

REAL ESTATE EQUITY RESEARCH

METRO HOLDINGS LTD

SGX: M01

Bloomberg: METRO:SP

ISIN code: SG1111878499

Country: Singapore

Industry: Retail, Real Estate

1 September 2025

RECOMMENDATION: BUY

Current price: S\$0.445

Target price: S\$0.557

Issued shares: 828 million (31 March 2025)

Market capitalisation: S\$368.5 million

52-week range: S\$0.370 – S\$0.485

COMPANY DESCRIPTION

Metro Holdings Limited ("Metro") is a property investment & development group with net assets of S\$1.2 billion as at 31 March 2025. Metro operates two main segments: property investment & development and retail. As at 23 May 2025, Metro has interests in properties in Singapore, China, Indonesia, the United Kingdom (the "UK"), and Australia.

SUMMARY

For the six months ended 31 March 2025 (2H FY2025), revenue fell by 14.6% from S\$65.7 million in 2H FY2024 to S\$56.2 million in 2H FY2025 mainly due to its retail revenue falling by 13.8% (S\$8.3 million) year-on-year ("y-o-y"). Gross profit fell more-than-proportionally by 37.8% from S\$7.2 million in 2H FY2024 to S\$4.5 million in 2H FY2025 in line with a fall in retail gross margin. Share of results of associates fell by S\$219.6 million y-o-y, in line with: (1) higher fair value losses incurred by Top Spring International ("Top Spring"), a Chinese real estate group, as well as Chinese properties held by other associates; and (2) impairment loss of S\$32.9 million on the amounts due from associates from co-investments with BentallGreenOak ("BGO") Fund II, a Chinese real estate fund. Accordingly, profit/loss net of taxation (attributable to owners of the Company) fell by S\$234.7 million (S\$234.5 million) from a profit of S\$6.5 million (S\$6.4 million) in 2H FY2024 to a loss of S\$228.2 million (S\$228.1 million) in 2H FY2025. Basic & diluted Earnings Per Share ("EPS" in cents) fell by 28.3 from positive 0.8 in 2H FY2024 to negative 27.6 in 2H FY2025, while Dividend Per Share ("DPS" in cents) remained at 2.0 in FY2024 & FY2025.

RECOMMENDATION

We consider the possibility of a privatisation offer for Metro given that: (1) Ong Sek Hian (Wang ShiXian), one of the grandchildren of Metro's late founder, holds 35.7% total interest in Metro as at 28 August 2025; (2) 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); and (3) Metro's current P/B multiple is 0.32x, which represents a discount of approximately 68% to NAV.

Based on our selected recent privatisation offers, we note that the average price premium of the offers was 25.1%. Accordingly, we estimate that any privatisation offer may need to have a price premium of 25.1% from the current share price of S\$0.445 to have a chance to be successful. Thus, we estimate our overall target price to be S\$0.557, which represents an upside potential of 25.1% from the current share price of S\$0.445. The overall target price of S\$0.557 represents an upside potential of 25.1% from the current share price of S\$0.445. Besides the upside potential being the average price premium of selected recent privatisation offers, the upside potential may be justified by the potential write-back of fair value losses should there be a recovery in the Chinese property market. Thus, should a privatisation offer or a near-term recovery in the Chinese property market be seen as likely, a buy recommendation may be warranted. However, there are risks to our target price such as a prolonged Chinese property market downturn, the inability to renew lease at Metro City (four years remaining), commencement of Johor Bahru-Singapore Rapid Transit System, and rising instability in Indonesia.

KEY FINANCIALS	Revenue	Earnings ⁽¹⁾	EPS ⁽²⁾	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	1.8	24.7	2.0	4.49%	1.7	0.26
2025 Actual	104.5	(224.8)	(27.2)	n.m.	2.0	4.49%	1.4	0.32
2026 Projection	100.4	(3.9)	(0.5)	n.m.	2.0	4.49%	-	-
2027 Projection	96.9	(0.9)	(0.1)	n.m.	2.0	4.49%	-	-

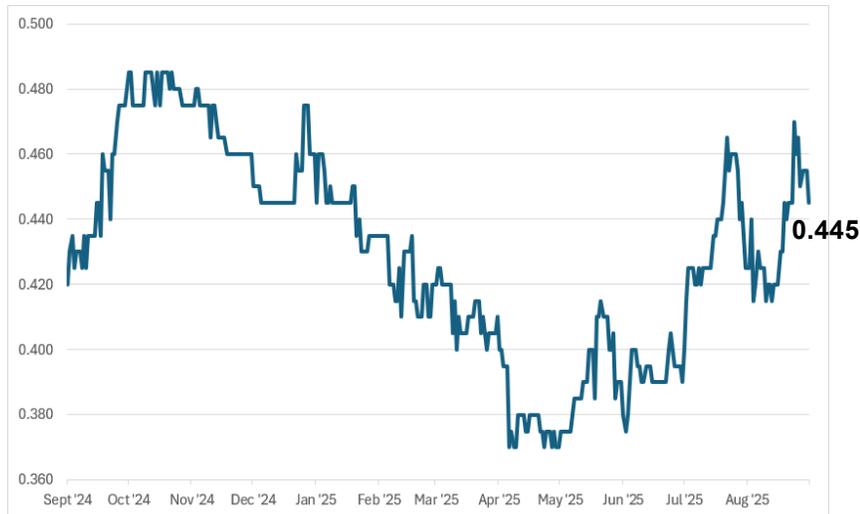
Figures have been rounded. P/E, P/B and dividend yield are based on the current share price of S\$0.445.

⁽¹⁾ Profit after tax attributable to owners of the Company.

⁽²⁾ Earnings Per Share (diluted).

Source: Metro, FPA

PRICE PERFORMANCE



Contributor: Calvin Mau
(+65 6323 1788)

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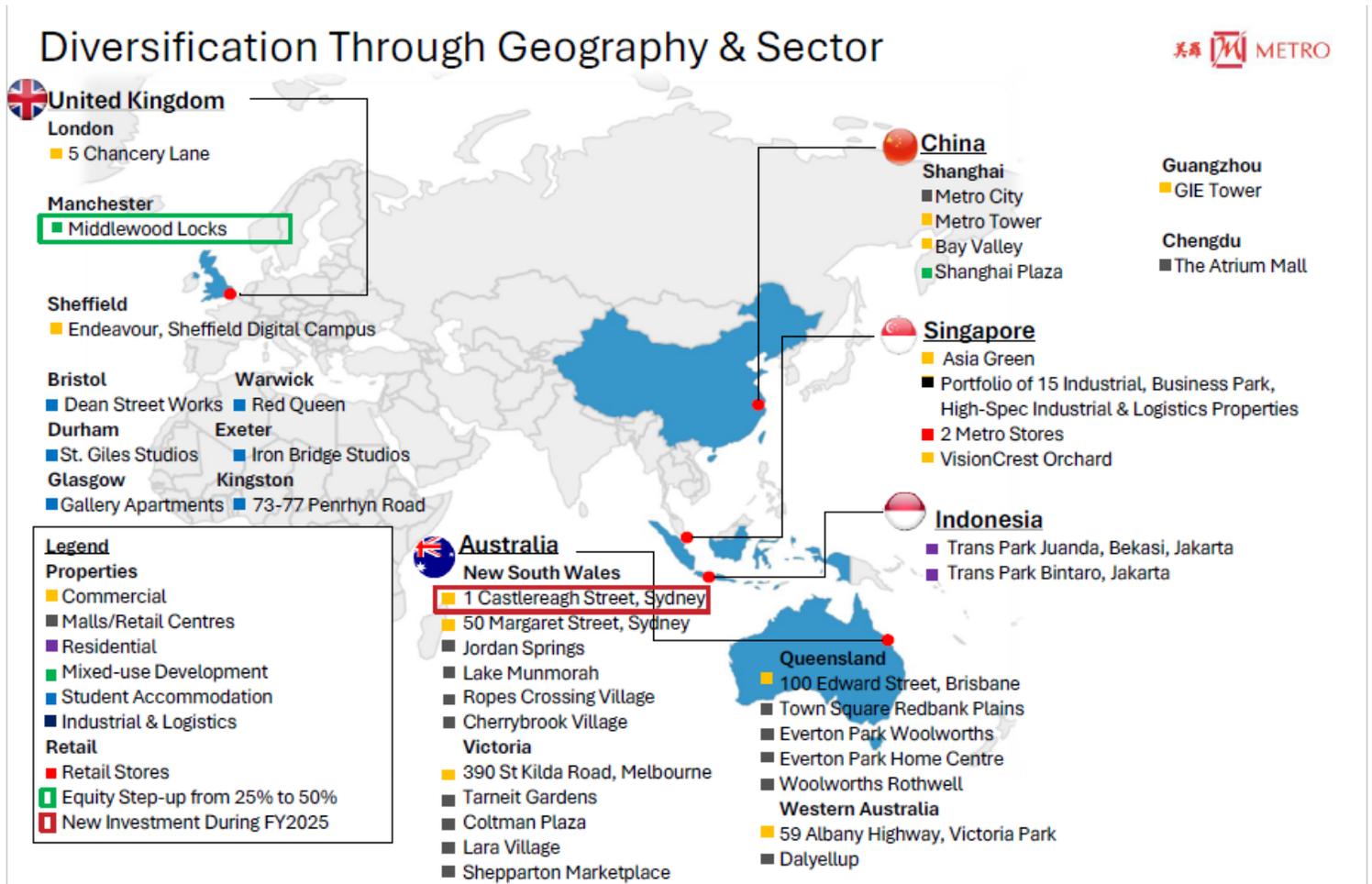
¹ Note: To navigate this report, references to Exhibits, page numbers or external sources may be clickable.

COMPANY OVERVIEW

(I) CORPORATE PROFILE

Metro Holdings Limited (“Metro”) is a property investment & development group with net assets of S\$1.2 billion as at 31 March 2025. Metro operates two main segments: property investment & development and retail. As at 23 May 2025, Metro has interests in properties in Singapore, China, Indonesia, the United Kingdom (the “UK”), and Australia, as shown in **Exhibit 1**.

Exhibit 1: Geographical Distribution of Properties (as at 23 May 2025)



Source: Metro’s presentation (FY2025)

(II) OPERATIONS AND PROPERTY PORTFOLIO

(a) Retail

Metro operates two department stores in Singapore, located at Causeway Point and Paragon. Metro also operates online through channels such as Metro Online and Lazada. Metro's Paragon store is shown in **Exhibit 2**.

In December 2019, Metro divested its Indonesian retail associate, PT Metropolitan Retailmart ("Metro Indonesia"), to a partner. Metro noted in its Annual Report ("AR") for the Financial Year ended 31 March 2025 ("FY2025") that under a "revised license agreement", Metro Indonesia continues to use the "Metro" trademarks in exchange for a fee payable to Metro.

Metro added, "As of early 2025, Metro Indonesia operates 15 department stores across key Indonesian cities including Jakarta, Bandung, Surabaya, Makassar, Solo, Manado, Karawang, and Medan, demonstrating a strong national footprint."

Exhibit 2: Metro Department Store (Paragon)



Source: Metro's corporate video

Metro's retail revenue (S\$96.5 million) was 92.4% of the total revenue (S\$104.5 million) in FY2025, as shown in **Exhibit 3**.

However, Metro's retail loss before taxation (S\$7.6 million) was 3.5% of total loss before taxation (S\$219.8 million) in FY2025, as also shown in **Exhibit 3**.

From FY2021 to FY2024, the retail segment contributed over 74% of total revenue but less than 24% of profit before taxation.

(b) Property development & investment

Metro noted in its AR for FY2025 that it has "significant interests" in:

- "over 802,000 square metres of prime retail and office investment properties in gateway cities in China, such as Shanghai, Guangzhou, and Chengdu, as well as in Singapore, London, and Australia"
- "six purpose-built student accommodation ("PBSA") properties in the UK, with 902 beds"
- "over 249,000 square metres of residential and mixed-use development properties predominantly held for sale."

Metro derives its revenue from sales of property rights from Trans Park Juanda, Bekasi, and Trans Park Bintaro, two residential buildings in Greater Jakarta, Indonesia. Meanwhile, Metro derives its rental income from GIE Tower, a commercial building in Guangzhou, China.

Metro's sales of property rights (S\$3.0 million) and rental income (S\$5.0 million) respectively contributed 2.9% and 4.8% of total revenue (S\$104.5 million) in FY2025, as shown in **Exhibit 3**. However, the property segment (which includes sales of property rights and rental income; loss before taxation of S\$212.2 million) contributed 96.5% of total loss before taxation in FY2025.

From FY2021 to FY2024, the property segment contributed over 76% of Metro's profit before taxation, as shown in **Exhibit 3**.

Exhibit 3: Share of Results of Associates & Joint Ventures vs Profit from Operations Before Tax (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Retail	72,771	86,594	103,980	105,441	96,510
Property - sales of property rights	17,924	7,655	6,834	4,990	2,982
Property - rental income	6,628	6,254	6,423	5,477	5,012
Revenue	97,323	100,503	117,237	115,908	104,504
As % of revenue:					
Retail	74.8%	86.2%	88.7%	91.0%	92.4%
Property - Sales of property rights	18.4%	7.6%	5.8%	4.3%	2.9%
Property - Rental income	6.8%	6.2%	5.5%	4.7%	4.8%
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Retail	(2,057)	2,770	7,367	2,051	(7,612)
Property	49,619	28,929	24,356	17,673	(212,231)
Profit/(loss) from operations before taxation	47,562	31,699	31,723	19,724	(219,843)
As % of profit/(loss) from operations before taxation:					
Retail	(4.3%)	8.7%	23.2%	10.4%	3.5%
Property	104.3%	91.3%	76.8%	89.6%	96.5%
Profit/(loss) from operations before taxation	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Metro's ARs, FPA

One reason for the discrepancy between the revenue and profit/loss before taxation contributions of Metro's property and retail segments is that most of Metro's properties are held through associates or joint ventures. Metro noted that "the carrying value of the interests in associates and joint ventures amounted to S\$1,347.8 million, representing 84.1% of non-current assets and 65.6% of total assets of the Group" in FY2025.

Metro added that its share of associates¹ and joint ventures² results (collective loss of S\$180.2 million) represented "82.0% of the Group's loss before taxation" in FY2025. From FY2021 to FY2024, Metro's share of associates & joint ventures results contributed at least 72.0% of total profit before taxation, as shown in **Exhibit 4**.

Exhibit 4: Share of Results of Associates & Joint Ventures vs Profit from Operations Before Tax (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Share of results of associates, net of tax	(20,559)	(24,506)	4,137	25,902	(203,356)
Share of results of joint ventures, net of tax	64,154	47,315	35,309	9,695	23,149
(A) Share of results of associates & joint ventures	43,595	22,809	39,446	35,597	(180,207)
(B) Profit from operations before tax	47,562	31,699	31,723	19,724	(219,843)
A as a % of B	91.7%	72.0%	124.3%	180.5%	82.0%

Source: Metro's ARs, FPA

Properties held by Metro's subsidiaries (from which Metro derives its revenue) are listed in **Exhibit 5**.

Exhibit 5: Properties Held by Subsidiaries

Property	Region	Type	Valuation (at 100%)		Building % owned by Group	Ownership	
			Unit	Amount		Entity	Classification
Owned or operated by subsidiar(ies):							
Singapore (retail revenue):							
2 Metro Stores	-	Retail Stores	n.a.	n.a.	n.a.	Metro (Private) Ltd	Subsidiary (100.0% owned)
Indonesia (revenue from sale of property rights):							
Trans Park Juanda, Bekasi	Greater Jakarta	Residential	IDR trillion	1.99	90%	PT Metro Property Investment	Subsidiary (90.0% owned)
Trans Park Bintaro	Greater Jakarta	Residential	IDR trillion	1.33	90%		
China (source of rental income):							
GIE Tower	Guangzhou	Commercial	RMB million	534	100%	Metrobilt Enterprise Ltd	Subsidiary (100.0% owned)

n.a. = not applicable.

Source: Metro's AR (FY2025), FPA

¹ Metro noted in its latest AR (FY2025) that an associate "is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies." The Group CEO noted too in the Annual General Meeting ("AGM") held in July 2024 that "an associate is one where you hold 20% to 50% of its shareholdings, i.e. one will have some influence but no control over the company."

² Metro noted in its latest AR that in joint venture agreements, "parties are entitled to a share of the profits of the joint ventures in proportion to their respective capital contributions but have contractual joint control of the joint ventures and require unanimous consent for all major decisions over the relevant activities."

Properties held by Metro's associates and joint ventures are listed in **Exhibit 6**. Do note that **Exhibit 6** excludes Metro's interests in two associates: Top Spring (carrying value of S\$152.7 million as at end-FY2025) and BentallGreenOak ("BGO") Fund II.

