit of S\$2.8 million in 2H FY2026 (totalling a loss of S\$13.2 million in FY2026), followed by losses of S\$6.7 million in 1H FY2027, and S\$5.4 million in 2H FY2027 (totalling a loss of S\$12.1 million in FY2027).

We assume that the weighted average number of shares (basic & diluted) from 2H FY2026 to 2H FY2027 will remain the same as in 1H FY2026. Thus, we project that EPS (cents) will be 0.3 in 2H FY2026 (totalling negative 1.6 in FY2026), negative 0.8 in 1H FY2027, and negative 0.7 in 2H FY2027 (totalling negative 1.5 in FY2027), as also shown in **Exhibit 46**.

**Exhibit 46: Projected Loss/Profit Net of Taxation and Attributable to Owners of the Company, and EPS (2H FY2026 to 2H FY2027)**

(in S\$ '000 unless otherwise indicated)	Actual							Projection		
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
(Loss)/Profit from operations before taxation	20,720	11,003	10,944	8,780	7,004	(226,847)	(12,875)	4,317	(4,438)	(3,145)
Taxation	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)	(2,964)	(1,456)	(2,167)	(2,167)
(Loss)/Profit net of taxation	16,805	8,539	8,161	6,451	3,555	(228,216)	(15,839)	2,861	(6,604)	(5,311)
Owners of the Company	16,887	8,264	8,192	6,361	3,310	(228,146)	(16,002)	2,781	(6,684)	(5,391)
Non-Controlling Interests ("NCI")	(82)	275	(31)	90	245	(70)	163	79	79	79
(Loss)/Profit net of taxation	16,805	8,539	8,161	6,451	3,555	(228,216)	(15,839)	2,861	(6,604)	(5,311)
Weighted average number of shares (basic & diluted)	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874
Earnings/(Loss) Per Share (basic & diluted "EPS" in cents)	2.0	1.0	1.0	0.8	0.4	(27.6)	(1.9)	0.3	(0.8)	(0.7)

Source: Metro, FPA

**Dividend Per Share (“DPS”):**

To project dividends, we assume that selected cash flow items as a percentage of their corresponding non-cash items from 2H FY2026 to 2H FY2027 will be the average of 1H FY2024 to 1H FY2026, up to a maximum of 100.0%, as shown in **Exhibit 47**.

For the remaining cash flow items not indicated in **Exhibit 47**, we assume that in each of 2H FY2026 to 2H FY2027, they will be their respective averages of 1H FY2024 to 1H FY2026, unless they generally rose or fell in recent periods—in which case, we assume that they will remain the same as in 1H FY2026 (e.g., we assume that payment of lease liabilities in each of 2H FY2026 to 2H FY2027 will be the same as in 1H FY2026, as it generally rose from 1H FY2022 to 1H FY2026). For items that appear one-off, however, we assume that these items from 2H FY2026 to 2H FY2027 will be nil.

Given that cash & cash equivalents are expected to reach S\$305.0 million as at end-2H FY2027 from S\$232.6 million at end-1H FY2026, mainly due to the divestment of BIF units and notes for S\$116.0 million expected at end-2H FY2026, we assume that DPS (cents) for each of FY2026 and FY2027 will remain at 2.00, the same as for FY2025.

**Exhibit 47: Projected Cash Flows Items (2H FY2026 to 2H FY2027)**

(in S\$ '000)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
(A) Decrease in development properties	2,451	2,532	1,449	2,625	614	1,697	600	1,544	550	1,501
(B) Revenue - Sale of property rights	3,467	3,367	1,827	3,163	871	2,111	730	1,953	696	1,898
<b>A as a % of B</b>	<b>70.7%</b>	<b>75.2%</b>	<b>79.3%</b>	<b>83.0%</b>	<b>70.5%</b>	<b>80.4%</b>	<b>82.2%</b>	<b>79.1%</b>	<b>79.1%</b>	<b>79.1%</b>
(C) Interest expense paid	(10,681)	(15,745)	(14,802)	(16,329)	(15,076)	(14,637)	(12,306)	(8,494)	(7,641)	(7,357)
(D) Finance costs	(11,043)	(15,813)	(15,359)	(15,631)	(15,885)	(14,545)	(12,623)	(8,599)	(7,736)	(7,448)
<b>C as a % of D</b>	<b>96.7%</b>	<b>99.6%</b>	<b>96.4%</b>	<b>104.5%</b>	<b>94.9%</b>	<b>100.6%</b>	<b>97.5%</b>	<b>98.8%</b>	<b>98.8%</b>	<b>98.8%</b>
(E) Interest income received	16,227	17,717	16,542	15,190	23,987	17,330	6,160	6,096	2,993	2,993
(F) Interest income from financial instruments at amortised cost	9,951	14,254	12,918	11,258	20,025	7,781	6,275	6,096	2,993	2,993
<b>E as a % of F</b>	<b>163.1%</b>	<b>124.3%</b>	<b>128.1%</b>	<b>134.9%</b>	<b>119.8%</b>	<b>222.7%</b>	<b>98.2%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
(G) Income taxes paid	(2,998)	(121)	(5,113)	(4,442)	(1,730)	(3,458)	(856)	(493)	(1,754)	(1,203)
(H) Taxation	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)	(2,964)	(493)	(1,754)	(1,203)
<b>G as a % of H</b>	<b>76.6%</b>	<b>4.9%</b>	<b>183.7%</b>	<b>190.7%</b>	<b>50.2%</b>	<b>252.6%</b>	<b>28.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
(I) Dividends received from LT investments	4,335	3,236	2,387	1,682	1,543	1,208	1,319	1,305	1,305	1,305
(J) Dividends, gross, from LT investments	4,626	3,536	2,674	1,929	1,777	1,465	1,571	1,518	1,518	1,518
<b>I as a % of J</b>	<b>93.7%</b>	<b>91.5%</b>	<b>89.3%</b>	<b>87.2%</b>	<b>86.8%</b>	<b>82.5%</b>	<b>84.0%</b>	<b>85.9%</b>	<b>85.9%</b>	<b>85.9%</b>
(K) Dividends received from ST investments	359	388	432	388	385	406	385	399	399	399
(L) Dividends, gross, from ST investments	359	388	432	388	385	406	384	399	399	399
<b>K as a % of L</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
(M) Foreign exchange (loss)/gain	(2,599)	(15)	(2,756)	100	1,023	(2,492)	(26)	-	-	-
(N) Unrealised foreign exchange adjustments	2,927	(110)	1,107	2,205	(1,650)	6,916	(1,824)	-	-	-
<b>M as a % of N</b>	<b>(88.8%)</b>	<b>13.6%</b>	<b>(249.0%)</b>	<b>4.5%</b>	<b>(62.0%)</b>	<b>(36.0%)</b>	<b>1.4%</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>

Source: Metro, FPA

Our projections of cash flows statement from 2H FY2026 to 2H FY2027 are shown in **Exhibit 48**.