Exhibit 6: Properties Held by Associates and Joint Ventures

Property	Region	Type	Valuation (at 100%)		Building % owned by Group	Ownership	
			Unit	Amount		Entity	Classification
Owned or operated by associate(s):							
China:							
Bay Valley	Shanghai	Commercial	RMB million	1,700	30%	Huge Source Limited Shine Long Limited Progress Link Limited 70% owned by Top Spring International	Associate (30.0% owned) Associate (30.0% owned) Associate (30.0% owned) Associate (30.0% owned)
Shanghai Plaza	Shanghai	Mixed-use Development	RMB million	2,590	38.5%	Shanghai Yong Ling Property Development Co. Ltd.	Associate (38.5% owned)
Other non-current assets (including properties held by Top Spring International)	-	-	RMB million	1,342	n.a.	Top Spring International	Associate (20.5% owned)
Singapore:							
Portfolio of 15 Industrial, Business Park, High-Spec Industrial & Logistics Properties	-	Logistics & Industrial	SGD million	763.2	26%	Boustead Industrial Fund	Associate (26.0% owned)
Australia:							
1 Castlereagh Street, Sydney	New South Wales	Commercial					
50 Margaret Street, Sydney	New South Wales	Commercial					
Jordan Springs	New South Wales	Malls / Retail Centres					
Lake Munmorah	New South Wales	Malls / Retail Centres					
Ropes Crossing Village	New South Wales	Malls / Retail Centres					
Cherrybrook Village	New South Wales	Malls / Retail Centres					
390 St Kilda Road, Melbourne	Victoria	Commercial					
Tarneit Gardens	Victoria	Malls / Retail Centres				SLH (Aus) Property Trust	Associate (30.0% owned)
Coltman Plaza	Victoria	Malls / Retail Centres	AUD million	1,396	30%	SLG Property Trust SLG Property Trust II	Associate (30.0% owned) Associate (30.0% owned)
Lara Village	Victoria	Malls / Retail Centres				Sim Lian – Metro Capital Pte Ltd (asset & investment manager)	Associate (30.0% owned)
Shepparton Marketplace	Victoria	Malls / Retail Centres					
100 Edward Street, Brisbane	Queensland	Commercial					
Town Square Redbank Plains	Queensland	Malls / Retail Centres					
Everton Park Woolworths	Queensland	Malls / Retail Centres					
Everton Park Home Centre	Queensland	Malls / Retail Centres					
Woolworths Rothwell	Queensland	Malls / Retail Centres					
59 Albany Highway, Victoria	Western Australia	Commercial					
Dalyellup	Western Australia	Malls / Retail Centres					
United Kingdom (Purpose-Built Student Accommodation or "PBSA"):							
Red Queen	Warwick	Student Accommodation					
Dean Street Works	Bristol	Student Accommodation					
St. Giles Studios	Durham	Student Accommodation	GBP million	149	30%	Paideia Capital UK Trust (the PBSA fund) Paideia Partners Pte. Ltd. (fund manager)	Associate (33.3% owned) Associate (30.0% owned)
Iron Bridge Studios	Exeter	Student Accommodation					
Gallery Apartments	Glasgow	Student Accommodation					
73-77 Penrhyn Road	Kingston	Student Accommodation					
Owned or operated by joint venture(s):							
China:							
Metro Tower	Shanghai	Commercial	RMB million	1,021	60%	Shanghai Huimei Property Co Ltd	Joint venture (60.0% owned)
Metro City	Shanghai	Malls / Retail Centres	RMB million	613	60%	Shanghai Metro City Commercial Management Co Ltd	Joint venture (60.0% owned)
The Atrium Mall	Chengdu	Malls / Retail Centres	RMB million	1,780	25%	Xiamen CICC Qihang Equity Investment Partnership (Limited Partnership)	Joint venture (50.0% owned)
Singapore:							
Asia Green	-	Commercial	SGD million	435	50%	T-Grande Property Holding Pte. Ltd.	Joint venture (50.0% owned)
VisionCrest Orchard	-	Commercial	SGD million	415	20%	Vision One Enterprise Limited	Joint venture (40.9% owned)
United Kingdom:							
5 Chancery Lane	London	Commercial	GBP million	82.8	50%	Lee Kim Tah – Metro Jersey Limited	Joint venture (50.0% owned)
Middlewood Locks	Manchester	Mixed-use Development	GBP billion	1 ⁽¹⁾	50%	Fairbriar Real Estate Ltd	Joint venture (50.0% owned)
Endeavour, Sheffield Digital Campus	Sheffield	Commercial	n.a.	n.a.	50%	Scarborough DC Limited	Joint venture (50.0% owned)

n.a. = not available. ⁽¹⁾ Gross development value.

Source: Metro's AR (FY2025), FPA

One of Metro’s associates is Top Spring International (“Top Spring”), a Chinese real estate group. Metro has 20.5% interest in Top Spring as at 31 March 2025, and the carrying value of Metro’s interest in Top Spring is S\$152.7 million as at end-FY2025. Top Spring is listed on the Hong Kong Stock Exchange under the ticker 3688. According to Metro, Top Spring “is specialised in the development and operation of urban mixed-use communities and the development and sale of residential properties” in China. Metro added that Top Spring had “an estimated net saleable/leasable GFA of approximately 402,853 sqm” as at 31 December 2024 (Top Spring’s Financial Year or “FY” ends on 31 December). Top Spring’s properties are shown in **Exhibit 7**.

Exhibit 7: Top Spring’s Properties



Source: Metro’s AR (FY2025)

Metro also noted that it owns or invests in:

- “23.7% and 4.9% in BentallGreenOak China Real Estate Fund II (A), L.P. (“BentallGreenOak Fund II”) and BentallGreenOak Fund III respectively, both private equity real estate opportunity funds”
- “7.2% in Mapletree Global Student Accommodation (“MGSA”) Private Trust, a private trust in Singapore”
- “approximately 7.4% in Daiwa House Logistics Trust” (“DHLT”; SGX:DHLU).

BGO Fund II is considered an associate of Metro, while BGO Fund III is considered a long term investment. Metro’s interests in MGSA Private Trust and DHLT are considered long term investments.

Metro made its first investment in BGO Fund II of S\$30.9 million in the quarter ended September 2015. Meanwhile, Metro made its first investment in BGO Fund III of S\$12.2 million in 4Q FY2019. According to PitchBook, a capital market data provider, BGO Fund II and BGO Fund III are real estate debt funds. Metro noted that it co-invested with BGO Fund II and BGO Fund III in a real estate debt instrument each after investing in each fund.

During the AGM held in July 2024, the Group CEO noted¹ that BGO Fund II was “invested mainly in the third-tier cities in the PRC when the residential market was good.” The Group CEO added that the “investments were structured in the form of mezzanine loans extended to the developers to complete their projects”, and that the “interest rates charged for the mezzanine loans were high and ranged from 13% to 15% per annum.” The Group CEO also noted that the mezzanine loans were “secured by assets of the projects.”

Metro made its first investment in MGSA Private Trust of S\$56.4 million in 4Q FY2017. According to Mapletree Investments, MGSA Private Trust is “Invested in an attractive and resilient income-producing student accommodation portfolio in the UK and the US.” Mapletree Investments added that the Assets Under Management (“AUM”) of MGSA Private Trust is “~S\$1.4 billion (~US\$1.1 billion)” as at 31 March 2025, and that MGSA Private Trust is “approaching fund maturity” (in around 2026)².

Metro invested S\$41.3 million in DHLT in 2H FY2022. Metro was a cornerstone investor in DHLT’s Initial Public Offering (“IPO”) in November 2021. According to DHLT, its portfolio “comprised 18 quality logistics facilities, with 17 properties well-diversified across Japan and one strategically located in Long An Province, near Ho Chi Minh City in Vietnam” as at 31 December 2024. DHLT added that its portfolio had a valuation of S\$835.9 million as at 31 December 2024. Based on DHLT’s SGX filings, Metro’s unitholding in DHLT has remained at 51,625,000 units from 26 November 2021 to 12 March 2025. Metro’s interest in DHLT has been diluted though from 7.65% as at 26 November 2021 to 7.39% as at 12 March 2025.

Metro also likely invested S\$6.1 million in United Hampshire U.S. REIT (“UHREIT”; SGX:ODBU) in 2H FY2022. According to UHREIT, its portfolio “comprised 20 Grocery & Necessity and two Self-Storage properties that serve the non-discretionary needs of the U.S. consumer.”³ UHREIT added that its portfolio had “a total appraised value of US\$752.9 million and an aggregate NLA of 3.6 million square feet.” Based on UHREIT’s ARs, Metro’s unitholdings (and interest) in UHREIT has risen from 7,200,000 units (1.29% interest) as at 9 March 2022 to 9,388,102 units (1.59% interest) as at 10 March 2025.

¹ In the Minutes of the AGM held in July 2025, Metro did note that “The Minutes are not a verbatim record of the proceedings of the AGM.” Nonetheless, for practical purposes, we assume that the Minutes were verbatim records of the respective AGMs’ discussions when citing from any of the Minutes.

² MGSA was launched in 2017 and had a fund life of “5+1+3” (a total of nine) years.

³ Footnote removed from quote.

Most of Metro's non-current assets (which include properties) are located in China. The percentage of Metro's non-current assets located in China was 50.9% as at end-FY2025, as shown in **Exhibit 8**.

However, the percentage has also fallen from 69.5% at end-FY2021 to 50.9% at end-FY2025, as shown too in **Exhibit 8**. The Group CEO noted in July 2025 that "Metro Group's exposure to the PRC has been reduced from 76% (2010) to 45% (2025)", and that "Metro Group does not have new investment in PRC after 2019."

Nonetheless, China accounted for 92.0% of Metro's loss from operations before taxation (S\$219.8 million) in FY2025.

Investment property relates to Metro's 100%-owned GIE Tower.

Exhibit 8: Non-Current Assets in, and Earnings from, China (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
People's Republic of China:					
Segment revenue from external customers	6,628	6,254	6,423	5,477	5,012
Profit/loss from operations before taxation	27,888	(5,784)	28,037	55,293	(202,269)
Plant & equipment	10	8	8	5	3
Right-of-use assets	-	-	-	-	-
Investment property (GIE Tower)	111,725	115,744	106,196	102,364	98,735
Associates	563,629	677,765	631,409	530,996	344,896
Joint ventures	276,393	280,945	222,069	215,432	193,424
Long term investments	15,237	12,786	11,437	11,875	7,499
Non-current assets	966,994	1,087,248	971,119	860,672	644,557
As % of total:					
Segment revenue from external customers	6.8%	6.2%	5.5%	4.7%	4.8%
Profit/loss from operations before taxation	58.6%	(18.2%)	88.4%	280.3%	92.0%
Plant & equipment	0.4%	0.4%	0.4%	0.4%	0.2%
Right-of-use assets	-	-	-	-	-
Investment property	100.0%	100.0%	100.0%	100.0%	100.0%
Associates	72.9%	68.8%	66.1%	62.7%	54.6%
Joint ventures	75.1%	71.2%	65.2%	57.7%	44.7%
Long term investments	17.2%	9.6%	10.5%	11.1%	9.2%
Non-current assets	69.5%	64.5%	62.4%	58.0%	50.9%

Source: Metro's ARs, FPA

Non-current amounts attributable to Top Spring as a percentage of PRC associates fell from 69.3% in FY2021 to 44.3% in FY2025, as shown in **Exhibit 9**. However, we note that the fall in percentage in FY2024 & FY2025 was at least partly due to Metro's loan to Top Spring being re-classified from non-current to current in FY2024.

Metro also has 38.5% interest in Shanghai Plaza and 30.0% interest in Bay Valley via associates.

Meanwhile, Metro has 25% interest in The Atrium Mall and 60% interest in each of Metro Tower and Metro City via joint ventures.

Exhibit 9: Chinese Associates & Joint Ventures (FY2021 to FY2025)

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
Breakdown of associates (PRC):					
Carrying amount of Top Spring	255,320	261,210	228,132	267,625	152,690
Loan to Top Spring (non-current) - reclassified as current after FY2023	135,460	135,460	135,460	-	-
Amounts attributable to Top Spring (non-current)	390,780	396,670	363,592	267,625	152,690
Others (estimate)	172,849	281,095	267,817	263,371	192,206
Associates (PRC)	563,629	677,765	631,409	530,996	344,896
Amts attrib. to Top Spring (non-current) as % of associates (PRC)	69.3%	58.5%	57.6%	50.4%	44.3%
Amounts attributable to Top Spring (current + non-current):					
Amounts attributable to Top Spring (non-current)	390,780	396,670	363,592	267,625	152,690
Loan to Top Spring (current)	-	-	-	135,460	115,671
Amounts attributable to Top Spring (current + non-current)	390,780	396,670	363,592	403,085	268,361
Breakdown of joint ventures (PRC):					
Shanghai Metro City Commercial Management (holds Metro City)	117,360	117,851	71,430	68,892	59,678
Shanghai Huimei Property (holds Metro Tower)	113,467	117,593	101,066	97,037	87,523
Others (estimate)	45,566	45,500	49,573	49,503	46,223
Joint ventures (PRC)	276,393	280,945	222,069	215,432	193,424
Disclosed dividends received/receivable:					
Top Spring	819	2,765	402	391	-
Shanghai Metro City Commercial Management (holds Metro City)	27,543	27,758	50,352	22,752	21,028
Shanghai Huimei Property (holds Metro Tower)	6,069	7,316	12,977	5,805	4,005
Disclosed dividends received/receivable from PRC assocs & JVs	34,431	37,839	63,731	28,948	25,033

Source: Metro, FPA

Metro's non-current assets in and earnings from ASEAN, from FY2021 to FY2025, are shown in **Exhibit 10**. Metro derives its retail revenue and sales of property rights revenue from Singapore and Indonesia, respectively.

Metro's retail stores (located in Singapore) are right-of-use assets.

In Singapore, Metro also has 26% interest in a portfolio of "15 Industrial, Business Park, High-Spec Industrial & Logistics Properties" via Boustead Industrial Fund ("BIF"), an associate, as well as a 50% interest in Asia Green and a 20% interest in VisionCrest Orchard via joint ventures.

In Indonesia, Metro has a 90% interest in Trans Park Juanda, Bekasi, and Trans Park Bintaro.

Exhibit 10: Non-Current Assets in, and Earnings from, ASEAN (FY2021 to FY2025)

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
ASEAN:					
Segment revenue from external customers (mainly retail)	90,695	94,249	110,814	110,431	99,492
Profit/(loss) from operations before taxation	13,235	12,206	6,499	(1,568)	(10,697)
Plant & equipment (est. mostly retail based on depreciation)	2,700	1,980	1,836	1,338	1,585
Right-of-use assets (est. mostly retail based on depreciation)	46,960	54,262	43,733	52,606	20,028
Investment property	-	-	-	-	-
Associates	76,837	97,099	111,174	113,056	116,091
Joint ventures	57,390	72,473	75,283	111,057	122,717
Long term investments (est. to be DocMed)	-	-	6,000	6,000	-
Non-current assets	183,887	225,814	238,026	284,057	260,421
As % of total:					
Segment revenue from external customers	93.2%	93.8%	94.5%	95.3%	95.2%
Profit/(loss) from operations before taxation	27.8%	38.5%	20.5%	(7.9%)	4.9%
Plant & equipment	99.6%	99.6%	99.6%	99.6%	99.8%
Right-of-use assets	100.0%	100.0%	100.0%	100.0%	100.0%
Investment property	-	-	-	-	-
Associates	9.9%	9.9%	11.6%	13.3%	18.4%
Joint ventures	15.6%	18.4%	22.1%	29.7%	28.3%
Long term investments	-	-	5.5%	5.6%	-
Non-current assets	13.2%	13.4%	15.3%	19.1%	20.6%
Breakdown of associates (ASEAN):					
Carrying value of Boustead Industrial Fund ("BIF"; est.)	15,477	21,439	22,514	24,396	27,431
BIF 7.0% note (due 2031)	61,360	75,660	88,660	88,660	88,660
Associates (ASEAN)	76,837	97,099	111,174	113,056	116,091

Source: Metro, FPA

Metro's remaining non-current assets and earnings, from FY2021 to FY2025, are shown in **Exhibit 11**.

In Australia, Metro has a 30% interest in a portfolio of 18 office & retail properties via associates.

In the UK, Metro has a 30% interest in a portfolio of six PBSA properties (with 902 beds) via associates. Metro also has a 50% interest in each of 5 Chancery Lane, Middlewood Locks and Endeavour, Sheffield Digital Campus, via joint ventures.

Exhibit 11: Non-Current Assets in, and Earnings from, Australia & Others (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Australia:					
Segment revenue from external customers	-	-	-	-	-
Profit/(loss) from operations before taxation	4,999	9,490	177	(9,052)	(4,336)
Plant & equipment	-	-	-	-	-
Right-of-use assets	-	-	-	-	-
Investment property	-	-	-	-	-
Associates -- est. to be Australian properties portfolio	96,253	172,317	156,266	150,406	139,011
Joint ventures	-	-	-	-	-
Long term investments	-	-	-	-	-
Non-current assets	139,011	150,406	156,266	172,317	96,253
Others:					
Segment revenue from external customers	-	-	-	-	-
Profit/(loss) from operations before taxation	1,440	15,787	(2,990)	(24,949)	(2,541)
Plant & equipment	-	-	-	-	-
Right-of-use assets	-	-	-	-	-
Investment property	-	-	-	-	-
Associates -- est. to be UK PBSA portfolio	36,552	38,490	57,059	52,974	31,844
Joint ventures	34,165	41,271	43,385	47,091	117,027
Long term investments	73,297	120,835	91,628	88,930	73,674
Non-current assets	144,014	200,596	192,072	188,995	222,545

Source: Metro's ARs, FPA

Metro's properties, as re-collated by geographic location, is shown in **Exhibit 12**.

Exhibit 12: Geographical Breakdown of Metro's Properties

Property	Region	Type	Building % owned by Group	Valuation (at 100%)		Floor area		Held by
				Unit	Amount	Unit	Amount	
China:								
GIE Tower	Guangzhou	Commercial	100%	RMB million	534	Lettable area (sqm)	28,390	Subsidiary
Bay Valley	Shanghai	Commercial	30%	RMB million	1,700	Leasable GFA (sqm)	97,854	Associates
Shanghai Plaza	Shanghai	Mixed-use Development	38.5%	RMB million	2,590	Lettable area (sqm)	37,807	Associate
Other non-current assets (including properties) held by Top Spring International	n.a.	n.a.	n.a.	RMB million	1,342	Net saleable/ leasable GFA (sqm)	402,853	Associate
Metro Tower	Shanghai	Commercial	60%	RMB million	1,021	Lettable area (sqm)	39,295	Joint venture
Metro City	Shanghai	Malls / Retail Centres	60%	RMB million	613	Lettable area (sqm)	38,790	Joint venture
The Atrium Mall	Chengdu	Malls / Retail Centres	25%	RMB million	1,780	Lettable area (sqm)	26,370	Joint venture
Singapore:								
2 Metro Stores	-	Retail Stores	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Portfolio of 15 Industrial, Business Park, High-Spec Industrial & Logistics Properties	-	Logistics & Industrial	26%	SGD million	763	Lettable area (sq ft)	2,168,938	Associate
Asia Green	-	Commercial	50%	SGD million	435	Lettable area (sqm)	26,442	Joint venture
VisionCrest Orchard	-	Commercial	20%	SGD million	415	Lettable area (sqm)	n.a.	Joint venture
Indonesia:								
Trans Park Juanda, Bekasi	Jakarta	Residential	90%	IDR trillion	1.99	Saleable GFA (sqm)	162,574	Subsidiary
Trans Park Bintaro	Jakarta	Residential	90%	IDR trillion	1.33	Saleable GFA (sqm)	61,619	Subsidiary
Australia:								
1 Castlereagh Street, Sydney	New South Wales	Commercial						
50 Margaret Street, Sydney	New South Wales	Commercial						
Jordan Springs	New South Wales	Malls / Retail Centres						
Lake Munmorah	New South Wales	Malls / Retail Centres						
Ropes Crossing Village	New South Wales	Malls / Retail Centres						
Cherrybrook Village	New South Wales	Malls / Retail Centres						
390 St Kilda Road, Melbourne	Victoria	Commercial						
Tarneit Gardens	Victoria	Malls / Retail Centres						
Coltman Plaza	Victoria	Malls / Retail Centres	30%	AUD million	1,396	Lettable area (sqm)	176,279	Associates
Lara Village	Victoria	Malls / Retail Centres						
Shepparton Marketplace	Victoria	Malls / Retail Centres						
100 Edward Street, Brisbane	Queensland	Commercial						
Town Square Redbank Plains	Queensland	Malls / Retail Centres						
Everton Park Woolworths	Queensland	Malls / Retail Centres						
Everton Park Home Centre	Queensland	Malls / Retail Centres						
Woolworths Rothwell	Queensland	Malls / Retail Centres						
59 Albany Highway, Victoria	Western Australia	Commercial						
Dalyellup	Western Australia	Malls / Retail Centres						
United Kingdom:								
5 Chancery Lane	London	Commercial	50%	GBP million	82.8	Lettable area (sqm)	n.a.	Joint venture
Middlewood Locks	Manchester	Mixed-use Development	50%	GBP billion	1 ⁽¹⁾	Est. total GFA (million sq ft)	3	Joint venture
Endeavour, Sheffield Digital Campus	Sheffield	Commercial	50%	n.a.	n.a.	Lettable area (sqm)	6,035	Joint venture
Red Queen	Warwick	Student Accommodation						
Dean Street Works	Bristol	Student Accommodation						
St. Giles Studios	Durham	Student Accommodation	30%	GBP million	149	No. of beds	902	Associates
Iron Bridge Studios	Exeter	Student Accommodation						
Gallery Apartments	Glasgow	Student Accommodation						
73-77 Penrhyn Road	Kingston	Student Accommodation						

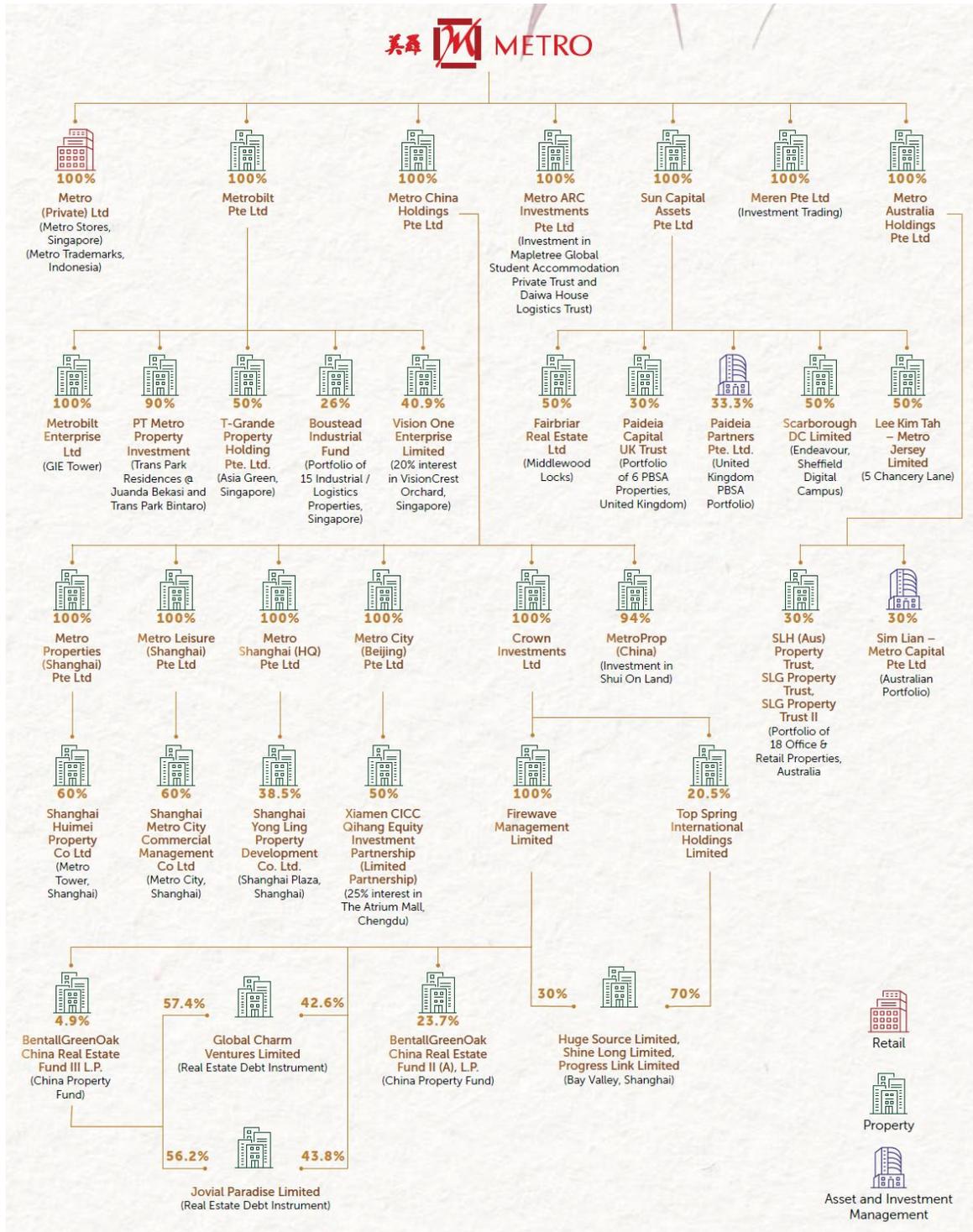
n.a. = not available/applicable. ⁽¹⁾ Gross development value.

Source: Metro's AR (FY2025), FPA

(III) CORPORATE STRUCTURE

Metro's corporate structure is shown in **Exhibit 13**.

Exhibit 13: Corporate Structure



Source: Metro's AR (FY2025)

(IV) SUBSTANTIAL SHAREHOLDERS

As at 28 August 2025, Eng Kuan Company Private Limited (“Eng Kuan”) has 22.8% total (direct) interest; Dynamic Holdings Pte Ltd (“Dynamic”) has 5.8% total (direct) interest; and Leroy Singapore Pte Ltd (“Leroy”) has 6.7% total (deemed) interest in Metro.

Metro noted in its latest AR that Leroy’s deemed interest “is held through DBS Nominees (Private) Limited.”

In the Letter to Shareholders dated 7 July 2025, Metro referred to Eng Kuan, Dynamic, and Leroy collectively as the “Ong Companies”. Metro also noted that Ong Jen Yaw and Ong Ling Ling were directors of Eng Kuan, while Ong Sek Hian (Wang ShiXian) was the sole director of Leroy.

Ong Sek Hian (Wang ShiXian), Ong Jenn (Wang Zhen), Ong Ling Ling, and Ong Ching Ping are siblings. The late Ong Tjoe Kim, founder of Metro, is their grandfather, while Ong Jen Yaw is their uncle.

As at 28 August 2025, Ong Sek Hian (Wang ShiXian) has a 35.7% total (0.0% direct + 35.6% deemed) interest in Metro. Ong Sek Hian is deemed interested in the shares held by the Ong Companies and 2,633,600 shares held by Bishopsgate Private Limited. Bishopsgate Private Limited acquired its 2,633,600 shares from 13 to 28 August 2025.

As at 9 June 2025, Ong Jenn (Wang Zhen) has a 35.4% total (0.0% direct + 35.4% indirect) interest in Metro as at 9 June 2025. Ong Jenn is deemed interested in the shares held by the Ong Companies.

As at 9 June 2025, Ong Ling Ling and Ong Ching Ping are deemed interested in the shares held by Eng Kuan and Dynamic.

As at 9 June 2025, Ong Jen Yaw is deemed interested in the shares held by Eng Kuan, as well as 26,507,414 shares held by Citibank Nominees Singapore Pte Ltd.

As at 9 June 2025, Ngee Ann Development Pte Ltd has a 10.3% total (direct) interest in Metro.

The shareholdings of substantial shareholders are shown in **Exhibit 14**.

Exhibit 14: Substantial Shareholders

Substantial shareholders	Direct interest		Deemed interest		Total interest		As at
	No. of shares	%	No. of shares	%	No. of shares	%	
Ong Companies:							
Eng Kuan Company Private Limited (“Eng Kuan”)	188,995,635	22.8%	-	-	188,995,635	22.8%	28 Aug '25
Dynamic Holdings Pte Ltd (“Dynamic”)	48,293,203	5.8%	-	-	48,293,203	5.8%	28 Aug '25
Leroy Singapore Pte Ltd (“Leroy”)	-	-	55,758,905	6.7%	55,758,905	6.7%	28 Aug '25
Members of Ong Family:							
Ong Sek Hian (Wang ShiXian)	63,360	0.0%	295,744,703	35.7%	295,808,063	35.7%	28 Aug '25
Ong Jenn (Wang Zhen)	63,360	0.0%	293,047,743	35.4%	293,111,103	35.4%	09 Jun '25
Ong Ling Ling	75,360	0.0%	237,288,838	28.7%	237,364,198	28.7%	09 Jun '25
Ong Ching Ping	63,360	0.0%	237,288,838	28.7%	237,352,198	28.7%	09 Jun '25
Ong Jen Yaw	2,664,666	0.3%	215,503,049	26.0%	218,167,715	26.3%	09 Jun '25
Others:							
Ngee Ann Development Pte Ltd	85,515,056	10.3%	-	-	85,515,056	10.3%	09 Jun '25

Source: Metro’s AR (FY2025) & announcement, FPA

ECONOMIC & INDUSTRY OUTLOOK

(I) SINGAPORE – ECONOMY

According to the Ministry of Trade and Industry (“MTI”), Singapore’s real GDP rose by 4.4% y-o-y in 2Q 2025. MTI noted in August 2025 that the “top three positive contributors to GDP growth” were the wholesale trade (+0.9%), manufacturing (+0.8%), and finance & insurance (+0.6%) sectors. MTI added that “wholesale trade and transportation & storage sectors were boosted by front-loading activities in the region ahead of the implementation of tariff measures by the US.”

MTI also upgraded its real GDP forecast for 2025 from “0.0 to 2.0 per cent” to “1.5 to 2.5 per cent”. MTI raised its forecast mainly in view of the “better-than-expected performance of the Singapore economy in the first half of 2025.” Real GDP rose by 4.3% y-o-y in 1H 2025 despite the “sweeping tariffs announced in April on major economies.”

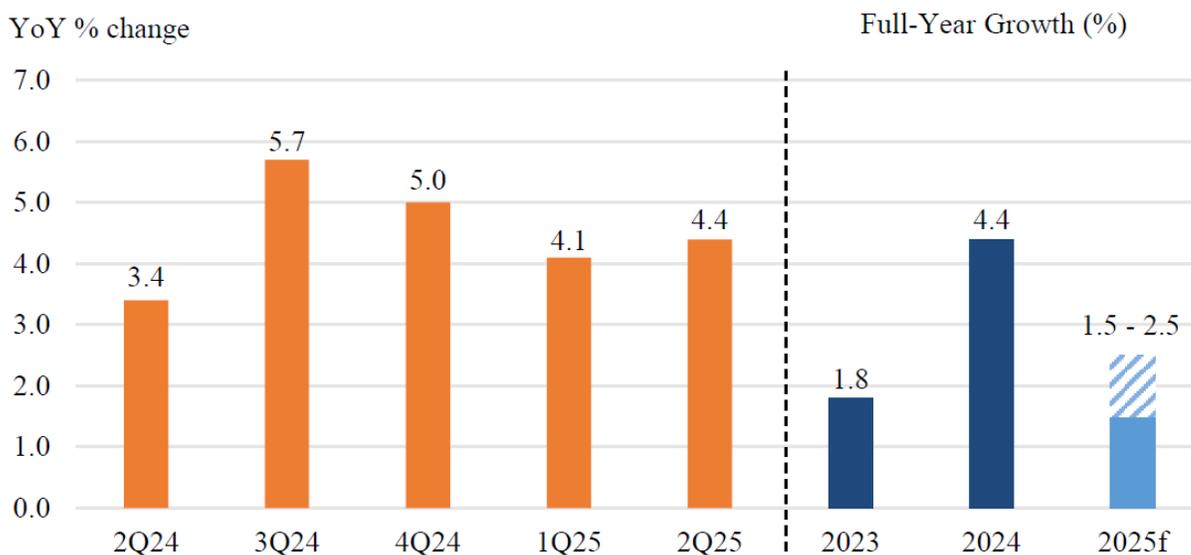
MTI noted that “the performance of most advanced and regional economies has been more resilient than expected as the US’ 90-day pause on its reciprocal tariffs postponed the potential negative economic impact, while front-loading activities during the tariff pause provided a temporary boost to production and exports.”¹ MTI added, “There has also been a de-escalation in trade tensions, with the US striking trade deals with several trading partners, including the Eurozone, Japan, South Korea and several Southeast Asian economies, that led to a lowering of their reciprocal tariffs compared to that announced earlier.”

MTI noted though that “the growth of Singapore’s major trading partners in the second half of the year is expected to moderate from that in the first half, as the boost from front-loading activities dissipates and the US’ reciprocal tariffs take effect.” MTI noted too that “significant uncertainties remain in the global economy due in part to the continued unpredictability of the US’ trade policies, including the timing and extent of the sectoral tariffs on pharmaceutical products and semiconductors.”

Accordingly, MTI commented that its upgraded forecast for 2025 of “1.5 to 2.5 per cent” also accounted for “the projected softening of both the global and domestic economies in the second half of the year”.

The y-o-y growth in Singapore’s real GDP (2Q 2024 to 2Q 2025 and 2023 & 2024), as well as MTI’s forecast for 2025, is shown in **Exhibit 15**.

Exhibit 15: Y-o-Y Growth in Real GDP (Actual for 2Q 2024 to 2Q 2025 as well as 2023 & 2024; Forecasted for 2025)



Source: MTI

¹ Footnote removed from quote.