### Exhibit 48: Projected Cash Flows Statement (2H FY2026 to 2H FY2027)

(in S\$'000)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Net cash flows used in operating activities	15,003	13,536	2,099	(170)	(4,099)	37,716	(15,530)	(2,197)	(12,667)	(10,427)
Net cash flows from investing activities	(1,525)	(3,377)	7,699	(27,892)	10,468	(2,475)	6,565	122,360	5,973	5,973
Net cash flows used in financing activities	(10,001)	(9,656)	(74,136)	38,704	(18,139)	3,432	(53,876)	(6,692)	(23,253)	(6,692)
<b>Net decrease in cash and cash equivalents</b>	<b>3,477</b>	<b>503</b>	<b>(64,338)</b>	<b>10,642</b>	<b>(11,770)</b>	<b>38,673</b>	<b>(62,841)</b>	<b>113,471</b>	<b>(29,947)</b>	<b>(11,146)</b>
Effect of exchange rate changes in cash and cash equivalents	(1,545)	(4,490)	(1,679)	(1,243)	(792)	(1,291)	(2,047)	-	-	-
Cash & cash equivalents at beginning of financial period	331,360	333,292	329,305	263,288	272,687	260,125	297,507	232,619	346,090	316,143
<b>Cash &amp; cash equivalents at end of financial period</b>	<b>333,292</b>	<b>329,305</b>	<b>263,288</b>	<b>272,687</b>	<b>260,125</b>	<b>297,507</b>	<b>232,619</b>	<b>346,090</b>	<b>316,143</b>	<b>304,996</b>
<b>Cash flows statement:</b>										
<b>(Loss)/Profit from operations before taxation</b>	<b>20,720</b>	<b>11,003</b>	<b>10,944</b>	<b>8,780</b>	<b>7,004</b>	<b>(226,847)</b>	<b>(12,875)</b>	<b>4,317</b>	<b>(4,438)</b>	<b>(3,145)</b>
Fair value loss on investment property	-	(776)	-	-	-	2,535	-	-	-	-
Finance costs	11,043	15,813	15,359	15,631	15,885	14,545	12,623	8,477	7,614	7,326
Depreciation of plant and equipment	604	590	556	425	435	408	361	437	437	437
Depreciation of right-of-use assets	4,281	5,263	5,266	5,227	5,311	5,335	4,233	5,074	5,074	5,074
Impairment of plant and equipment	-	-	-	-	-	365	-	-	-	-
Impairment of right-of-use assets	-	-	-	-	-	3,753	-	-	-	-
Share of results of associate, net of tax	(8,555)	4,418	(3,217)	(22,685)	6,418	196,938	11,018	9,470	9,470	9,470
Impairment of amounts due from associates	-	-	-	-	-	-	-	-	-	-
Share of results of joint ventures, net of tax	(14,943)	(20,366)	(13,613)	3,918	(12,373)	(10,776)	(8,901)	(16,224)	(16,224)	(16,224)
Interest income	(9,951)	(14,254)	(12,918)	(11,258)	(20,025)	(7,781)	(6,275)	(5,731)	(3,528)	(3,291)
Dividends from LT investments	(4,626)	(3,536)	(2,674)	(1,929)	(1,777)	(1,465)	(1,571)	(1,518)	(1,518)	(1,518)
Dividends from ST investments	(359)	(388)	(432)	(388)	(385)	(406)	(384)	(399)	(399)	(399)
Gain on disposal of short term investments	-	-	-	-	-	-	(1,611)	-	-	-
Gain on disposal of plant and equipment	-	-	-	-	-	-	-	-	-	-
Gain on disposal of an associate	-	-	-	-	-	-	-	-	-	-
Gain on dissolution of associate	-	-	-	-	-	-	(212)	-	-	-
Inventories written down	47	37	77	44	55	87	27	58	58	58
Allowance for/(write-back of) obsolete inventories	(191)	(93)	40	(37)	(25)	(75)	107	2	2	2
(Write-back of)/allowance for doubtful debts	23	-	-	-	18	5	(5)	4	4	4
Plant and equipment written off	-	-	-	-	-	-	-	-	-	-
Net change in fair value of investments at FVPL	3,719	10,022	317	5,925	619	21,160	(577)	-	-	-
Unrealised foreign exchange adjustments	2,927	(110)	1,107	2,205	(1,650)	6,916	(1,824)	-	-	-
<b>Operating profit/loss before reinvestment in working capital</b>	<b>4,739</b>	<b>7,623</b>	<b>812</b>	<b>5,858</b>	<b>(490)</b>	<b>4,697</b>	<b>(5,866)</b>	<b>3,967</b>	<b>(3,449)</b>	<b>(2,206)</b>
Decrease in development properties	2,451	2,532	1,449	2,625	614	1,697	600	1,544	550	1,501
Increase in inventories	(1,360)	(642)	1,055	(223)	(130)	1,042	(1,747)	(1)	(1)	(1)
Decrease/(Increase) in accounts and other receivables	689	4,956	4,112	(951)	(8,095)	(2,042)	1,547	(1,086)	(1,086)	(1,086)
Decrease in accounts and other payables	5,936	(2,784)	(1,956)	(1,898)	(3,179)	33,087	(3,062)	(2,524)	(2,524)	(2,524)
<b>Cash flows used in operations</b>	<b>12,455</b>	<b>11,685</b>	<b>5,472</b>	<b>5,411</b>	<b>(11,280)</b>	<b>38,481</b>	<b>(8,528)</b>	<b>1,901</b>	<b>(6,508)</b>	<b>(4,315)</b>
Interest expense paid	(10,681)	(15,745)	(14,802)	(16,329)	(15,076)	(14,637)	(12,306)	(8,373)	(7,520)	(7,236)
Interest income received	16,227	17,717	16,542	15,190	23,987	17,330	6,160	5,731	3,528	3,291
Income taxes paid	(2,998)	(121)	(5,113)	(4,442)	(1,730)	(3,458)	(856)	(1,456)	(2,167)	(2,167)
<b>Net cash flows from operating activities</b>	<b>15,003</b>	<b>13,536</b>	<b>2,099</b>	<b>(170)</b>	<b>(4,099)</b>	<b>37,716</b>	<b>(15,530)</b>	<b>(2,197)</b>	<b>(12,667)</b>	<b>(10,427)</b>
Purchase of plant & equipment	(539)	(512)	(76)	(405)	(862)	(590)	(343)	(455)	(455)	(455)
Proceeds from disposal of long term investments	(6,031)	732	(1,113)	2	2,886	257	1,982	-	-	-
Redemption of short term investments	-	-	-	-	-	-	1,298	-	-	-
Proceeds from disposal of short term investments	-	-	-	-	-	-	9,943	-	-	-
Proceeds from disposal of plant and equipment	-	-	-	-	-	-	-	-	-	-
Investment in associates	(11,543)	(5,581)	(988)	(15,884)	10,957	-	-	116,000	-	-
Investment in joint venture	-	-	-	(33,627)	-	(14,763)	-	-	-	-
(Increase)/Decrease in amounts due from associates	(3,582)	(16,101)	2,289	(7,950)	1,596	(1,177)	(3,114)	(1,671)	(1,671)	(1,671)
(Increase)/Decrease in amounts due from joint ventures	(3,408)	(1,958)	(17,415)	(2,884)	(8,249)	(15,398)	(5,893)	(9,968)	(9,968)	(9,968)
(Decrease)/Increase in amounts due to joint ventures	-	-	-	-	-	-	-	-	-	-
Dividends received from LT investments	4,335	3,236	2,387	1,682	1,543	1,208	1,319	1,305	1,305	1,305
Dividends received from ST investments	359	388	432	388	385	406	385	399	399	399
Dividends received from associates	3,703	1,808	2,080	725	2,212	911	828	1,351	964	964
Dividends received from joint ventures	15,181	14,611	20,103	30,061	-	26,671	160	15,399	15,399	15,399
<b>Net cash flows from/used in investing activities</b>	<b>(1,525)</b>	<b>(3,377)</b>	<b>7,699</b>	<b>(27,892)</b>	<b>10,468</b>	<b>(2,475)</b>	<b>6,565</b>	<b>122,360</b>	<b>5,973</b>	<b>5,973</b>
(Repayment)/drawdown of short term borrowings (net)	20,138	(3,305)	(55,727)	65,000	5,000	(100,000)	(29,736)	-	-	-
Drawdown of long term borrowings	-	-	6,608	180,000	-	110,000	-	-	-	-
Redemption of \$150 million 4% Notes due 2021	-	-	-	-	-	-	-	-	-	-
Redemption of \$200 million 4.3% Notes due 2024	-	-	-	(200,000)	-	-	-	-	-	-
Payment of lease liabilities	(5,298)	(6,351)	(6,386)	(6,296)	(6,578)	(6,568)	(6,692)	(6,692)	(6,692)	(6,692)
Dividends paid	(24,841)	-	(18,631)	-	(16,561)	-	(16,561)	-	(16,561)	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	(887)	-	-	-
Capital reduction by non-controlling interest	-	-	-	-	-	-	-	-	-	-
<b>Net cash flows from/used in financing activities</b>	<b>(10,001)</b>	<b>(9,656)</b>	<b>(74,136)</b>	<b>38,704</b>	<b>(18,139)</b>	<b>3,432</b>	<b>(53,876)</b>	<b>(6,692)</b>	<b>(23,253)</b>	<b>(6,692)</b>