We assume that real GDP will rise by 2.0% y-o-y (mid-point of “1.5 to 2.5 per cent” range) in 2025. Thus, based also on SingStat data, we project that real GDP will fall by 0.2% y-o-y in 2H 2025 as shown in **Exhibit 16** (first & second tables). We also assume that the y-o-y growth in quarterly real GDP will be the same as that of the semi-annual period’s real GDP. Thus, we project that real GDP will fall by 0.2% y-o-y in 3Q & 4Q 2025 as shown too in **Exhibit 16** (third table).

The Asian Development Bank (“ADB”) forecasted in July 2025 that the y-o-y growth in Singapore’s real GDP will be 1.6% in 2025 and 1.5% in 2026. Noting that the y-o-y growth in real GDP fell from 5.0% in 4Q 2024 to 3.9% in 1Q 2025 (as similarly noted by MTI in May 2025), ADB commented, “Manufacturing and electronics PMI deteriorated in May, and ongoing trade tensions dampened business sentiment.” ADB added that “Exports growth also slowed in May, signaling the end of front-loading export surge.” Accordingly, ADB noted that “external sector weakness” may “(spill) over into the domestic economy.”

While ADB’s forecast for 2025 may have been superseded by that of MTI in August 2025, ADB’s forecast for 2026 may still hold. Thus, we assume that the y-o-y growth in real GDP will be 1.5% in 2026. We also assume that the y-o-y growth in quarterly real GDP will be the same as that of the full-year real GDP. Thus, we project that real GDP will rise by 1.5% y-o-y from 1Q to 4Q 2026 as shown too in **Exhibit 16** (first table).

Meanwhile, the World Bank forecasted in June 2025 that the y-o-y growth in China’s real GDP would fall from 4.0% in 2025 to 3.9% 2026, while the y-o-y growth in the U.S.’ real GDP would rise from 1.4% in 2026 to 1.5% in 2027. The World Bank also forecasted that the y-o-y growth in Malaysia’s real GDP would be 4.3% in 2025 & 2026. SingStat updated in February 2025 that “Mainland China, Malaysia and the US were Singapore’s top trading partners” in 2024.

Given that the World Bank forecasted little change from 2025 to 2026 in the y-o-y growth rates of the real GDPs of Singapore’s “top trading partners” for 2024, we assume that the y-o-y growth of Singapore’s real GDP will remain at 1.5% in 1Q & 2Q 2017.

Exhibit 16: Projected Growth in Real GDP (2H 2025)

(in S\$ million; chained (2015) dollars)	Actual				Projection			
	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026	2H 2026	1H 2027
1Q	-	135,612.1	-	141,191.4	-	143,309.3	-	145,458.9
2Q	-	137,603.1	-	143,721.6	-	145,877.4	-	148,065.6
3Q	134,613.1	-	142,350.4	-	142,124.1	-	144,256.0	-
4Q	139,345.6	-	146,375.8	-	146,143.1	-	148,335.3	-
GDP (1H or 2H)	273,958.7	273,215.2	288,726.2	284,913.0	288,267.2	289,186.7	292,591.2	293,524.5
1Q	-	3.2%	-	4.1%	-	1.5%	-	1.5%
2Q	-	3.4%	-	4.4%	-	1.5%	-	1.5%
3Q	1.9%	-	5.7%	-	(0.2%)	-	1.5%	-
4Q	3.1%	-	5.0%	-	(0.2%)	-	1.5%	-
Y-o-y growth in GDP (1H or 2H)	2.5%	3.3%	5.4%	4.3%	(0.2%)	1.5%	1.5%	1.5%

(in S\$ million; chained (2015) dollars)	Actual / Projection		2025 vs 2024	
	2025	2024	Absolute Change	Change (%)
Full-year GDP (2.0% growth) - proj. for 2025	573,180.2	561,941.4	11,238.8	2.0%
Deduct: 1H GDP (actual for 1H 2024 & 1H 2025)	(284,913.0)	(273,215.2)	(11,697.8)	4.3%
2H GDP - proj. for 2H 2025	288,267.2	288,726.2	(459.0)	(0.2%)

(in S\$ million; chained (2015) dollars)	Projection	Actual	2025 vs 2024	
	2025	2024	Absolute Change	Change (%)
GDP (3Q)	142,124.1	142,350.4	(226.3)	(0.2%)
GDP (4Q)	146,143.1	146,375.8	(232.7)	(0.2%)
GDP (2H - 2.0% growth case)	288,267.2	288,726.2	(459.0)	(0.2%)

n.a. = not applicable.

Source: MTI, SingStat, FPA

(II) SINGAPORE – RETAIL (DEPARTMENT STORES)

(a) Recent retail underperformance

Despite the y-o-y rise in real GDP, non-seasonally adjusted (“n.s.a.”) Retail Sales Index (“RSI”; total excluding motor vehicles) fell by 0.3% y-o-y in 2Q 2025.

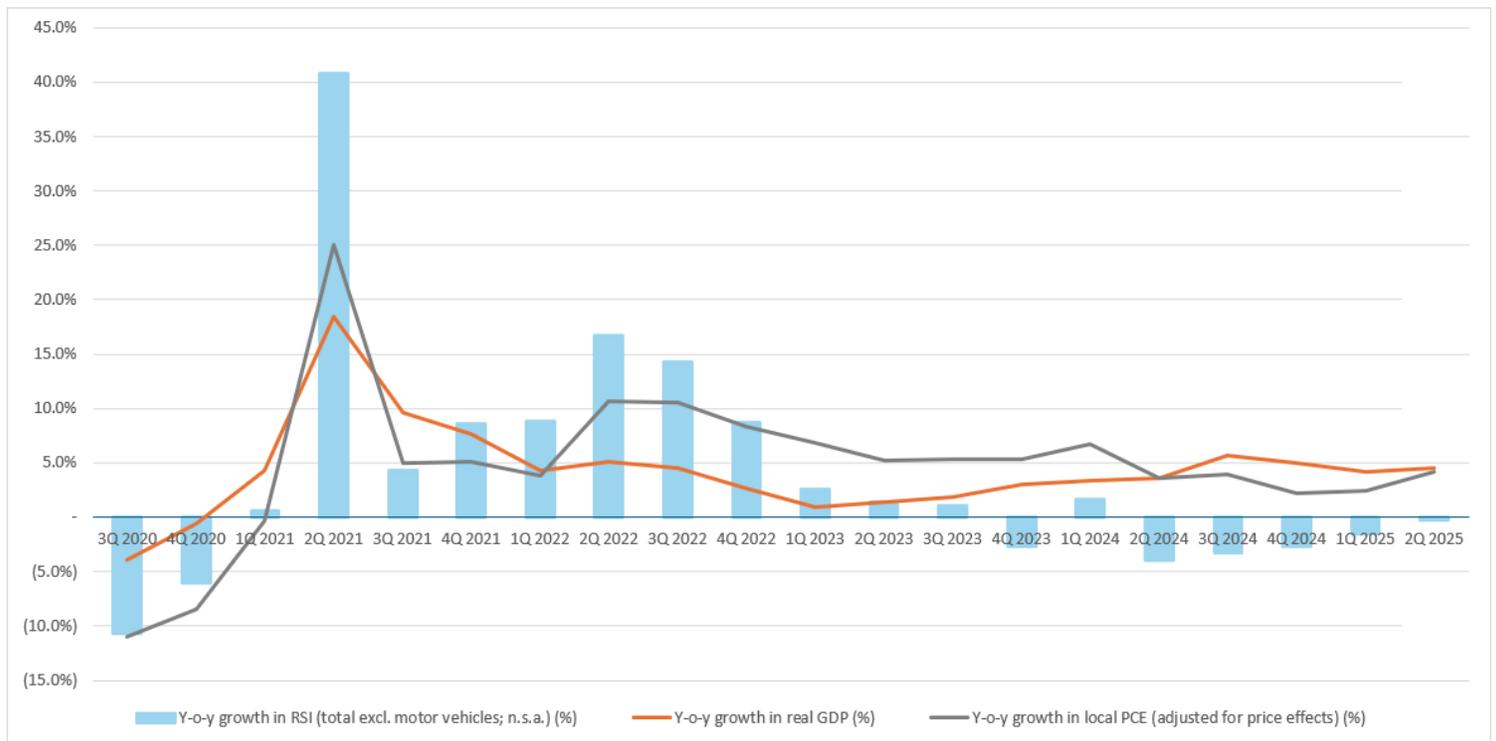
Based on SingStat data, RSI (total excl. motor vehicles) has been falling on a y-o-y basis for five consecutive quarters since 2Q 2024. In contrast, real GDP and local Personal Consumption Expenditure (local “PCE”)¹ have been rising on a y-o-y basis since 1Q 2021 and 2Q 2021 respectively. The y-o-y growth rates of RSI (total excl. motor vehicles), real GDP, and local PCE for the past five years (i.e., 3Q 2020 to 2Q 2025) are plotted in **Exhibit 17**.

One reason for the retail underperformance may be the growth in online retail. Savills noted in May 2025 that “e-commerce is still growing strongly and drawing more consumption as physical stores deal with higher rents and labour costs.” For instance, Savills noted in August 2025 that Cathay Cineplexes, a cinema chain, has been “facing competition from online streaming services” such that it closed its outlets at West Mall, Jem, and Handy Road this year.

Savills also noted in May 2025 that “Singapore’s retail and F&B scene will remain challenging as the strong Singapore dollar encourages greater outbound travel, thereby diluting domestic consumption.”

The retail underperformance may appear to be a recent phenomenon. However, the retail industry has generally been underperforming the broader economy for over a decade.

Exhibit 17: Y-o-Y Growth in RSI (Total excl. Motor Vehicles; n.s.a.), Real GDP, and Local PCE (3Q 2020 to 2Q 2025)



Source: SingStat, FPA

¹ Adjusted for price effects. Local PCE (at current prices) calculated by [PCE – PCE (residents’ expenditure abroad) + PCE (non-residents’ expenditure locally)] using current prices. Price adjustment for each year was obtained by dividing the PCE (in chained 2015 dollars) by PCE (at current prices). Thereafter, the deflator was applied to the estimated local PCE (at current prices) to adjust for price effects.

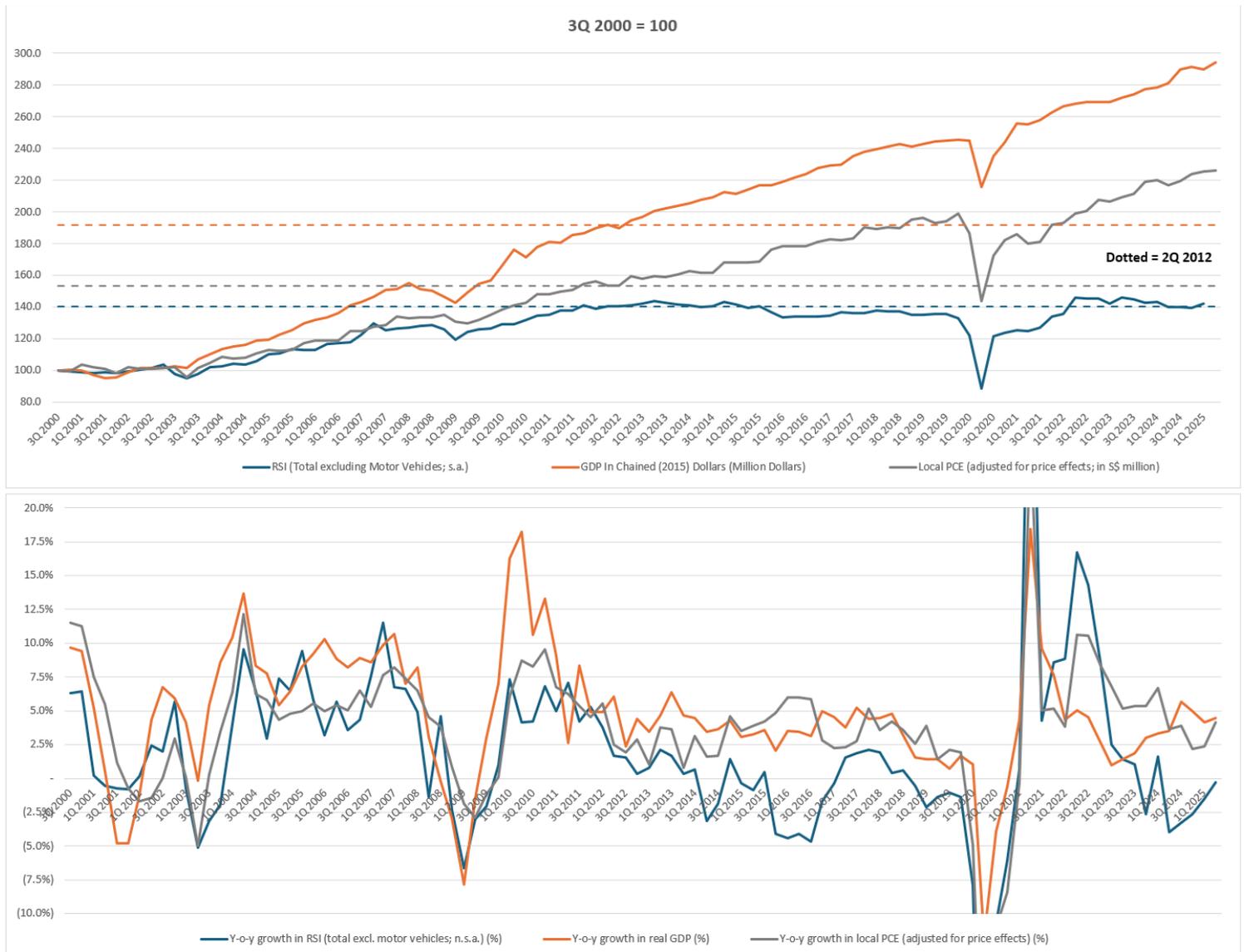
(b) Historical retail underperformance

In the past 25 years (3Q 2000 to 2Q 2025), RSI (total excl. motor vehicles; seasonally adjusted or “s.a.”) grew at a slower pace than real GDP since around 2Q 2003, as may be seen in **Exhibit 18** (top graph). RSI (total excl. motor vehicles) also grew at a slower y-o-y rate than local PCE from around 3Q 2007, as may be seen too in **Exhibit 18** (top & bottom graphs).

Besides the rise of online retail, Reuters noted in June 2016 that regional competition has been intensifying. For instance, Reuters noted then that “Indonesians, Thais and Malaysians now have cheaper versions of the same products back home.” Reuters added, “A luxury bag made by Coach can now cost twice as much in Singapore as in these countries.”

Accordingly, Reuters cited a research director from Cushman & Wakefield (“C&W”), a real estate firm, as saying that she was “pessimistic about retail” in Singapore. After y-o-y growth in RSI (total excl. motor vehicles; n.s.a.) fell from 3.8% in 1Q 2012 to 1.7% in 2Q 2012, RSI (total excl. motor vehicles; s.a.) generally stagnated as may be seen in **Exhibit 18** (top graph).

Exhibit 18: Growth RSI (Total excl. Motor Vehicles), Real GDP, and Local PCE (3Q 2005 to 2Q 2025)

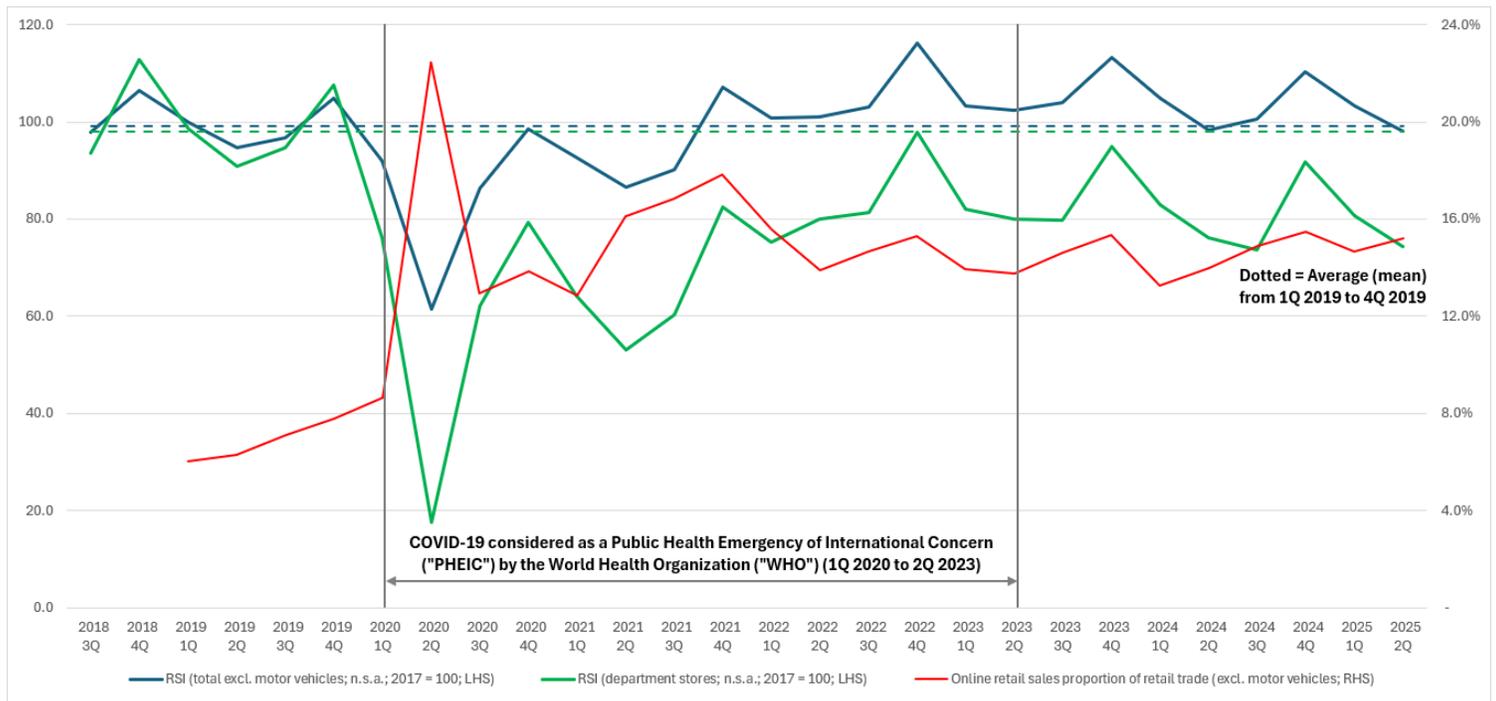


Source: SingStat, FPA

Department stores may have been more affected by the COVID-19-induced¹ rise in online retail than the broader retail industry, as shown in **Exhibit 19**.

Savills noted in August 2025 that “Large department stores, which used to be key anchor tenants in malls, continue to face pressure from ecommerce and change of shopping patterns.” For instance, Savills commented, “Shortly after the closure of the Junction 8 outlet, department store BHG downsized its last remaining permanent store at Bugis Junction from three to two levels.” Savills added that “Japanese department store Isetan will cease operations for its Tampines Mall outlet” in November 2025, “leaving them with two last stores at Orchard and Serangoon.”

Exhibit 19: RSI (Total excl. Motor Vehicles; n.s.a.) vs RSI (Department Stores; n.s.a.) (3Q 2018 to 2Q 2025)



Source: SingStat, FPA

The retail industry has generally been underperforming the broader economy for over a decade. Department stores may also continue to fare worse than the broader retail industry. Coupled with our projection (based on MTI’s updated forecast and SingStat data) that the y-o-y growth of Singapore’s real GDP will be negative 0.2% in 2H 2025, the y-o-y growth of RSI (total excl. motor vehicles) and RSI (department stores) may thus be negative in 2H 2025.

MTI similarly commented in August 2025 that “growth in consumer-facing sectors such as retail trade and food & beverage services is likely to remain lacklustre for the rest of the year, weighed down by the continued shift in locals’ spending abroad and the projected weakening of domestic labour market conditions.”

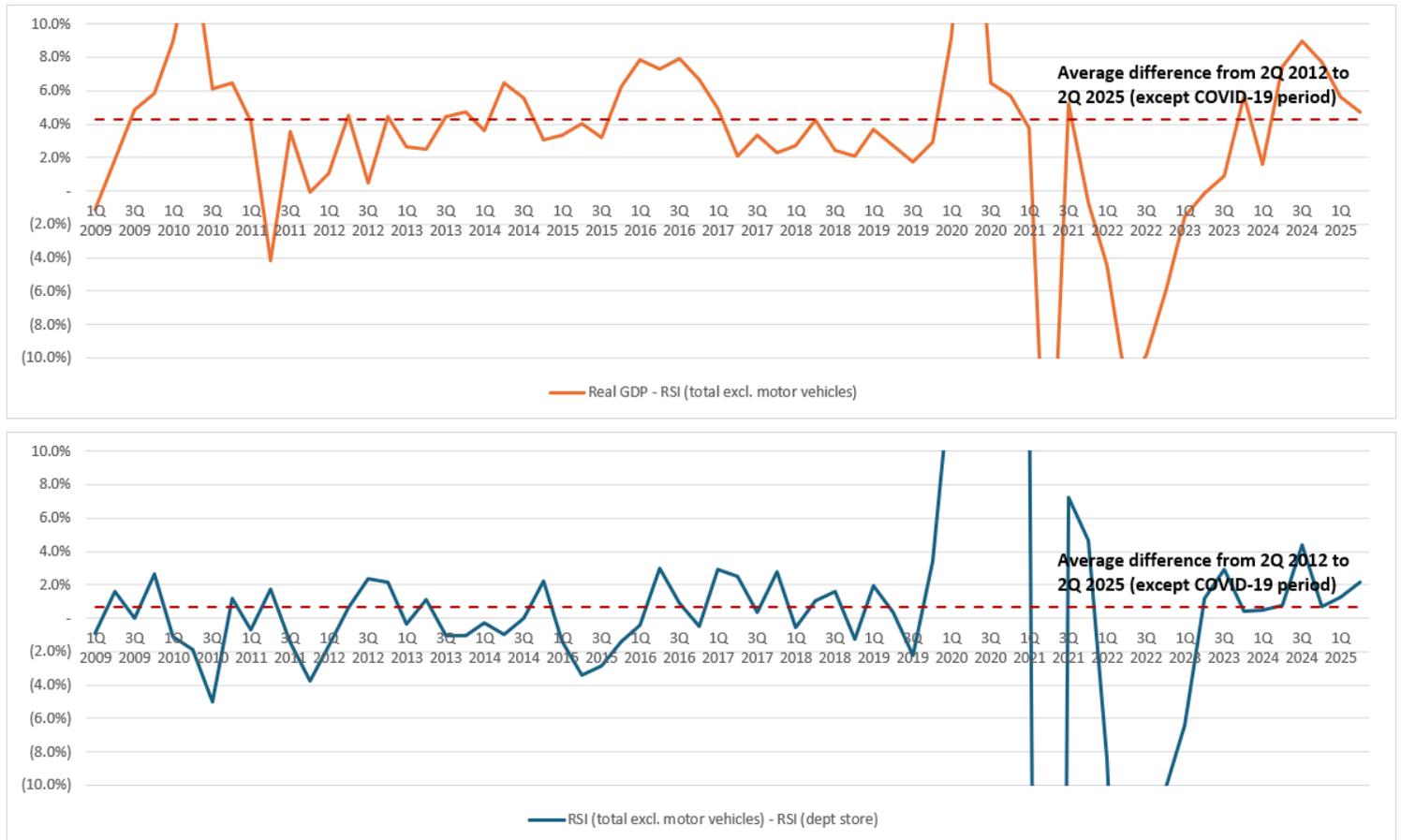
¹ The World Health Organization (“WHO”) declared a Public Health Emergency of International Concern (“PHEIC”) over the outbreak of COVID-19 in January 2020 (1Q 2020) and declared COVID-19 over as a PHEIC in May 2023 (2Q 2023).

(c) Projections of retail & department store performance

By comparing the y-o-y growth rates of real GDP and RSI (total excl. motor vehicles; n.s.a.) from 2Q 2012 (during which the retail industry may have started stagnating) to 2Q 2025, we note that the difference in annual growth rates averaged 4.3% (excluding 1Q 2020 to 2Q 2023, during which COVID-19 was considered a PHEIC) as shown in **Exhibit 20**. By conducting the same comparison for RSI (total excl. motor vehicles; n.s.a.) vs RSI (department stores; n.s.a.), we note that the average difference was 0.6%.

Thus, the average¹ RSI (total excl. motor vehicles) may fall by 4.4% y-o-y (projected real GDP growth of negative 0.2% – difference of 4.3%)² in 2H 2025, while average RSI (department stores) may fall by 5.1% y-o-y (projected total RSI growth of negative 4.4% – difference of 0.6%) in 2H 2025.

Exhibit 20: Difference in Y-o-Y Growth (1Q 2009 to 2Q 2025)



Source: SingStat, FPA

¹ As averaged across the respective quarters (e.g., 3Q & 4Q 2025 for 2H 2025).

² Sums may differ due to rounding.

(III) CHINA (GUANGZHOU) – REAL ESTATE

(a) Recent office real estate developments

According to Savills, “citywide Grade A office stock” rose “by 2.2% QoQ and 6.1% YoY to 7.5 million sqm by quarter end” after “Four new Grade A office buildings with a total of 162,895 sqm leasable office spaces were completed in Q2/2025”.

Savills also noted in July 2025 that office leasing demand in Guangzhou “remained subdued in Q2/2025 as occupiers across the city broadly implemented more strict cost-saving strategies for real estate expenses against the backdrop of uncertain tariff policies and the challenging global trade environment since April 2025.” Savills added that “Demand from financial institutions, retail and trade companies, and professional services providers, particularly law firms, remained resilient in 1H/2025, respectively accounting for 19.7%, 18.2% and 12.1% of citywide new leases.”

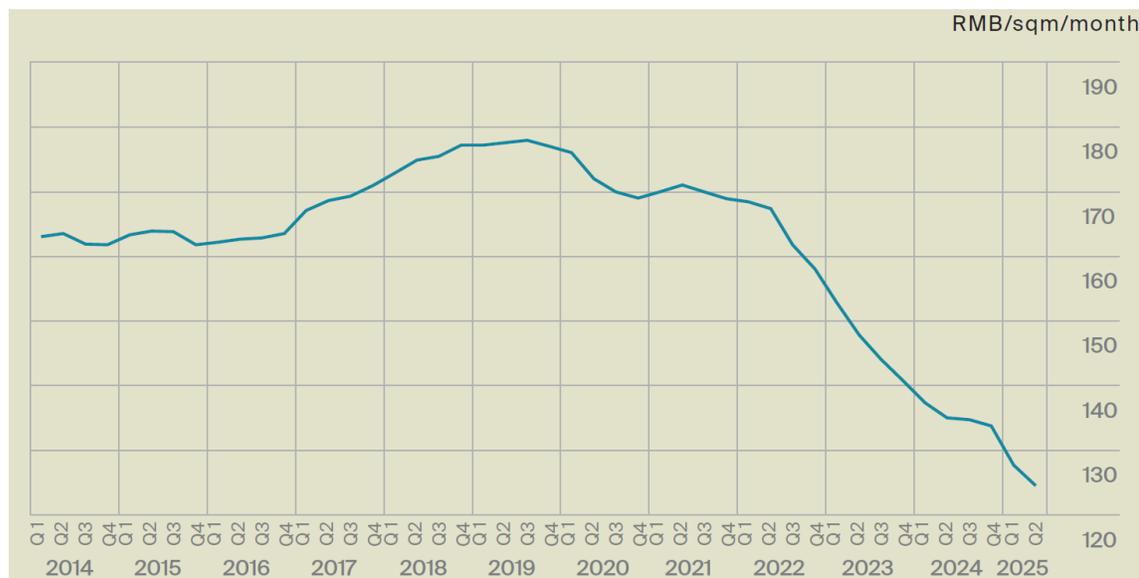
Savills commented that “Supply and demand disequilibrium remains an outstanding issue for the Guangzhou office leasing market during the rest of the year, considering the current fragile demand and another 410,434 sqm of new supply in 2H/2025.” With landlords “expected to implement more aggressive leasing/rental pricing strategies to maintain a relatively stable occupancy”, Savills noted that “citywide average rent is forecast to continue declining.”

However, Savills mentioned too Guangzhou office leasing demand may rise in the longer-term due to “growing office leasing demand from the IT support and consulting, interactive media, and online games sectors with the ongoing digital transformation in traditional economic industries and Guangzhou’s booming gaming industry.”

Meanwhile, Knight Frank noted in July 2025 that, in 2Q 2025, Guangzhou’s office market was characterised by “strong supply growth paired with a moderate demand rebound.” Knight Frank mentioned that as “new supply outstripped demand recovery,” “average rents slipped 2.5% to RMB 124.5 per sqm per month.” Knight Frank added that office rents fell for the “16th consecutive quarter”. Knight Frank illustrated the Guangzhou Grade A office rental trend from 1Q 2014 to 2Q 2025 as shown in **Exhibit 21**.

Knight Frank commented that “persistent supply-demand imbalances continued to drive significant leasing pressure, especially in submarkets with significant ageing inventory, where intensified competition constrained rental recovery.” Knight Frank added that there will be “a hefty influx of over 200,000 sqm of new supply” in 3Q 2025. Accordingly, Knight Frank forecasted that the “downward trend of citywide rent is set to deepen, with declines likely to remain steady or steepen further.”

Exhibit 21: Guangzhou Grade A Office Rent (1Q 2014 to 2Q 2025)



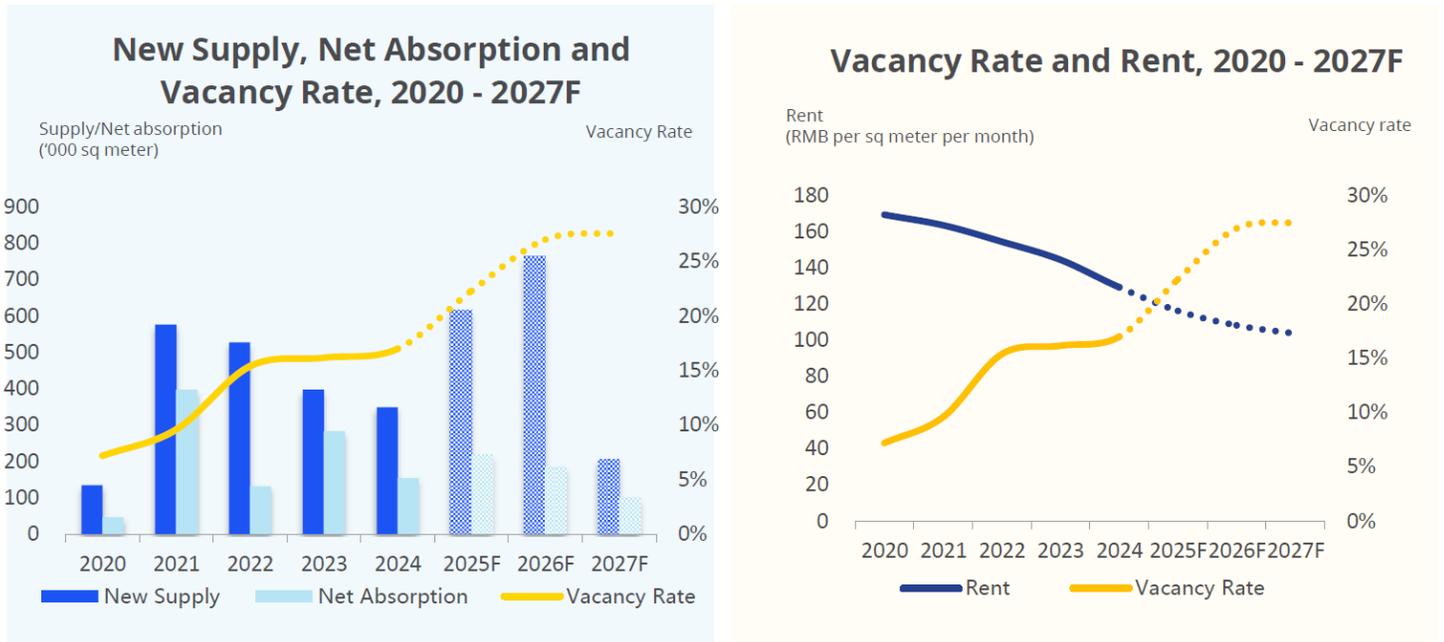
Source: Knight Frank (published July 2025)

C&W noted that Guangzhou’s “total new supply reached 269,055 sq m in the first half of the year, up 55.8% y-o-y.” In contrast, C&W added that “Citywide net absorption reached 152,330 sq m in the 1H 2025 period, down 13.3% y-o-y.” Accordingly, C&W noted that “vacancy rate climbed 0.9 percentage points to 19.8%” while “the average Grade A office rental level continued to soften, dropping 1.4% q-o-q to RMB123.5 per sq m per month.”

C&W commented that “Nearly 807,000 sq m of new supply is scheduled to enter the market in the 2H 2025”, which would contribute to “downward pressure on average rents.” C&W also expected landlords to “continue to extend incentives to attract quality tenants.”

Colliers summarised in July 2025 its forecasts of new supply, net absorption, vacancy rate, and rent of Guangzhou offices for 2025 to 2027 as shown in **Exhibit 22**.

Exhibit 22: Forecasted New Supply, Net Absorption, Vacancy Rate, and Rent of Guangzhou Offices (2025 to 2027)



Source: Colliers (published July 2025)

(b) Projections of office real estate performance

Based on **Exhibit 22** (page 24), we estimate that the average Guangzhou office rent (in RMB per square metre per month) will fall by 11.5% y-o-y to 120.3 in 1H FY2026, fall by 10.0% y-o-y to 114.1 in 2H FY2026, fall by 8.4% y-o-y to 110.1 in 1H FY2027, and fall by 6.3% y-o-y to 106.9 in 2H FY2027, as shown in **Exhibit 23**.