Source: Metro, FPA

Our projections of Metro's financial performance in FY2026 and FY2027 are shown in **Exhibit 49**.

**Exhibit 49: Projected Financial Performance (FY2026 & FY2027)**

(in S\$ '000 unless otherwise indicated)	Actual			Projection	
	FY2023	FY2024	FY2025	FY2026	FY2027
Revenue - Retail	103,980	105,441	96,510	90,101	90,743
Revenue - Sale of property rights	6,834	4,990	2,982	2,683	2,594
Revenue - Rental income	6,423	5,477	5,012	4,260	3,946
<b>Revenue</b>	<b>117,237</b>	<b>115,908</b>	<b>104,504</b>	<b>97,044</b>	<b>97,283</b>
Cost of revenue	(96,865)	(103,564)	(97,486)	(94,062)	(95,338)
<b>Gross profit</b>	<b>20,372</b>	<b>12,344</b>	<b>7,018</b>	<b>2,983</b>	<b>1,945</b>
Other net income	19,360	24,042	12,411	26,763	13,601
Fair value loss on an investment property	776	-	-	-	-
Impairment on right-of-use and fixed assets	-	-	-	-	-
General and administrative expenses	(21,375)	(21,269)	(21,982)	(21,841)	(21,697)
Finance costs	(26,856)	(30,990)	(30,430)	(21,100)	(14,939)
<b>Share of results of associates, net of tax</b>	<b>4,137</b>	<b>25,902</b>	<b>(203,356)</b>	<b>(20,488)</b>	<b>(18,940)</b>
<b>Share of results of joint ventures, net of tax</b>	<b>35,309</b>	<b>9,695</b>	<b>23,149</b>	<b>25,125</b>	<b>32,448</b>
<b>(Loss)/Profit from operations before taxation</b>	<b>31,723</b>	<b>19,724</b>	<b>(219,843)</b>	<b>(8,558)</b>	<b>(7,583)</b>
Taxation	(6,379)	(5,112)	(4,818)	(4,420)	(4,333)
<b>(Loss)/Profit net of taxation</b>	<b>25,344</b>	<b>14,612</b>	<b>(224,661)</b>	<b>(12,978)</b>	<b>(11,916)</b>
Owners of the Company	25,151	14,553	(224,836)	(13,221)	(12,075)
Non-Controlling Interests ("NCI")	193	59	175	242	159
<b>(Loss)/Profit net of taxation</b>	<b>25,344</b>	<b>14,612</b>	<b>(224,661)</b>	<b>(12,978)</b>	<b>(11,916)</b>
Weighted average number of shares (basic & diluted)	828,035,874	828,035,874	828,035,874	828,035,874	828,035,874
<b>Earnings/(Loss) per share (basic in cents)</b>	<b>3.04</b>	<b>1.76</b>	<b>(27.15)</b>	<b>(1.60)</b>	<b>(1.46)</b>
<b>Dividend Per Share ("DPS" in cents)</b>	<b>2.25</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

Source: Metro, FPA

## VALUATION ANALYSIS

### (I) PEER COMPARISON ANALYSIS

We performed a peer comparison analysis to review how Metro is faring against industry peers in terms of current valuation metrics. Below, we list the selected peers to compare with Metro (along with a brief description of each peer) as follows:

#### i. CapitaLand China Trust (“CLCT”; SGX:AU8U)

CLCT’s market capitalisation is S\$1.2 billion as at 24 February 2026. According to CLCT, its portfolio “comprises eight shopping malls, five business park properties and four logistics park properties.” CLCT also noted in February 2026, “Its total property value is S\$4.2 billion based on valuations as at 31 December 2025.”

#### ii. Sasseur REIT (SGX:CRPU)

Sasseur REIT’s market capitalisation is S\$860.0 million as at 24 February 2026. According to Sasseur REIT, its “initial portfolio” comprises “four quality retail outlet mall assets strategically located in fast-growing Chinese cities such as Chongqing, Kunming and Hefei, with a combined net lettable area of 310,241 square metres.” Sasseur REIT also noted in August 2025 that the carrying amount of its four properties as at 30 June 2025 was S\$1.5 billion.

#### iii. Bund Center Investment (“BCI”; SGX:BTE)

BCI’s market capitalisation is S\$318.7 million as at 24 February 2026. BCI is engaged in investment holding and property-related business in the People’s Republic of China (“PRC”). BCI’s properties include: (1) Bund Center Office Tower, a Grade A office building in Shanghai; (2) The Westin Bund Center Shanghai, a five-star hotel managed by Marriott International; and (3) Golden Center, a retail complex located in Ningbo, Zhejiang Province. We estimated in January 2026 that the valuation of BCI’s properties totalled S\$1.2 billion (S\$730 million + S\$471 million) as at 30 June 2025.

#### iv. BHG Retail REIT (“BHG”; SGX:BMGU)

BHG’s market capitalisation is S\$226.0 million as at 24 February 2026. According to BHG, as at 30 June 2025, its portfolio “comprises six retail properties, Beijing Wanliu (60%), Chengdu Konggang, Hefei Mengchenglu, Hefei Changjiangxilu, Xining Huayuan, Dalian Jinsanjiao located in Tier 1, Tier 2 and other cities of significant economic potential in China.” BHG also noted in August 2025, “As at the latest date of valuation, total appraised value was approximately RMB 4,729 million.”

The results of our peer comparison analysis are shown in **Exhibit 50**.

### Exhibit 50: Peer Comparison Analysis

Company	Currency	Stock Symbol	Price (S\$) as at 20 Feb '26	Market Cap (S\$ million)	Diluted EPS/EPU (cents)	P/E	DPS/DPU (cents)	Dividend Yield (%)	NAV per share /unit (S\$)	P/B
Metro Holdings Ltd ("Metro")	SGD	M01	0.525	434.7	(29.49)	n.m.	2.00	3.81%	1.33	0.39 x
<b>Peer companies:</b>										
CapitalLand China Trust ("CLCT")	SGD	AU8U	0.715	1,244.7	(0.56)	n.m.	4.82	6.74%	1.03	0.70 x
Sasseur REIT	SGD	CRPU	0.685	860.0	5.05	13.6 x	5.98	8.74%	0.78	0.88 x
Bund Center Investment ("BCI")	SGD	BTE	0.420	318.7	1.01	41.8 x	10.40	24.76%	1.78	0.24 x
BHG Retail REIT ("BHG")	SGD	BMGU	0.435	226.0	(0.49)	n.m.	0.47	1.08%	0.65	0.67 x
<b>Peer average</b>						<b>27.7 x</b>		<b>5.52%</b>		<b>0.62 x</b>

n.m. = not meaningful. Note: Market capitalisation based on [share/unit price × total issued shares/units excluding treasury shares/units (most recent source)]. Diluted EPS/EPU and DPS/DPU based on Trailing Twelve-Month ("TTM") of most recent financial statements. NAV per share/unit based on last disclosed figures. Peer averages exclude nil and negative values, as well as BCI's TTM yield of 24.76% as the yield may be anomalous. BCI's NAV per share of S\$1.78 based on how we derived our January 2026 estimate, as, unlike Metro's other peers, BCI recorded on its balance sheet its properties at book value (instead of at latest valuation).

Source: SGX Stock Screener, respective companies, FPA

#### (a) P/E multiple

Based on **Exhibit 50**, Metro's TTM EPS is negative. Thus, we exclude P/E multiple from our peer comparison analysis.

#### (b) P/B multiple

Based on **Exhibit 50**, Metro is trading at a P/B multiple of 0.39x, which is lower than the peer average P/B of 0.62x. This suggests that Metro is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.826 if Metro trades at the peer average P/B of 0.62x as follows:

$$\begin{aligned}
 \text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per share} \\
 &= 0.62 \times \text{S\$1.33} \\
 &= \text{S\$0.826}
 \end{aligned}$$

The estimated target price of S\$0.826 implies an upside potential of 57.3% from the current share price of S\$0.525.

#### (c) Dividend yield

Based on **Exhibit 50**, Metro's dividend yield is 3.81%, which is lower than the peer average yield of 5.52%. This suggests that Metro is overvalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.362 if Metro trades at the peer average yield of 5.52% as follows:

$$\begin{aligned}
 \text{Estimated target price (dividend yield)} &= \frac{\text{TTM DPU}}{\text{Peer average yield}} \\
 &= \frac{\text{S\$0.02}}{5.52\%} \\
 &= \text{S\$0.362}
 \end{aligned}$$

The estimated target price of S\$0.362 implies a downside potential of 31.0% from the current share price of S\$0.525.

**(d) Overall**

From our analysis, Metro seems to be undervalued in terms of its P/B multiple but overvalued in terms of its dividend yield. By averaging the estimated target prices based on P/B multiple and dividend yield, we derive an overall target price of S\$0.594 as follows:

$$\begin{aligned}\text{Overall target price} &= \frac{1}{2} \times [\text{Estimated target price (P/B multiple)} + \text{Estimated target price (dividend yield)}] \\ &= \frac{1}{2} \times [\text{S\$0.826} + \text{S\$0.362}] \\ &= \text{S\$0.594}\end{aligned}$$

The overall target price of S\$0.594 implies an upside potential of 13.2% from the current share price of S\$0.525.

**(II) HISTORICAL VALUATION ANALYSIS**

We also conduct another valuation analysis based on historical valuation metrics over the past five FYs (2H FY2021 to 1H FY2026), as shown in **Exhibit 51**.

**Exhibit 51: Historical Valuation Metrics (2H FY2021 to 1H FY2026)**

Period	Results Release Date ("RRD")	Share price (RRD + 7 days)	Diluted EPS (cents)	TTM EPS (cents)	P/E multiple	DPS (cents)	TTM DPS (cents)	Dividend yield	NAV per share (S\$)	P/B multiple
1H FY2026	14 Nov '25	0.505	(1.93)	(29.49)	n.m.	-	2.00	3.96%	1.33	0.38 x
2H FY2025	23 May '25	0.390	(27.55)	(27.15)	n.m.	2.00	2.00	5.13%	1.40	0.28 x
1H FY2025	13 Nov '24	0.460	0.40	1.17	39.4 x	-	2.00	4.35%	1.67	0.28 x
2H FY2024	24 May '24	0.490	0.77	1.76	27.9 x	2.00	2.00	4.08%	1.72	0.28 x
1H FY2024	14 Nov '23	0.525	0.99	1.99	26.4 x	-	2.25	4.29%	1.72	0.31 x
2H FY2023	26 May '23	0.610	1.00	3.04	20.1 x	2.25	2.25	3.69%	1.76	0.35 x
1H FY2023	11 Nov '22	0.635	2.04	2.69	23.6 x	-	3.00	4.72%	1.84	0.34 x
2H FY2022	27 May '22	0.760	0.65	2.86	26.6 x	3.00	3.00	3.95%	1.91	0.40 x
1H FY2022	10 Nov '21	0.785	2.21	4.26	18.4 x	-	2.25	2.87%	1.89	0.42 x
2H FY2021	25 May '21	0.785	2.05	4.44	17.7 x	2.25	2.25	2.87%	1.86	0.42 x
<b>Maximum</b>					<b>39.4 x</b>			<b>5.13%</b>		<b>0.42 x</b>
<b>Minimum</b>					<b>17.7 x</b>			<b>2.87%</b>		<b>0.28 x</b>
<b>Average</b>					<b>25.0 x</b>			<b>3.99%</b>		<b>0.35 x</b>

n.m. = not meaningful.

Source: Metro, Yahoo! Finance (share prices), FPA

**(a) P/E multiple**

Based on **Exhibit 51**, Metro's TTM EPS is negative. Thus, we exclude P/E multiple from our historical valuation analysis.

**(b) P/B multiple**

Based on **Exhibit 51**, Metro's historical average P/B is 0.35x, which is lower than its current P/B multiple of 0.39x. This suggests that Metro is overvalued at its current share price. Based on the historical average P/B multiple of 0.35x and NAV per share of S\$1.33, we estimate a target price of S\$0.460 as follows:

$$\begin{aligned}
 \text{Estimated target price (historical average P/B)} &= \text{Historical average P/B} \times \text{NAV per share} \\
 &= 0.35 \times \text{S\$1.33} \\
 &= \text{S\$0.460}
 \end{aligned}$$

The estimated target price of S\$0.460 implies a downside potential of 12.3% from the current share price of S\$0.525.

**(c) Dividend yield**

Based on **Exhibit 51**, Metro's historical average yield is 3.99% which is higher than its current yield of 3.81%. This suggests that Metro is overvalued at its current share price. Based on the historical average yield of 3.99% and TTM DPU (cents) of 2.00, we estimate a target price of S\$0.501 as follows:

$$\begin{aligned} \text{Estimated target price (historical average yield)} &= \frac{\text{TTM DPU}}{\text{Historical average yield}} \\ &= \frac{\text{S\$0.02}}{3.99\%} \\ &= \text{S\$0.501} \end{aligned}$$

The estimated target price of S\$0.501 implies a downside potential of 4.5% from the current share price of S\$0.525.

**(d) Overall**

From our analysis, Metro seems to be overvalued in terms of both its historical average P/B and historical average yield. By averaging our estimated target prices based on historical average P/B and historical average yield, we derive an overall target price of S\$0.481 as follows:

$$\begin{aligned} \text{Overall target price} &= \frac{1}{2} \times [\text{Estimated target price (historical average P/B)} \\ &\quad + \text{Estimated target price (historical average yield)}] \\ &= \frac{1}{2} \times [\text{S\$0.460} + \text{S\$0.501}] \\ &= \text{S\$0.481} \end{aligned}$$

The overall target price of S\$0.481 implies a downside potential of 8.4% from the current share price of S\$0.525.