For reference, we have also included the average Guangzhou office rent, as provided by both Knight Frank and Colliers, for 1Q FY2024 (2Q 2023) to 1Q FY2026 (2Q 2025) as shown in **Exhibit 23**. Average Guangzhou office rent (as averaged across both Knight Frank & Colliers) fell by around 6.4% y-o-y (2H FY2024) to 8.5% y-o-y (2H FY2025) from 1H FY2024 to 2H FY2025.

Exhibit 23: Forecasted Guangzhou Office Rent (1H FY2026 to 2H FY2027)

(in RMB/sqm/month)	Actual				Forecast ⁽¹⁾			
	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
4Q (note: 4Q FY2024 = 1Q 2024)	-	140.8	-	133.8	-	n.a.	-	n.a.
1Q (note: 1Q FY2024 = 2Q 2023)	147.8	-	135.0	-	124.5	-	n.a.	-
2Q (note: 2Q FY2024 = 3Q 2023)	144.1	-	134.8	-	n.a.	-	n.a.	-
3Q (note: 3Q FY2024 = 4Q 2023)	-	137.3	-	128.8	-	n.a.	-	n.a.
Average Guangzhou office rent (Knight Frank or "KF")	146.0	139.1	134.9	131.3	124.5	n.a.	n.a.	n.a.
4Q	-	144.6	-	129.4	-	115.9	-	107.9
1Q	149.4	-	137.5	-	121.0	-	110.9	-
2Q	147.6	-	134.2	-	119.5	-	109.4	-
3Q	-	141.4	-	124.2	-	112.3	-	105.9
Average Guangzhou office rent (Colliers)	148.5	143.0	135.9	126.8	120.3	114.1	110.1	106.9
Average Guangzhou office rent (Knight Frank)	146.0	139.1	134.9	131.3	-	-	-	-
Average Guangzhou office rent (Colliers)	148.5	143.0	135.9	126.8	120.3	114.1	110.1	106.9
Average Guangzhou office rent (KF & Colliers)⁽²⁾	147.2	141.0	135.4	129.1	120.3	114.1	110.1	106.9
Y-o-y change (%):								
4Q	-	(10.9%)	-	(5.0%)	-	n.a.	-	n.a.
1Q	(11.7%)	-	(8.7%)	-	(7.8%)	-	n.a.	-
2Q	(10.9%)	-	(6.5%)	-	n.a.	-	n.a.	-
3Q	-	(10.1%)	-	(6.2%)	-	n.a.	-	n.a.
Average Guangzhou office rent (Knight Frank or "KF")	(7.6%)	(5.9%)	(7.6%)	(5.6%)	(7.7%)	n.a.	n.a.	n.a.
4Q	-	(6.5%)	-	(10.5%)	-	(10.5%)	-	(6.9%)
1Q	(7.1%)	-	(8.0%)	-	(12.0%)	-	(8.4%)	-
2Q	(6.1%)	-	(9.1%)	-	(10.9%)	-	(8.5%)	-
3Q	-	(7.2%)	-	(12.2%)	-	(9.6%)	-	(5.7%)
Average Guangzhou office rent (Colliers)	(6.6%)	(6.8%)	(8.5%)	(11.3%)	(11.5%)	(10.0%)	(8.4%)	(6.3%)
Average Guangzhou office rent (Knight Frank)	(7.6%)	(5.9%)	(7.6%)	(5.6%)	-	-	-	-
Average Guangzhou office rent (Colliers)	(6.6%)	(6.8%)	(8.5%)	(11.3%)	(11.5%)	(10.0%)	(8.4%)	(6.3%)
Average Guangzhou office rent (KF & Colliers)	(7.1%)	(6.4%)	(8.0%)	(8.5%)	(11.2%)	(11.6%)	(8.4%)	(6.3%)

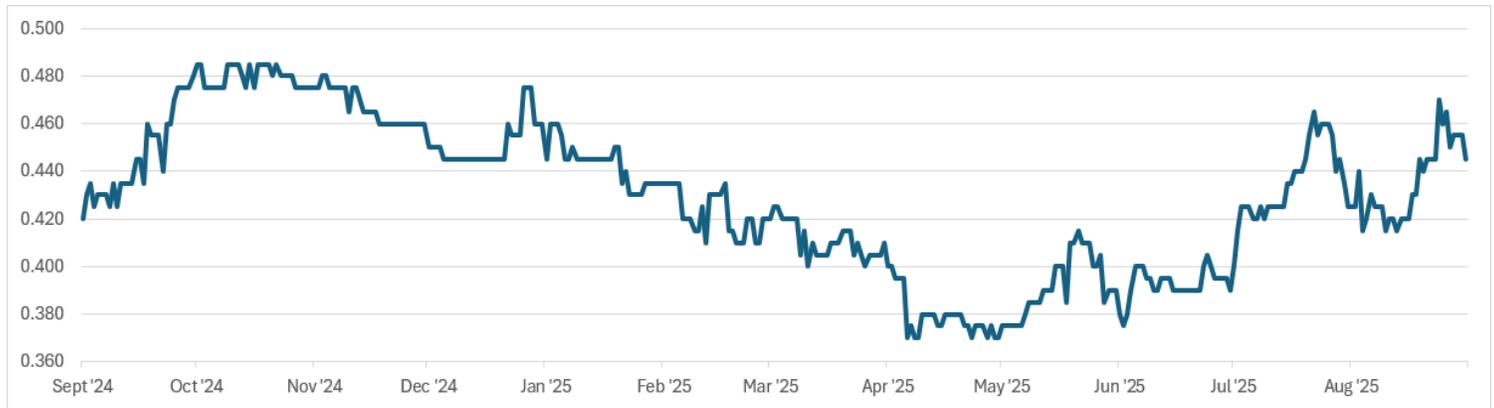
n.a. = not available. ⁽¹⁾ Actual for 1Q FY2026 (2Q 2025) for figures from both Knight Frank and Colliers. Colliers' forecasted average Guangzhou office rents from 2Q FY2026 (3Q 2025) to 4Q FY2027 (1Q FY2026) as estimated from **Exhibit 22** (page 24). ⁽²⁾ Figures from 1H FY2026 to 2H FY2027 based on Colliers only.

Source: Knight Frank, Colliers, FPA

RECENT SHARE PRICE DEVELOPMENTS

Over the past year, Metro's share price rose by 6.0% from S\$0.420 on 2 September 2024 to S\$0.445 on 1 September 2025 as shown in **Exhibit 24**.

Exhibit 24: Share Price Performance for Metro (Past Year)



Source: *Investing.com, FPA*

On 9 October 2024, Metro announced that it acquired a “freehold prime office property at 1 Castlereagh Street in Sydney for A\$196.4m (approximately S\$172.3m) through its 30%- owned joint venture Australian portfolio with Sim Lian”. Share price rose by 2.1% from S\$0.475 on 9 October 2024 to S\$0.485 on 16 October 2024.

On 1 November 2024, Metro announced that it increased its stake from 25% to 50% in Fairbriar Real Estate Limited, which “owns and develops the award-winning Middlewood Locks mixed-use development in Manchester”. However, share price remained at S\$0.475 on 1 & 8 November 2024.

On 13 November 2024, Metro released its 1H FY2025 results. Revenue fell by 3.6% from S\$50.2 million in 1H FY2024 to S\$48.4 million in 1H FY2025, while profit attributable to owners of the Company fell by 59.6% from S\$8.2 million in 1H FY2024 to S\$3.3 million in 1H FY2025. Share price fell by 3.2% from S\$0.475 on 13 November 2024 to S\$0.460 on 20 November 2024.

On 21 March 2025, Metro noted that Top Spring “released an announcement on profit warning on 21 March 2025.” In the announcement, Top Spring noted that “comparing to the net loss of approximately HK\$900 million for the year ended 31 December 2023, the Group is expected to record a net loss of approximately HK\$2 billion for the Year.” Share price fell by 2.4% from S\$0.415 on 21 March 2025 to S\$0.405 on 28 March 2025.

On 30 March 2025, Metro announced that associate Top Spring released its results for the full year ended 31 December 2024. Top Spring noted, “For the year ended 31 December 2024, the loss attributable to equity shareholders of the Company and the holders of PCSs was approximately HK\$1,832.6 million (for the year ended 31 December 2023: approximately HK\$876.9 million).” Share price fell by 2.5% from S\$0.405 on 30 March 2025 to S\$0.395 on 6 April 2025.

On 2 May 2025, Metro issued a profit guidance. Metro noted that it was “expected to record a loss attributable to shareholders for FY2025 after taking into account the Group’s associates’ and joint ventures’ operating results arising from the fair value loss of the investment properties and impairment losses on the development properties, as well as the fair value loss of the Group’s investment properties and the impairment loss made on its underlying investments, mainly due to the ongoing China prolonged property sector headwinds.” Nonetheless, share price rose by 2.7% from S\$0.375 on 2 May 2025 to S\$0.385 on 9 May 2025.

On 7 May 2025, Metro announced “positive leasing progress achieved for its 50%-owned Asia Green property (“Asia Green” or the “Property”) in Singapore.” Share price rose by 4.0% from S\$0.375 on 7 May 2025 to S\$0.390 on 14 May 2025.

On 23 May 2025, Metro released its 2H FY2025 results. Revenue fell by 14.6% y-o-y from S\$65.7 million in 2H FY2024 to S\$56.2 million in 2H FY2025, while profit attributable to owners of the Company fell by S\$234.5 million from a profit of S\$6.4 million in 2H FY2024 to a loss of S\$228.1 million in 2H FY2025. Share price fell by 4.9% from S\$0.410 on 23 May 2025 to S\$0.390 on 30 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 23 July 2025, Metro released its response to questions from shareholders. Share price fell by 4.3% from S\$0.465 on 23 July 2025 to S\$0.445 on 30 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 as shown in **Exhibit 25**. 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. 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% from S\$0.420 on 15 August 2025 to S\$0.470 on 25 August 2025. However, share price fell by 3.2% from S\$0.470 on 25 August 2025 to S\$0.455 on 29 August 2025 despite Metro disclosing further changes in interest.

Exhibit 25: Changes in Total Interest of Ong Sek Hian (Wang ShiXian) (13 to 28 August 2025)

Director / substantial shareholder	Date of		Change in interest			Total interest (before)		Total interest (after)	
	Announcement	Transaction	No. of shares	Price per share	Sum paid	No. of shares	%	No. of shares	%
Ong Sek Hian (Wang ShiXian)	15 Aug '25	13 Aug '25	28,900	0.417	12,061.00	293,111,103	35.4%	293,140,003	35.4%
Ong Sek Hian (Wang ShiXian)	18 Aug '25	14 Aug '25	387,300	0.416	160,952.58	293,140,003	35.4%	293,527,303	35.4%
Ong Sek Hian (Wang ShiXian)	18 Aug '25	14 Aug '25	9,300	0.410	3,814.00	293,527,303	35.4%	293,536,603	35.4%
Ong Sek Hian (Wang ShiXian)	19 Aug '25	15 Aug '25	279,500	0.416	116,157.41	293,536,603	35.4%	293,816,103	35.5%
Ong Sek Hian (Wang ShiXian)	20 Aug '25	18 Aug '25	675,700	0.427	288,259.70	293,816,103	35.5%	294,491,803	35.6%
Ong Sek Hian (Wang ShiXian)	21 Aug '25	19 Aug '25	179,600	0.430	77,228.00	294,491,803	35.6%	294,671,403	35.6%
Ong Sek Hian (Wang ShiXian)	22 Aug '25	20 Aug '25	383,700	0.435	166,879.96	294,671,403	35.6%	295,055,103	35.6%
Ong Sek Hian (Wang ShiXian)	25 Aug '25	21 Aug '25	148,800	0.439	65,388.52	295,055,103	35.6%	295,203,903	35.7%
Ong Sek Hian (Wang ShiXian)	26 Aug '25	22 Aug '25	34,400	0.440	15,136.00	295,203,903	35.7%	295,238,303	35.7%
Ong Sek Hian (Wang ShiXian)	27 Aug '25	25 Aug '25	124,000	0.457	56,682.51	295,238,303	35.7%	295,362,303	35.7%
Ong Sek Hian (Wang ShiXian)	28 Aug '25	26 Aug '25	72,200	0.460	33,212.00	295,362,303	35.7%	295,434,503	35.7%
Ong Sek Hian (Wang ShiXian)	28 Aug '25	27 Aug '25	114,800	0.460	52,808.00	295,434,503	35.7%	295,549,303	35.7%
Ong Sek Hian (Wang ShiXian)	28 Aug '25	27 Aug '25	74,700	0.464	34,653.03	295,549,303	35.7%	295,624,003	35.7%
Ong Sek Hian (Wang ShiXian)	29 Aug '25	28 Aug '25	120,700	0.465	56,125.50	295,624,003	35.7%	295,744,703	35.7%
Total			2,633,600		1,139,358.22				

Source: SGX, FPA

FINANCIAL ANALYSIS

(I) FINANCIAL REVIEW

Revenue:

Metro's revenue fell by 14.6% from S\$65.7 million in 2H FY2024 to S\$56.2 million in 2H FY2025, as shown in **Exhibit 26**, mainly due to its retail revenue falling by 13.8% from S\$59.8 million in 2H FY2024 to S\$51.6 million in 2H FY2025.

Exhibit 26: Revenue (2H FY2024 & 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Retail	51,597	59,847	(8,250)	(13.8%)
Sales of property rights	2,111	3,163	(1,052)	(33.3%)
Rental income	2,446	2,737	(291)	(10.6%)
Revenue	56,154	65,747	(9,593)	(14.6%)

Source: Metro, FPA

Retail revenue comprises sales of goods and net commission from concessionaires. Sales of goods and net commission from concessionaires fell by 13.0% y-o-y and 16.3% y-o-y respectively in 2H FY2025, as shown in **Exhibit 27**.

Net commission from concessionaires as a percentage of gross revenue from concessionaire sales remained around 26.3% (1H FY2025) to 28.4% (1H FY2023) from 1H FY2021 to 2H FY2025.

Exhibit 27: Retail Revenue (2H FY2024 & 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Sales of goods	39,415	45,287	(5,872)	(13.0%)
Net commission from concessionaires	12,182	14,560	(2,378)	(16.3%)
Retail revenue	51,597	59,847	(8,250)	(13.8%)
Net commission from concessionaires	12,182	14,560	(2,378)	(16.3%)
Gross revenue from concessionaire sales	46,144	54,534	(8,390)	(15.4%)
Comms as % of gross revenue from concessionaire sales	26.4%	26.7%	-	-

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Sales of goods	19,584	35,031	27,487	37,604	35,156	41,036	34,330	45,287	35,287	39,415
Net commission from concessionaires	5,642	12,514	7,831	13,672	12,152	15,636	11,264	14,560	9,626	12,182
Retail revenue	25,226	47,545	35,318	51,276	47,308	56,672	45,594	59,847	44,913	51,597
Net commission from concessionaires as % of retail revenue	22.4%	26.3%	22.2%	26.7%	25.7%	27.6%	24.7%	24.3%	21.4%	23.6%
Net commission from concessionaires	5,642	12,514	7,831	13,672	12,152	15,636	11,264	14,560	9,626	12,182
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
Comms as % of gross revenue from concessionaire sales	27.9%	26.9%	26.5%	26.5%	28.4%	28.0%	28.0%	26.7%	26.3%	26.4%
4Q (note: 4Q FY2024 = 1Q 2024)	-	64,211	-	75,272	-	81,95	-	82,855	-	80,574
1Q (note: 1Q FY2024 = 2Q 2023)	17,585	-	53,121	-	79,923	-	80,065	-	76,242	-
2Q (note: 2Q FY2024 = 3Q 2023)	62,124	-	60,263	-	81,382	-	79,803	-	73,689	-
3Q (note: 3Q FY2024 = 4Q 2023)	-	79,366	-	82,456	-	97,894	-	94,922	-	91,719
Average RSI (department stores; n.s.a.)	39.855	71.789	56.692	78.864	80.653	89.922	79.934	88.889	74.966	86.147

Source: Metro, Singstat, FPA

Both sales of goods and gross revenue from concessionaire sales generally trended in line with the average RSI (department stores; n.s.a.) from 1H FY2021 to 2H FY2025, as shown in **Exhibit 28**.

Exhibit 28: Sales of Goods and Concessionaire Sales Revenue vs Average RSI (Dept. Stores) (1H FY2021 to 2H FY2025)



Note: Calculation of average RSI (department stores; n.s.a.) as indicated in **Exhibit 27** (page 28).

Source: Metro, SingStat, FPA

Sales of property rights at Trans Park Bintaro, and Trans Park Juanda, Bekasi, both located in Greater Jakarta, Indonesia, fell by 33.3% from S\$3.2 million in 2H FY2024 to S\$2.1 million in 2H FY2025, as shown in **Exhibit 29**.