**(III) POTENTIAL METRO PRIVATISATION**

We note that the Ong Family (i.e., Ong Sek Hian, one of the grandchildren of Metro's founder, as well as his close relatives, as indicated in the Letter to Shareholders dated July 2025) holds around 42.4% interest in Metro as at 28 August 2025, as shown in **Exhibit 52**.

**Exhibit 52: Shareholdings of the Ong Family**

Members of Ong Family	Direct interest		Indirect interest		Total interest		As at
	No. of shares	%	No. of shares	%	No. of shares	%	
Ong Sek Hian (Wang ShiXian)	63,360	0.0%	295,681,343	35.7%	295,744,703	35.7%	28 Aug 2025
Ong Jenn (Wang Zhen)	63,360	0.0%	293,047,743	35.4%	293,111,103	35.4%	09 Jun 2025
Ong Ling Ling	75,360	0.0%	237,288,838	28.7%	237,364,198	28.7%	09 Jun 2025
Ong Ching Ping	63,360	0.0%	237,288,838	28.7%	237,352,198	28.7%	09 Jun 2025
Ong Jen Yaw	2,664,666	0.3%	215,503,049	26.0%	218,167,715	26.3%	09 Jun 2025
Ong Sioe Hong	21,211,182	2.6%	-	-	21,211,182	2.6%	09 Jun 2025
Ong Hiang Gin	2,494,944	0.3%	-	-	2,494,944	0.3%	09 Jun 2025
Chan Mei Lin	1,112,800	0.1%	-	-	1,112,800	0.1%	09 Jun 2025
Dana-Li Wong Han Loong	327,360	0.0%	-	-	327,360	0.0%	09 Jun 2025
Sean Wong Kalani Sien Loong	327,360	0.0%	-	-	327,360	0.0%	09 Jun 2025
Ong Huan Gie	297,392	0.0%	-	-	297,392	0.0%	09 Jun 2025
Ong Xiang Ming Alexander	63,360	0.0%	-	-	63,360	0.0%	09 Jun 2025
Tan Zhong-Hao	57,600	0.0%	-	-	57,600	0.0%	09 Jun 2025
Lau Guan Wen	57,600	0.0%	-	-	57,600	0.0%	09 Jun 2025
Tan Kai Er	57,600	0.0%	-	-	57,600	0.0%	09 Jun 2025
Lau Yi-Xuan	57,600	0.0%	-	-	57,600	0.0%	09 Jun 2025
Ong Li Qi Valerie	57,600	0.0%	-	-	57,600	0.0%	09 Jun 2025

**Companies in which Ong family members may be deemed interested in:**

Eng Kuan Company Private Limited	188,995,635	22.8%	-	-	188,995,635	22.8%	28 Aug 2025
Leroy Singapore Pte Ltd	-	-	55,758,905	6.7%	55,758,905	6.7%	28 Aug 2025
Dynamic Holdings Pte Ltd	48,293,203	5.8%	-	-	48,293,203	5.8%	28 Aug 2025
Bishopsgate Private Limited	2,633,600	0.3%	-	-	2,633,600	0.3%	28 Aug 2025
Citibank Nominees Singapore Pte Ltd	26,507,414	3.2%	-	-	26,507,414	3.2%	09 Jun 2025
DBS Nominees (Private) Limited	55,758,905	6.7%	-	-	55,758,905	6.7%	09 Jun 2025
<b>Total direct interest</b>	<b>351,241,261</b>	<b>42.4%</b>					

Source: Metro, FPA

We also note that:

- as noted in our initiation report (dated September 2025), the total interest of Ong Sek Hian (Wang ShiXian) rose by 2,633,600 shares from 13 to 28 August 2025, and that a total consideration of S\$1.1 million was paid to acquire the 2,633,600 shares (at an average of S\$0.433 per share)
- Metro's current P/B multiple is 0.39x, which represents a discount of approximately 61% to NAV
- Metro's market capitalisation is S\$434.7 million as at 24 February 2026
- we project cash & cash equivalents to be S\$316.1 million at end-1H FY2027.

Accordingly, we consider the possibility of a privatisation offer by the Ong Family.

To estimate the potential privatisation cost for Metro, we review privatisation offers for SGX-listed companies over the last twelve months, as shown in **Exhibit 53**.

We estimate that the Ong Family holds 42.4% interest in Metro. Thus, the Ong Family would need to acquire the remaining 57.6% total interest to privatise Metro. At the market capitalisation of S\$434.7 million as at 24 February 2026, this equals to S\$250.3 million (57.6% × S\$434.7 million).

Based on the average price premium of selected privatisation offers, we also estimate that any privatisation offer may need a price premium of 32.8% from the current share price of S\$0.525 to have a chance to be successful. Thus, the Ong Family may need to offer a minimum offer price of S\$0.697 (at a full privatisation cost of S\$332.4 million—which is just 5.1% higher than our projected cash & cash equivalents of S\$316.1 million at end-1H FY2027).

#### **Exhibit 53: Privatisation Offers for SGX-Listed Companies (Last Twelve Months)**

Target	Code	Acquirer	Currency	Last undisturbed price		Offer price per share	Price premium
				Date	Price		
Low Keng Huat	F1E	Consistent Record Pte. Ltd.	SGD	28 Nov '25	0.615	0.78	26.8%
Mandarin Oriental International Ltd	M04	Jardine Strategic Limited	USD	29 Sept '25	2.20	3.35	52.3%
Olive Tree Estates	1H2	Advansory Investment Pte Ltd	SGD	29 Sept '25	0.112	0.12	7.1%
Spindex Industries Ltd	564	Skyline II Pte Ltd	SGD	31 Jul '25	1.12	1.43	27.7%
Alpina Holdings Ltd	ZXY	K&T Investment Pte Ltd	SGD	03 Jun '25	0.25	0.37	48.0%
Grand Venture Technology	JLB	Aalberts Advanced Mechatronics B.V.	SGD	30 May '25	0.840	0.940	11.9%
Ossia International	O08	Goh Ching Wah, Goh Ching Huat, and Goh Ching Lai	SGD	13 May '25	0.113	0.160	41.6%
Fraser Hospitality Trust	ACV	Frasers Property Hospitality Trust Holdings Pte. Ltd.	SGD	13 May '25	0.665	0.710	6.8%
Ban Leong Technologies Ltd	B26	Epicsoft Asia Pte Ltd	SGD	29 Apr '25	0.375	0.6029	60.8%
Procurri Corporation Ltd	BVQ	Exeo Global Asset Holdings Pte Ltd	SGD	25 Apr '25	0.18	0.32	77.8%
Amara Holdings	A34	DRC Investments Pte. Ltd.	SGD	23 Apr '25	0.705	0.895	27.0%
ICP Ltd	514	ICP Ltd & Mr Aw Cheok Huat	SGD	01 Apr '25	0.007	0.009	28.6%
Sinarmas Land	A26	Lyon Investments Limited	SGD	24 Mar '25	0.275	0.375	36.4%
Sin Heng Heavy Machinery	BKA	TAL United Pte Ltd	SGD	13 Mar '25	0.545	0.58	6.4%
<b>Average</b>							<b>32.8%</b>