Exhibit 29: Sales of Property Rights (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Sales of property rights	2,111	3,163	(1,052)	(33.3%)

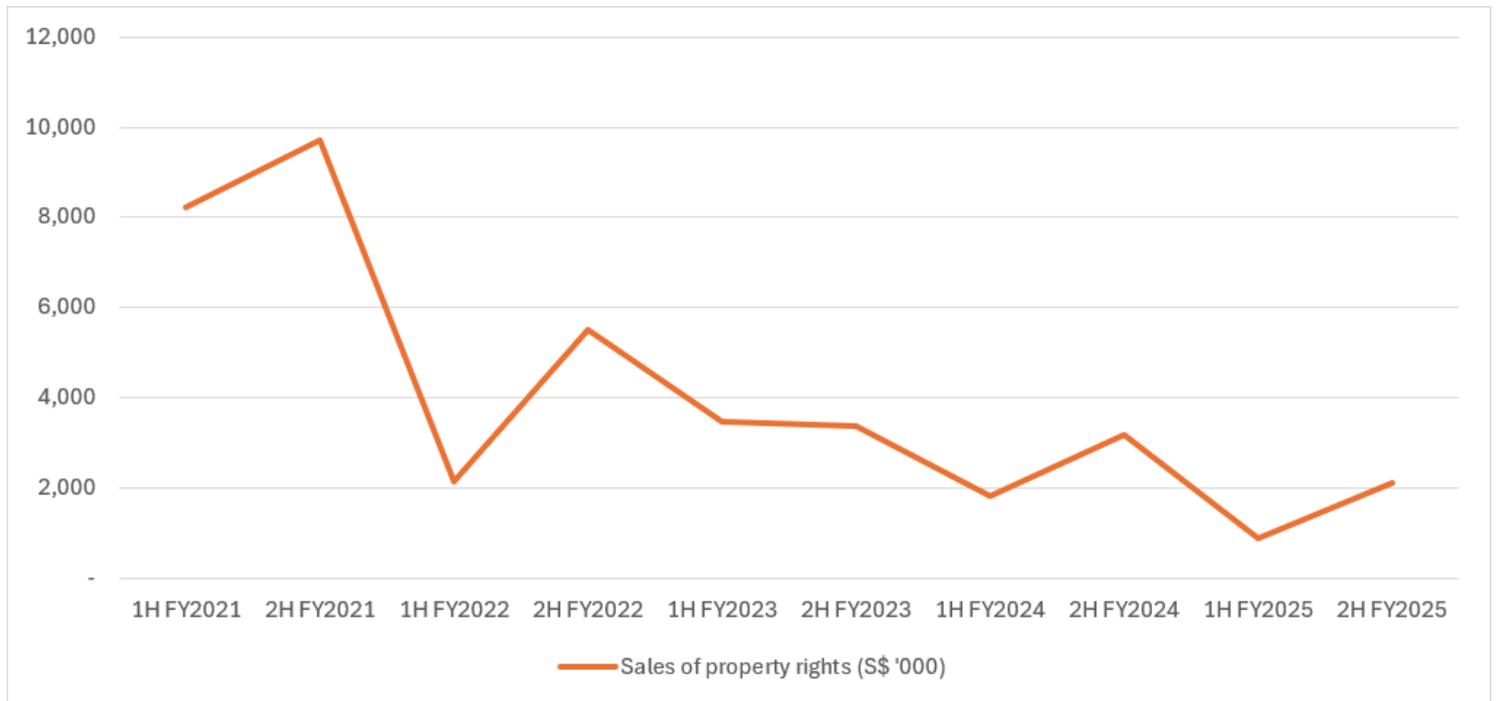
(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Sales of property rights	8,227	9,697	2,149	5,506	3,467	3,367	1,827	3,163	871	2,111

Source: Metro, FPA

Sales of property rights have generally been falling from 1H FY2021 to 2H FY2025, as illustrated in **Exhibit 30**.

Citing a Bloomberg article, Metro noted in November 2024 that “Many Indonesians have yet to regain formal employment after the pandemic and about 9.5 million people have fallen out of Indonesia’s middle class – a crucial driving force behind domestic consumption which makes up more than half of the country’s GDP”. Citing a Financial Times (“FT”) article, Metro added in May 2025 that “Indonesia’s middle class, traditionally the backbone of the country’s economy, has fallen from a peak of around 23% of the population to 17% in 2024 and there are growing signs that the diminishing middle class is already affecting the economy”.

Exhibit 30: Sales of Property Rights #2 (1H FY2021 to 2H FY2025)



Source: Metro, FPA

Rental income from GIE Tower, a commercial property in Guangzhou, China, fell by 10.6% from S\$2.7 million in 2H FY2024 to S\$2.4 million in 2H FY2025, as shown in **Exhibit 31**.

Exhibit 31: Rental Income vs Average Guangzhou Office Rent (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Rental income	2,446	2,737	(291)	(10.6%)

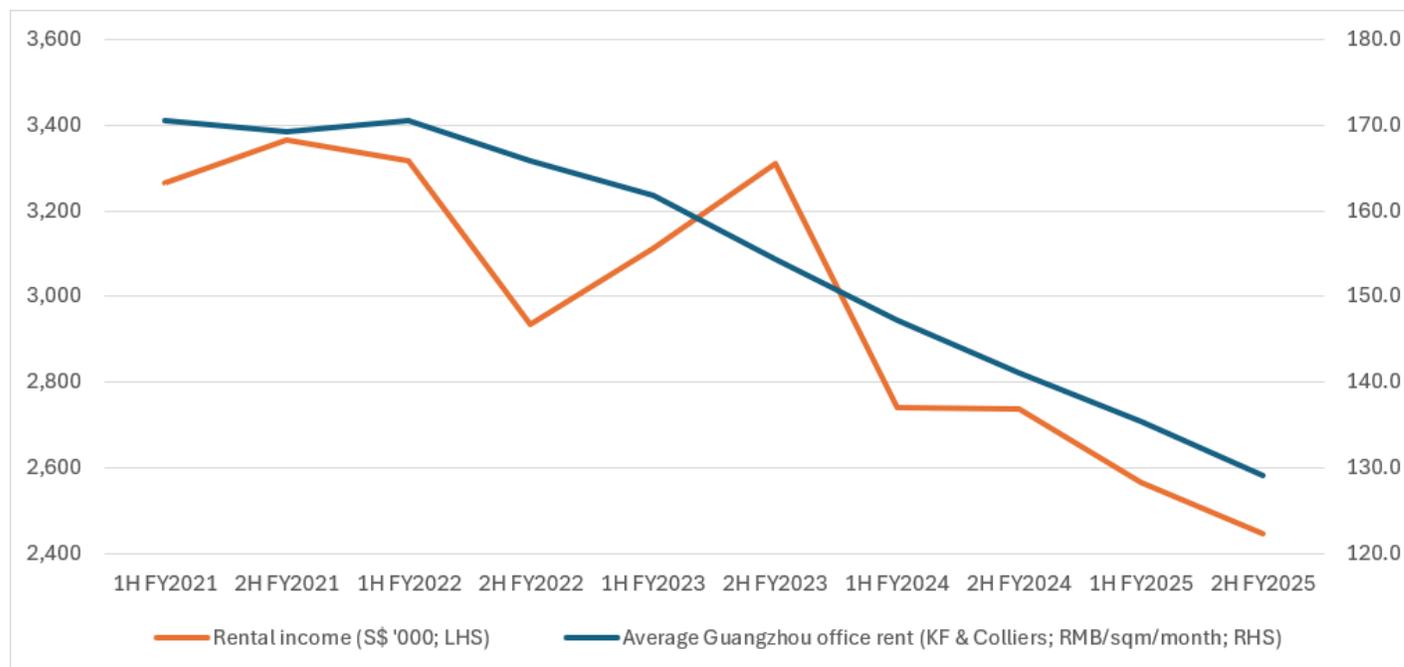
(in S\$ '000; average rents in RMB/sqm/month)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Rental income	3,264	3,364	3,318	2,936	3,112	3,311	2,740	2,737	2,566	2,446
4Q (note: 4Q FY2024 = 1Q 2024)	-	170	-	168.4	-	152.8	-	137.3	-	128.8
1Q (note: 1Q FY2024 = 2Q 2023)	172	-	171	-	167.4	-	147.8	-	135.0	-
2Q (note: 2Q FY2024 = 3Q 2023)	170	-	170	-	161.8	-	144.1	-	134.8	-
3Q (note: 3Q FY2024 = 4Q 2023)	-	169	-	168.9	-	158.0	-	140.8	-	133.8
Average Guangzhou office rent (Knight Frank or "KF")	171.0	169.5	170.5	168.7	164.6	155.4	146.0	139.1	134.9	131.3
4Q	-	168.2	-	163.1	-	152.3	-	141.4	-	124.2
1Q	169.2	-	n.a.	-	160.9	-	149.4	-	137.5	-
2Q	170.9	-	n.a.	-	157.2	-	147.6	-	134.2	-
3Q	-	169.7	-	n.a.	-	154.6	-	144.6	-	129.4
Average Guangzhou office rent (Colliers)	170.1	169.0	n.a.	163.1	159.1	153.5	148.5	143.0	135.9	126.8
Average Guangzhou office rent (Knight Frank)	171.0	169.5	170.5	168.7	164.6	155.4	146.0	139.1	134.9	131.3
Average Guangzhou office rent (Colliers)	170.1	169.0	n.a.	163.1	159.1	153.5	148.5	143.0	135.9	126.8
Average Guangzhou office rent (KF & Colliers)⁽²⁾	170.5	169.2	170.5	165.9	161.8	154.4	147.2	141.0	135.4	129.1

n.a. = not available. Note: Decimal places for quarterly figures as given by the respective real estate firms.

Source: Metro, Knight Frank, Colliers, FPA

Rental income generally fell in line with the average Guangzhou office rent from 1H FY2021 to 2H FY2025, as illustrated in **Exhibit 32**.

Exhibit 32: Rental Income vs Average Guangzhou Office Rent #2 (1H FY2021 to 2H FY2025)



Source: Metro, Knight Frank, Colliers, FPA

Gross profit:

Gross profit fell by 37.8% from S\$7.2 million in 2H FY2024 to S\$4.5 million in 2H FY2025, as shown in **Exhibit 33**. Gross margin fell from 11.0% in 2H FY2024 to 8.0% in 2H FY2025, as the fall in gross profit was more-than-proportional to the fall in revenue.

Overall gross margin generally trended in line with retail gross margin. The revenue contribution of retail generally rose from 68.7% in 1H FY2021 to 91.9% in 2H FY2025.

Retail gross margin fluctuated between 0.5% (1H FY2025) and 14.6% (2H FY2021) from 1H FY2021 to 2H FY2025, but generally trended lower from 1H FY2024. Metro noted “lower gross margins and increased costs arising from the highly competitive trading environment” in its financial statements for 2H FY2024 and 2H FY2025. Metro also noted in its financial statements for 1H FY2025 that gross margin fell “primarily due to higher inflation-driven costs in raw materials, labour and energy in the current challenging environment.”

Exhibit 33: Gross Profit (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Revenue	56,154	65,747	(9,593)	(14.6%)
Cost of revenue	(51,657)	(58,514)	6,857	(11.7%)
Gross profit	4,497	7,233	(2,736)	(37.8%)
Gross margin	8.0%	11.0%	-	-

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Retail	25,226	47,545	35,318	51,276	47,308	56,672	45,594	59,847	44,913	51,597
Sales of property rights	8,227	9,697	2,149	5,506	3,467	1,827	1,827	3,163	871	2,111
Rental income	3,264	3,364	3,318	2,936	3,112	3,311	2,740	2,737	2,566	2,446
Revenue	36,717	60,606	40,785	59,718	53,887	63,350	50,161	65,747	48,350	56,154
Retail	(23,664)	(40,617)	(33,327)	(43,938)	(41,449)	(48,801)	(43,002)	(54,974)	(44,694)	(49,252)
Sales of property rights	(7,365)	(8,927)	(1,910)	(4,719)	(2,715)	(2,812)	(1,581)	(3,062)	(697)	(1,879)
Rental income	(754)	(506)	(553)	(752)	(518)	(570)	(467)	(478)	(438)	(526)
Cost of revenue	(31,783)	(50,050)	(35,790)	(49,409)	(44,682)	(52,183)	(45,050)	(58,514)	(45,829)	(51,657)
Retail	1,562	6,928	1,991	7,338	5,859	7,871	2,592	4,873	219	2,345
Sales of property rights	862	770	239	787	752	555	246	101	174	232
Rental income	2,510	2,858	2,765	2,184	2,594	2,741	2,273	2,259	2,128	1,920
Gross profit	4,934	10,556	4,995	10,309	9,205	11,167	5,111	7,233	2,521	4,497
Retail	6.2%	14.6%	5.6%	14.3%	12.4%	13.9%	5.7%	8.1%	0.5%	4.5%
Sales of property rights	10.5%	7.9%	11.1%	14.3%	21.7%	16.5%	13.5%	3.2%	20.0%	11.0%
Rental income	76.9%	85.0%	83.3%	74.4%	83.4%	82.8%	83.0%	82.5%	82.9%	78.5%
Gross margin	13.4%	17.4%	12.2%	17.3%	17.1%	17.6%	10.2%	11.0%	5.2%	8.0%

% of revenue:

Retail	68.7%	78.4%	86.6%	85.9%	87.8%	89.5%	90.9%	91.0%	92.9%	91.9%
Sales of property rights	22.4%	16.0%	5.3%	9.2%	6.4%	5.3%	3.6%	4.8%	1.8%	3.8%
Rental income	8.9%	5.6%	8.1%	4.9%	5.8%	5.2%	5.5%	4.2%	5.3%	4.4%