Source: respective companies, SGX Stock Screener, FPA

**POTENTIAL CATALYSTS**

**(I) EARLIER-THAN-EXPECTED RECOVERY OF THE CHINESE PROPERTY MARKET**

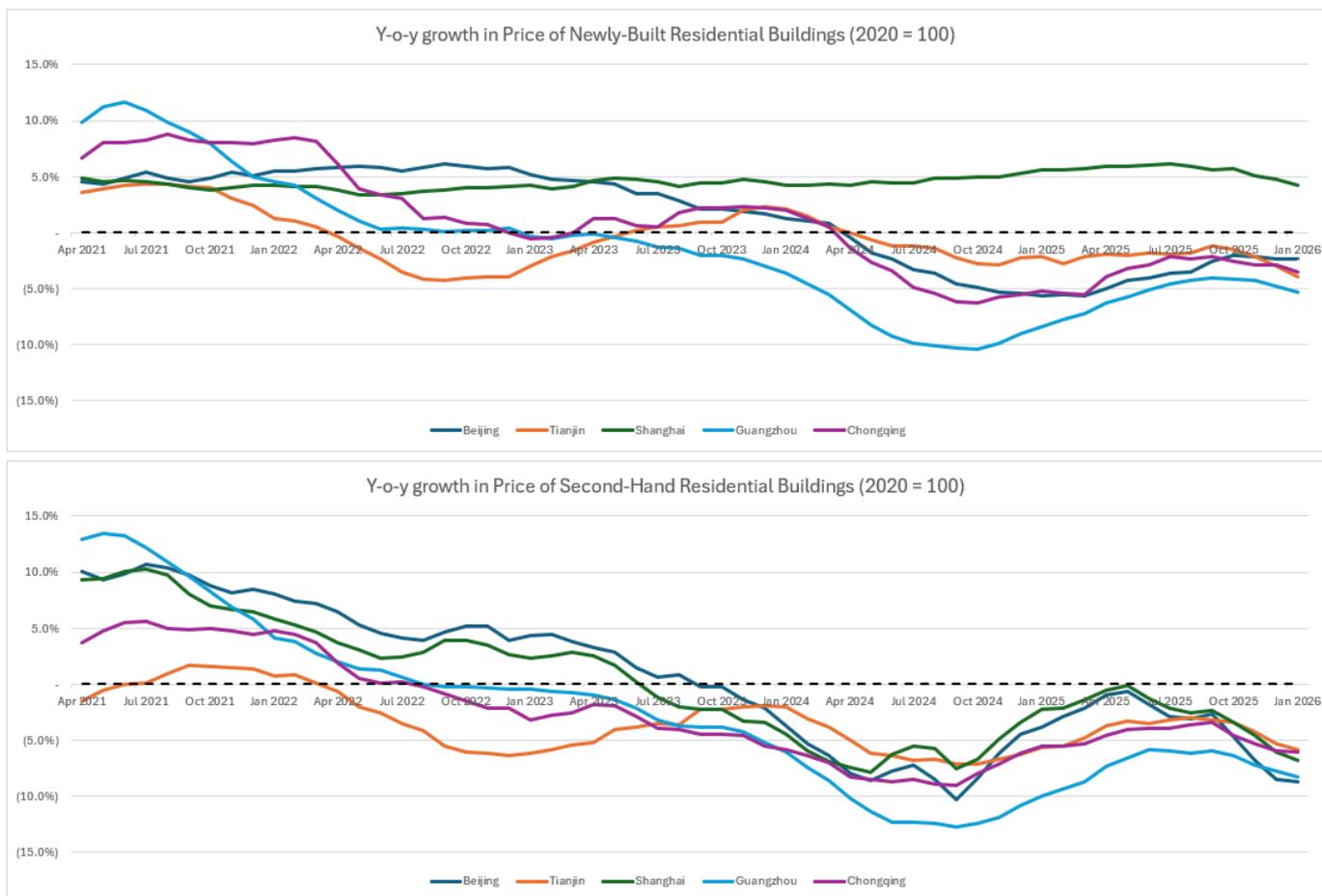
In February 2026, the South China Morning Post (“SCMP”) reported that “China housing market shows no clear turning point as price declines continue”. Citing analysts, SCMP noted, “Mainland China’s new and existing home prices posted a smaller month-on-month decline in January, but the annual drop widened, indicating a housing market that has yet to find a clear floor”. SCMP also noted, “China’s property sector, which accounted for roughly a quarter of the economy at its peak, has been in a prolonged downturn since late 2020, with falling home prices weighing on household wealth.”

Citing the chief real estate analyst from BOC International, an investment banking arm of the Bank of China, though, SCMP noted that the “quarterly decline” in home prices “was expected to narrow progressively” over 2026, “with tier-one city prices likely to stabilise and return to year-on-year growth in the fourth quarter.”

Based on data from the Chinese National Bureau of Statistics (“NBS”), the y-o-y growth in prices of newly-built and second-hand residential buildings in Tier 1 cities (as noted by SCMP) from April 2021 to January 2026 are shown in **Exhibit 54**.

Should there be an earlier-than-expected recovery of the Chinese property market, Chinese business sentiments may improve such that Metro may be able to write back fair value losses in its Chinese properties. The performance of Metro’s associate, Top Spring International, may also improve.

**Exhibit 54: Y-o-Y Growth in Prices of Residential Buildings in Tier 1 Cities (April 2021 to January 2026)**



Source: NBS, FPA

**(II) APPRECIATION OF RMB AGAINST SGD**

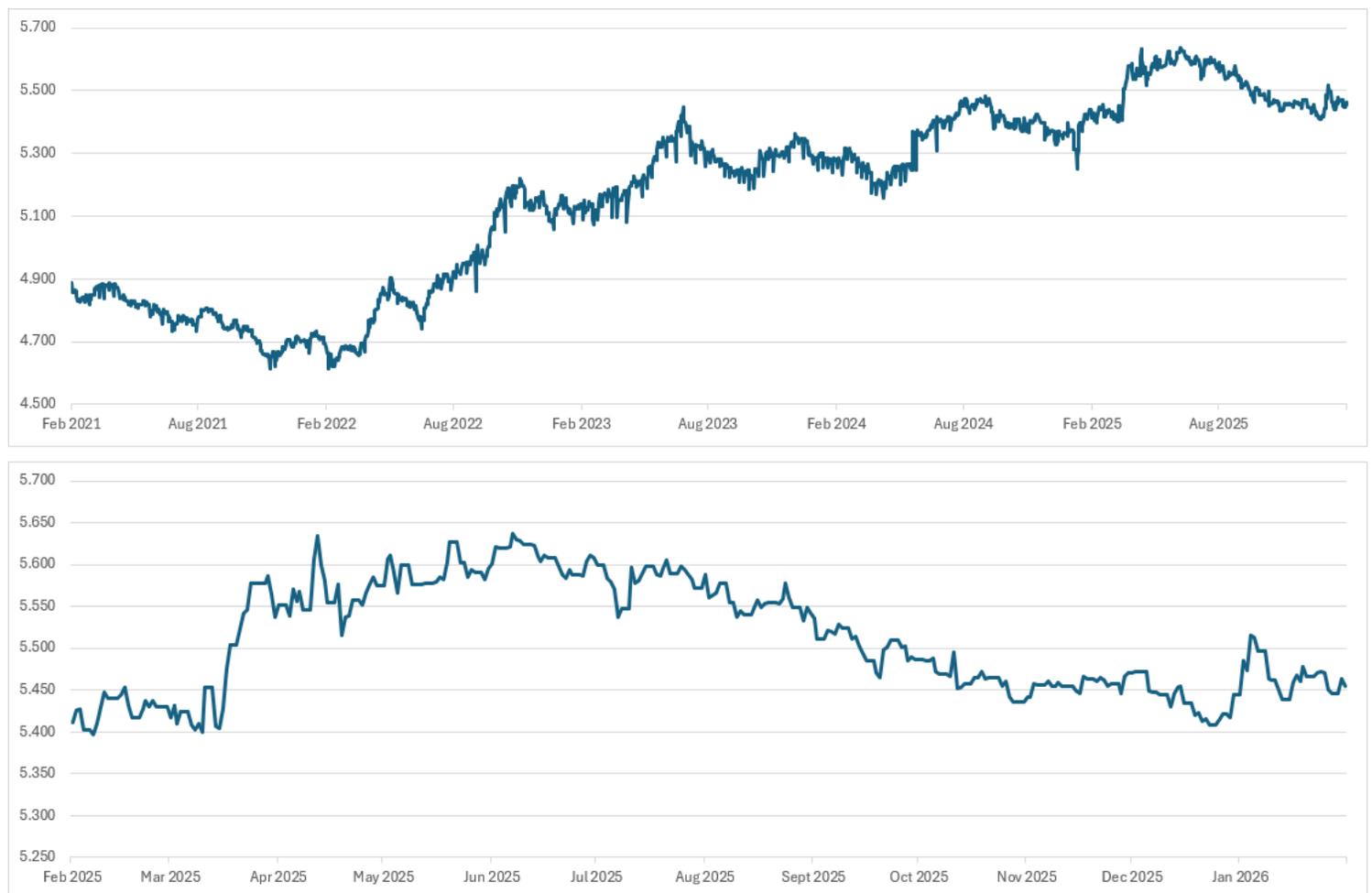
Over the past five years, RMB depreciated against SGD by 10.4% to an SGD-to-RMB exchange rate of 5.455 as at 24 February 2026 from 4.889 on 25 February 2021, as shown in **Exhibit 55** (top). However, over the last twelve months, the depreciation rate slowed to 0.8% from 5.411 on 25 February 2025, as shown in **Exhibit 55** (bottom).

Citing an economist from Standard Chartered, the Financial Times (“FT”) reported in January 2026 that the PRC may allow RMB to “appreciate gradually to assuage trading partners’ concerns over its large surpluses.” Despite U.S. tariffs in 2025, Chinese trade surplus rose to US\$1.2 trillion in 2025—highest ever reached since 1950, for which trade balance data was first available.

The Chinese State Council Information Office also published in December 2025 an article from Chinadaily, a Chinese news site, titled “Stronger RMB points to resilience”, which discussed views on factors that may contribute to an appreciation of RMB against the United States Dollar (“USD”).

Should RMB also appreciate against SGD, the valuation of Metro’s properties (in SGD) would rise.

**Exhibit 55: SGD-to-RMB Exchange Rates (Last Twelve Months and Past Five Years)**



Source: Yahoo! Finance (exchange rates), FPA

**(III) DEPLOYMENT OF S\$116.0 MILLION PROCEEDS FROM DIVESTMENT OF BIF UNITS & NOTES**

Metro announced in February 2026 that its indirect wholly-owned subsidiary, Metrobilt Construction, would divest its Units in BIF and have its BIF Notes redeemed for “approximately S\$116.0 million.” Metro noted that the divestment “is expected to be by March 2026.” BIF is currently an associate of Metro.

In our projections, we assume that Metro will receive S\$116.0 million at end-2H FY2026 after divesting its BIF units and notes, such that cash & cash equivalents would rise in 2H FY2026. We also assume that the annualised effective interest on interest income (others) from 2H FY2026 to 2H FY2027 will remain at 1.6%, the average of 2H FY2025 & 1H FY2026.

However, Metro may seek to earn a higher return from its proceeds of S\$116.0 million, especially when the divestment involves redeeming its S\$88.7 million BIF notes with interest of 7.0%. For instance, Metro may invest in bonds issued by banks and larger SGX-listed companies, like those shown in **Exhibit 56**, which may offer yields (average of bid & ask) of 2.03–3.02%—higher than our assumed annualised effective interest on interest income (others) of 1.6%. Metro may also pursue investments with higher returns.

Accordingly, Metro may instead earn a profit before taxation from 2H FY2027, or incur a loss lower than as projected by us.

**Exhibit 56: Yields of Selected Bonds (as at 24 February 2026)**

ISIN	Bond name	Issuer	Currency	Yield			Price		Volume	
				Ask	Bid	Average (bid & ask)	Ask	Bid	Ask	Bid
SGXF70435585	STSP 3.300% Perpetual Corp (SGD)	Singtel Group Treasury Pte. Ltd.	SGD	2.98	3.06	3.02	101.6	101.2	100,000	100,000
SGXF23112406	KEPSP 2.900% Perpetual Corp (SGD)	Keppel Corporation Limited	SGD	2.81	3	2.91	100.05	99.9	100,000	100,000
XS2703950233	CMZB 6.500% 24Apr2034 Corp (SGD)	Commerzbank AG	SGD	2.72	2.87	2.80	110.5	110.05	100,000	100,000
FR001400NW84	BNP 4.750% 15Feb2034 Corp (SGD)	BNP Paribas SA	SGD	2.64	2.82	2.73	106	105.45	60,000	100,000
XS2537263340	CMZB 5.700% 03May2033 Corp (SGD)	Commerzbank AG	SGD	2.46	2.69	2.58	106.1	105.65	100,000	100,000
XS2595720967	HSBC 5.300% 14Mar2033 Corp (SGD)	HSBC Holdings PLC	SGD	2.48	2.65	2.57	105.6	105.25	30,000	100,000
SGXF73188736	UOBSP 2.550% Perpetual Corp (SGD)	United Overseas Bank Limited (UOB)	SGD	2.26	2.39	2.33	100.65	100.35	10,000	100,000
XS2839480568	MFCCN 4.275% 19Jun2034 Corp (SGD)	Manulife Financial Corp	SGD	2.2	2.3	2.25	106.6	106.25	20,000	100,000
XS2526826198	ANZ 4.500% 02Dec2032 Corp (SGD)	Australia and New Zealand Banking Group Limited	SGD	2.15	2.32	2.24	104.05	103.75	50,000	100,000
SGXF56824851	UOBSP 4.250% Perpetual Corp (SGD)	United Overseas Bank Limited (UOB)	SGD	2.11	2.27	2.19	103.35	103.1	60,000	100,000
SGXF11790429	OCBCSP 3.900% Perpetual Corp (SGD)	Oversea-Chinese Banking Corporation Limited	SGD	1.87	2.19	2.03	102.55	102.15	100,000	100,000

Note: Bonds as sorted by average yield (average of bid & ask yields).

Source: iFast, FPA

## INVESTMENT RECOMMENDATION

We note that the Ong Family (i.e., Ong Sek Hian, one of the grandchildren of Metro's founder, as well as his close relatives, as indicated in the Letter to Shareholders dated July 2025) holds around 42.4% interest in Metro as at 28 August 2025. We also note that: (1) as noted in our initiation report (dated September 2025), the total interest of Ong Sek Hian (Wang ShiXian) rose by 2,633,600 shares from 13 to 28 August 2025, and that a total consideration of S\$1.1 million was paid to acquire the 2,633,600 shares (at an average of S\$0.433 per share); (2) Metro's current P/B multiple is 0.39x, which represents a discount of approximately 61% to NAV; (3) current market capitalisation is S\$434.7 million; and (4) we project cash & cash equivalents to be S\$316.1 million at end-1H FY2027. Accordingly, we consider the possibility of a privatisation offer by the Ong Family.

We estimate that the Ong Family holds 42.4% interest in Metro. Thus, the Ong Family would need to acquire the remaining 57.6% total interest to privatise Metro. At the market capitalisation of S\$434.7 million as at 24 February 2026, this equals to S\$250.3 million (57.6% × S\$434.7 million).

Based on the average price premium of privatisation offers for SGX-listed companies over the last twelve months, we also estimate that any privatisation offer may need a price premium of 32.8% from the current share price of S\$0.525 to have a chance to be successful. Thus, the Ong Family may need to offer a minimum offer price of S\$0.697 (at a full privatisation cost of S\$332.4 million—which is just 5.1% higher than our projected cash & cash equivalents of S\$316.1 million at end-1H FY2027).

We adopt as our overall target price the minimum offer price of S\$0.697, which implies an upside potential of 32.8% from the current share price of S\$0.525.

Even though we expect that Metro will continue to face headwinds in its retail operations, and project that Metro will incur losses after taxation, we note that Metro's share price may rise should its properties' valuation improve due to: (1) an earlier-than-expected recovery in the Chinese property market; or (2) an appreciation of RMB against SGD.

As noted in our initiation report, the percentage of Metro's non-current assets located in China was 50.9% as at end-FY2025. We also noted that China accounted for 92.0% of Metro's loss from operations before taxation (S\$219.8 million) in FY2025—which was, in no small part, due to fair value losses in its associates' Chinese investment properties. Fair value losses may be written back should the Chinese property market recover.

We also consider that the Ong Family may consider privatising Metro given how: (1) Metro, which was founded by Ong Tjoe Kim, started off with department stores; (2) thus, the Ong Family may be reluctant for Metro to cease retail operations; (3) it might take time for Metro's retail performance to improve; and (4) in the meantime, retail investors may continue to badger Metro over its likely near-term weak retail performance.

Accordingly, a potential privatisation attempt by the Ong Family may support the upside potential of 32.8%.

At the current NAV per share of S\$1.33 as at end-1H FY2026 and an overall target price of S\$0.697, Metro's P/B multiple would rise to 0.53x—still below the peer average P/B of 0.62x.

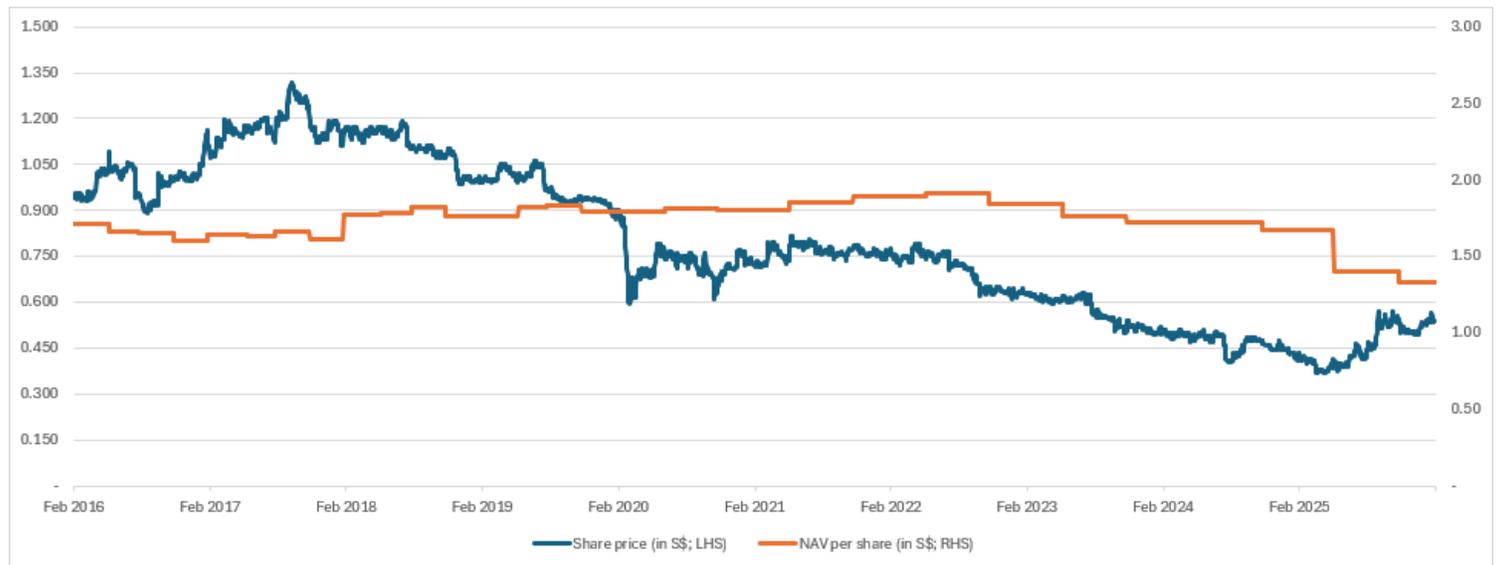
For reference, we note that Metro’s P/B multiple generally fell from its 10-year-high of 0.80x in September 2017 to its 10-year-low of 0.22x in May 2025 before its recent recovery, as shown in **Exhibit 57** (bottom). Should the Chinese property market recover, Metro’s current P/B multiple of 0.39x may continue to improve. Alternatively, Metro may be able to write back previous fair value losses such that its share price may rise even if its P/B multiple remains the same.

With the 10-year trend in Metro’s share price and P/B multiple in mind, the Ong Family may consider a privatisation offer for Metro, even at our upgraded overall target price of S\$0.697, as viable.

Accordingly, a buy recommendation may be warranted if investors consider likely a potential privatisation attempt or a near-term recovery of the Chinese property market.

However, we recognise that our target price is still subject to risks which we discuss in the next section.

**Exhibit 57: Share Price vs NAV per Share and P/B Multiple (February 2016 to February 2026)**



Source: Metro, Yahoo! Finance (share prices), FPA

## RISKS TO TARGET PRICE

### (I) INABILITY TO RENEW LEASE OF METRO CITY, SHANGHAI (“MCSH”)

Metro noted in July 2025 that the “fair value loss of MCSH is increasing as there are only 4 years remaining lease and the property has fully depreciated.” While Metro noted that it “has already initiated talks with the Chinese partner many years ago on how to extend the lease”, and that MCSH’s valuation would increase if Metro “manages to extend the lease”, Metro may continue incurring fair value loss on MCSH and may no longer derive a share of income from MCSH should MCSH’s lease expire.

### (II) GREATER-THAN-EXPECTED IMPACT FROM COMMENCEMENT OF JB-SG RTS LINK

In the latest AR of FCT, CBRE noted that the “retail sales leakage from Singapore to JB” was “estimated to rise from its current level of 3% - 4% to approximately 5% by 2032.” (As mentioned on page 5.)

Another real estate firm EdgeProp noted in January 2026, “CBRE research shows that approximately 3% of Singapore’s retail sales are currently leaked to Johor Bahru.” Still citing CBRE, EdgeProp added, “Following the RTS completion, this leakage is projected to rise by 30%–40% from the current level, reaching an estimated 4%–5% of total retail sales.”

Should there be a greater-than-expected impact on Metro Causeway Point from the commencement of Johor Bahru-Singapore RTS Link though, retail revenue may fall lower than our projections.

### (III) RISING INSTABILITY IN CHINA

In January 2026, the Chinese Ministry of National Defense announced that “senior military officials Zhang Youxia and Liu Zhenli have been investigated for suspected serious discipline and law violations.”

Subsequently, in February 2026, Nikkei Asia reported that “Isolated Xi Jinping directly presses for soldiers’ loyalty” as Chinese President Xi “can no longer trust generals amid a wave of military purges”.

Chinese President Xi’s purge of senior military officials may have stirred political unrest, which may dampen business sentiments in China. Accordingly, the valuation of Metro’s Chinese properties may not improve in the near-term.

**DISCLOSURES/DISCLAIMERS**

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