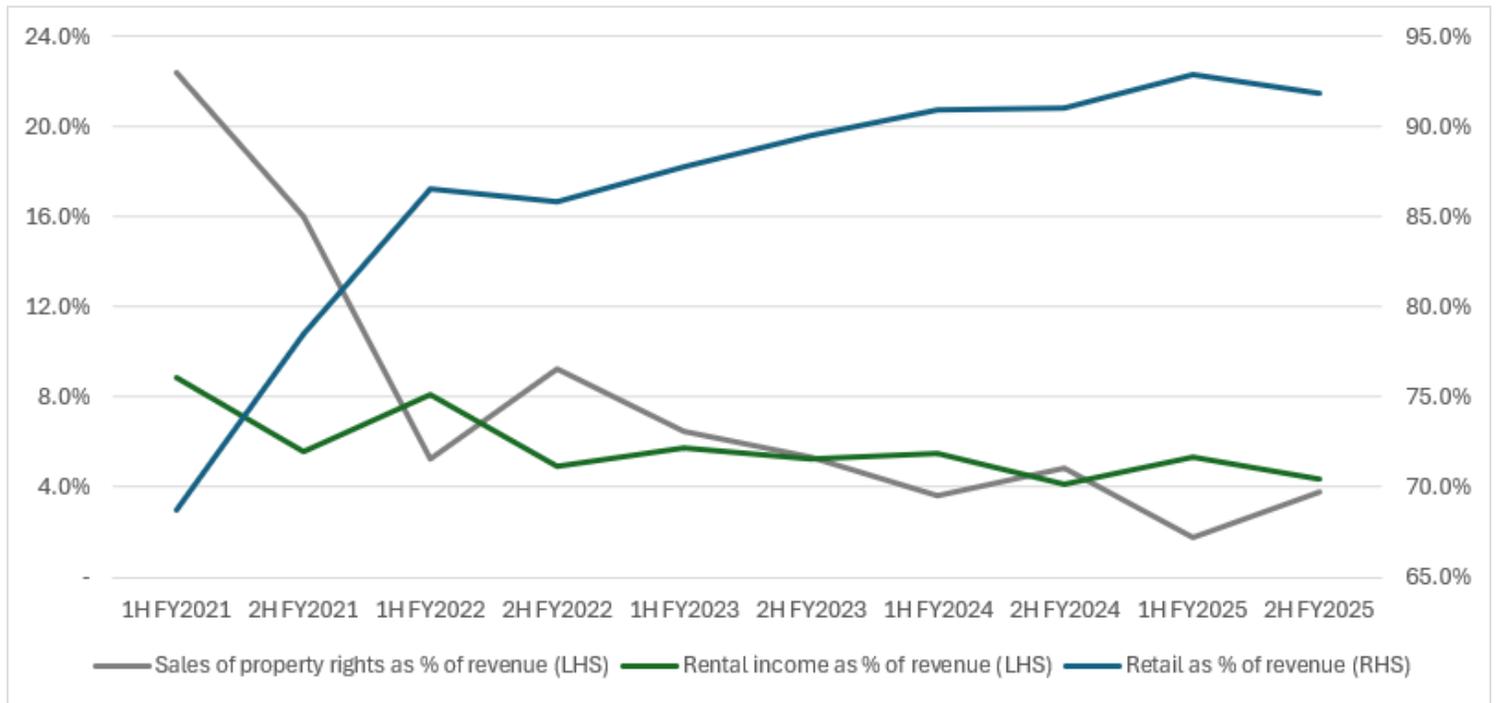
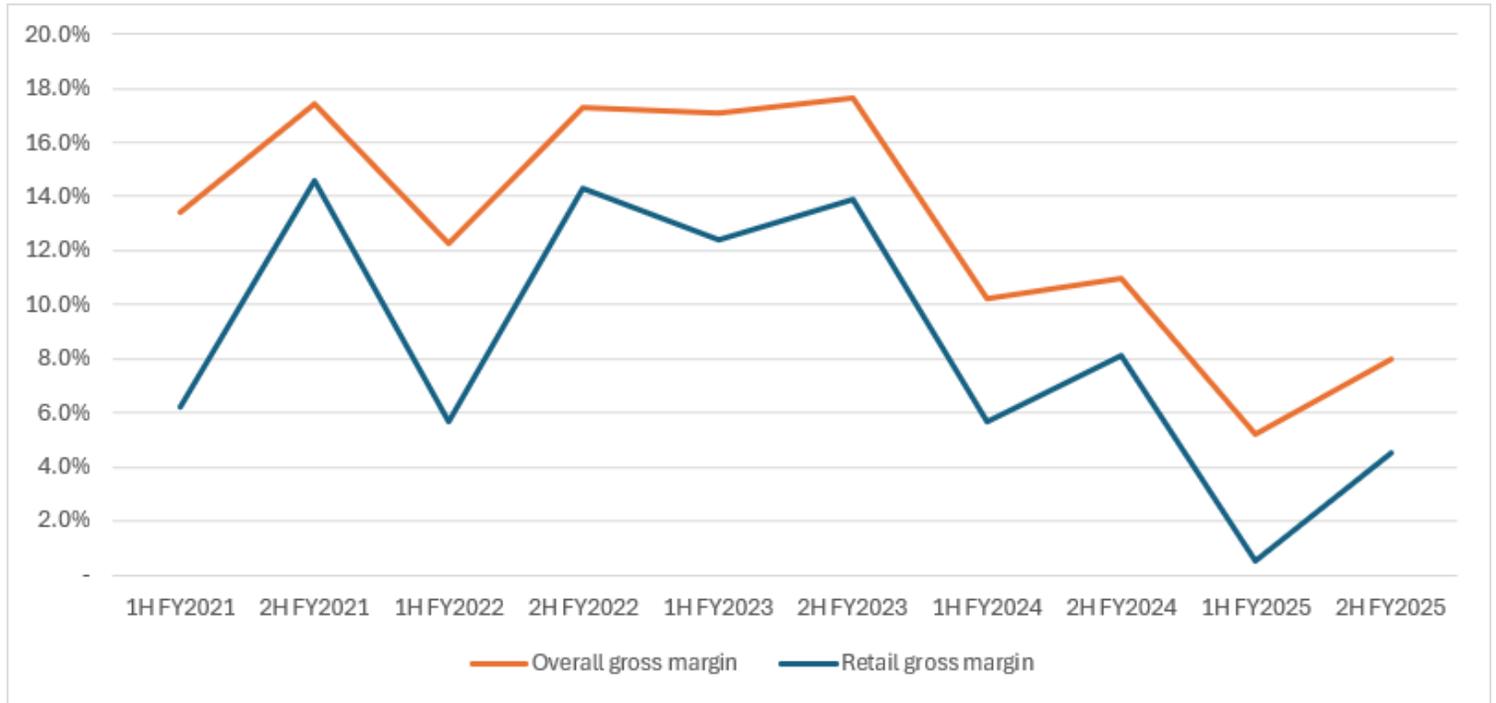
% of gross profit:

Retail	31.7%	65.6%	39.9%	71.2%	63.7%	70.5%	50.7%	67.4%	8.7%	52.1%
Sales of property rights	17.5%	7.3%	4.8%	7.6%	8.2%	5.0%	4.8%	1.4%	6.9%	5.2%
Rental income	50.9%	27.1%	55.4%	21.2%	28.2%	24.5%	44.5%	31.2%	84.4%	42.7%

Source: Metro, FPA

The overall & retail gross margins, as well as the revenue contributions of retail, sales of property rights, and rental income, from 1H FY2021 to 2H FY2025, are shown in **Exhibit 34**.

Exhibit 34: Gross Margins of Overall & Retail and the Contribution of each Revenue Source (1H FY2021 to 2H FY2025)



Source: Metro, FPA

Other net income/expenses:

Other net income/expenses fell by S\$22.0 million from a net income of S\$9.7 million in 2H FY2024 to net expenses of S\$12.2 million in 2H FY2025, as shown in **Exhibit 35**, mainly due to net fair value loss in long term investments at Fair Value Through Profit/Loss ("FVPL") rising by 289.1% from S\$5.7 million in 2H FY2024 to S\$22.2 million in 2H FY2025.

On a general basis, Metro's annualised yield (i.e., multiplied by two) from long term investments rose from 3.8% in 1H FY2021 to 13.3% in 2H FY2022 before falling to 3.6% 2H FY2025, as also shown in **Exhibit 35**. Meanwhile, Metro's annualised yield from short term investments generally rose from 3.1% in 1H FY2021 to 6.2% in 1H FY2024 before falling to 5.1% in 2H FY2025.

Exhibit 35: Other Net Income/Expenses (1H FY2021 to 2H FY2025)

(in S\$ '000)	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Interest income from:				
Financial instruments at amortised cost	7,781	11,258	(3,477)	(30.9%)
Dividends, gross from:				
Long term investments	1,465	1,929	(464)	(24.1%)
Short term investments	406	388	18	4.6%
Net change in fair value of investments at Fair Value through Profit or Loss (at "FVPL):				
Long term investments	(22,181)	(5,701)	(16,480)	289.1%
Short term investments	1,021	(224)	1,245	(555.8%)
Others:				
Foreign exchange (loss)/gain	(2,492)	100	(2,592)	(2,592.0%)
Other rental income	629	682	(53)	(7.8%)
Sundry income	1,132	1,298	(166)	(12.8%)
Other net income/(expenses)	(12,239)	9,730	(21,969)	(225.8%)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
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
Dividends, gross from:										
Long term investments	1,804	4,492	4,157	8,882	4,626	3,536	2,674	1,929	1,777	1,465
Short term investments	217	456	315	336	359	388	432	388	385	406
Net change in fair value of investments at FVPL:										
Long term investments	(3,976)	(3,482)	(3,555)	840	(1,878)	(9,950)	248	(5,701)	(989)	(22,181)
Short term investments	2,934	2,010	(763)	1,324	(1,841)	(72)	(565)	(224)	370	1,021
Others:										
Foreign exchange (loss)/gain	881	2,044	696	(480)	(2,599)	(15)	(2,756)	100	1,023	(2,492)
Other rental income	6	-	-	-	362	577	666	682	772	629
Sundry income	309	3,896	810	727	679	983	695	1,298	1,287	1,132
Other net income/(expenses)	12,704	18,833	11,664	22,450	9,659	9,701	14,312	9,730	24,650	(12,239)
Dividend yield (general basis; in %):										
Gross dividends	1,804	4,492	4,157	8,882	4,626	3,536	2,674	1,929	1,777	1,465
Long term investments	94,237	88,534	99,745	133,621	122,972	109,065	110,586	106,805	105,700	81,173
Yield from long term investments (annualised)	3.8%	10.1%	8.3%	13.3%	7.5%	6.5%	4.8%	3.6%	3.4%	3.6%
Gross dividends	217	456	315	336	359	388	432	388	385	406
Short term investments	13,921	15,932	15,169	16,493	14,652	14,580	14,014	14,654	14,952	16,035
Yield from short term investments (annualised)	3.1%	5.7%	4.2%	4.1%	4.9%	5.3%	6.2%	5.3%	5.1%	5.1%

Note: Annual figures of components of other net income/expenses as obtained by summing up semi-annual figures from financial statements may not tally with the corresponding figures in Metro's ARs. For instance, other rental income in 1H FY2021 may have been re-classified to sundry income in Metro's ARs (FY2021 & FY2022). However, the total other net income/expenses figures tallied.

Source: Metro, FPA

We estimate the breakdown of interest income from FY2021 to FY2025 as shown in **Exhibit 36**.

Exhibit 36: Breakdown of Interest Income (FY2021 to FY2025)

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
Interest income from associates	16,481	14,601	12,214	12,014	11,058
Interest income from joint ventures	33	272	698	829	695
Interest income (others)	3,432	5,952	11,293	11,332	16,053
Interest income	19,946	20,825	24,205	24,175	27,806
Interest bearing loans:					
Amounts due from associates (BIF 7.0% note)	61,360	75,660	88,660	88,660	88,660
Amounts due from associates (non-current excl. BIF 7.0% note)	232,586	146,507	146,117	9,117	-
Amounts due from associates (current)	116,429	94,126	92,457	226,396	206,607
Amounts due from associates (interest bearing)	410,375	316,293	327,234	324,173	295,267
Amounts due from joint ventures (non-current)	15,384	23,505	28,281	55,603	69,996
Amounts due from joint ventures (current)	32,519	6,930	4,055	739	678
Amounts due from joint ventures (interest bearing)	47,903	30,435	32,336	56,342	70,674
Effective interest from interest sources:					
Interest from Boustead Industr. Fund ("BIF") 7.0% note (due 2031)	4,295	5,296	6,206	6,206	6,206
BIF 7.0% note (due 2031)	61,360	75,660	88,660	88,660	88,660
Interest rate on BIF 7.0% note (due 2031)	7.0%	7.0%	7.0%	7.0%	7.0%
Interest income from associates	16,481	14,601	12,214	12,014	11,058
Deduct: Interest income from BIF note	(4,295)	(5,296)	(6,206)	(6,206)	(6,206)
Interest income from associates (excl. BIF)	12,186	9,305	6,008	5,808	4,852
Amounts due from associates (interest bearing excl. BIF)	349,015	240,633	238,574	235,513	206,607
Effective interest on amounts due from assocs (excl. BIF)	3.5%	3.9%	2.5%	2.5%	2.3%
Interest income from joint ventures	33	272	698	829	695
Amounts due from joint ventures (interest bearing)	47,903	30,435	32,336	56,342	70,674
Effective interest on amounts due from joint ventures	0.1%	0.9%	2.2%	1.5%	1.0%
Interest income (others)	3,432	5,952	11,293	11,332	16,053
Cash & cash equivalents	425,669	331,360	329,305	272,687	297,507
Effective interest on cash & cash equivalents (est.)	0.8%	1.8%	3.4%	4.2%	5.4%
Effective Federal Funds Rate ("EFFR"; average)	0.1%	0.1%	3.0%	5.2%	4.9%

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

Metro's long term investments include:

- 7.4% interest in DHLT (Metro invested S\$41.3 million in 2H FY2022)
- 1.6% interest in UHREIT (Metro likely invested S\$6.1 million in 2H FY2022)
- 4.9% interest in BGO Fund III (Metro invested S\$12.2 million in 4Q FY2019)
- 7.2% interest in MGSA Private Trust (Metro invested S\$56.4 million in 4Q FY2017).

Metro's other long term investments included:

- S\$15.8 million in an European Logistics Fund ("ELF") in 1H FY2022. However, in 2H FY2022, the ELF divested all its real estate assets, redeemed all of Metro's units, and made an income distribution of S\$7.6 million to Metro.
- S\$6.0 million for a 10% interest in DocMed Technology Pte. Ltd. ("DocMed"), a subsidiary of Hyphens Pharma International Limited (SGX:1J5), in 1H FY2023. However, Metro's long term investments in ASEAN fell from S\$6.0 million in FY2023 & FY2024 to nil in FY2025.

We estimate the annual breakdown of long term investments from FY2021 to FY2025 as shown in **Exhibit 37**.

Exhibit 37: Estimated Breakdown of Long Term Investments (by Geographical Regions; FY2021 to FY2025)

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
(Quoted at FVOCI) Daiwa House Logistics Trust ("DHLT")	-	43,623	28,910	30,459	29,685
(Quoted at FVOCI) United Hampshire U.S. REIT ("UHREIT"; est.)	-	6,235	5,009	5,257	5,975
(Quoted at FVPL) Equity securities ⁽¹⁾	5,654	5,701	4,447	3,144	3,192
(Unquoted at FVPL) Equity securities (others; mainly/entirely MGSA)	67,643	65,276	53,262	50,070	34,822
Long term investments (Others excl. Australia)	73,297	120,835	91,628	88,930	73,674
(Unquoted at FVPL) Long term investment(s) (PRC) (BGO Fund III) ⁽¹⁾	15,237	12,786	11,437	11,875	7,499
(Unquoted at FVPL) Long term investment(s) (ASEAN) (DocMed)	-	-	6,000	6,000	-
Long term investments	88,534	133,621	109,065	106,805	81,173

Note: "FVOCI" means Fair Value through Comprehensive Income; "FVPL" means Fair Value through Profit or Loss. ⁽¹⁾ Long term investments in PRC may include quoted equity securities at FVPL prior to FY2025.

Source: Metro, FPA

The semi-annual breakdown of long term investments from 1H FY2021 to 2H FY2025 is shown in **Exhibit 38**. We also include our estimation of the carrying values of dividend income from, and annualised yields from, DHLT and UHREIT for the same period in **Exhibit 38**.

Exhibit 38: Breakdown of LT Investments (FVOCI vs FVPL) and Estimation of DHLT & UHREIT (1H FY2021 to 2H FY2025)

(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
Financial assets at Fair Value through Comprehensive Income ("FVOCI"):										
Equity securities (quoted)	-	-	-	49,858	36,702	33,919	33,405	35,716	38,873	35,660
Financial assets at Fair Value through Profit or Loss ("FVPL"):										
Equity securities (unquoted)	n.a.	82,880	94,122	78,062	82,288	70,699	73,759	67,945	63,126	42,321
Equity securities (quoted)	n.a.	5,654	5,623	5,701	3,982	4,447	3,422	3,144	3,701	3,192
Long term investments	94,237	88,534	99,745	133,621	122,972	109,065	110,586	106,805	105,700	81,173
Equity securities (quoted; at FVOCI):										
Daiwa House Logistics Trust ("DHLT"; est. for 1H)	-	-	-	43,623	30,975	28,910	28,652	30,459	33,298	29,685
United Hampshire U.S. REIT ("UHREIT"; est.)	-	-	-	6,235	5,727	5,009	4,753	5,257	5,575	5,975
Equity securities (quoted; at FVOCI)	-	-	-	49,858	36,702	33,919	33,405	35,716	38,873	35,660
Daiwa House Logistics Trust ("DHLT"):										
No. of units (in '000)	-	-	-	51,625	51,625	51,625	51,625	51,625	51,625	51,625
Share price (in S\$; from SGX Stock Screener for 1H, est. for 2H)	-	-	-	0.845	0.600	0.560	0.555	0.590	0.645	0.575
Carrying value of DHLT at FVOCI (estimate for 1H)	-	-	-	43,623	30,975	28,910	28,652	30,459	33,298	29,685
No. of units (in '000)	-	-	-	51,625	51,625	51,625	51,625	51,625	51,625	51,625
Dividend Per Unit ("DPU" in cents) by payment date	-	-	-	-	3.09	2.61	2.61	2.61	2.45	2.34
Dividend income from DHLT (estimate)	-	-	-	-	1,595	1,347	1,347	1,347	1,265	1,208
Carrying value of DHLT at FVOCI (estimate for 1H)	-	-	-	43,623	30,975	28,910	28,652	30,459	33,298	29,685
Yield from DHLT (annualised)	-	-	-	-	10.3%	9.3%	9.4%	8.8%	7.6%	8.1%
United Hampshire U.S. REIT ("UHREIT"):										
No. of units (in '000) (from UHREIT's AR for 2H; est. for 1H)	-	-	-	7,200	7,480	7,557	8,092	8,558	8,884	9,388
Share price (in USD) (from SGX Stock Screener for 1H; est. for 2H)	-	-	-	0.640	0.535	0.499	0.430	0.455	0.490	0.475
USD-to-SGD exchange rate (Yahoo! Finance)	-	-	-	1.353	1.431	1.328	1.366	1.350	1.281	1.343
Carrying value of UHREIT at FVOCI (estimate)	-	-	-	6,235	5,727	5,009	4,753	5,257	5,575	5,975
No. of units (in '000)	-	-	-	7,200	7,480	7,557	8,092	8,558	8,884	9,388
Dividend Per Unit ("DPU" in U.S. cents) by payment date	-	-	-	3.05	2.91	2.97	2.65	2.14	2.01	2.05
USD-to-SGD exchange rate (Yahoo! Finance)	-	-	-	1.353	1.431	1.328	1.366	1.350	1.281	1.343
Dividend income from UHREIT (estimate)	-	-	-	297	312	298	293	247	229	258
Carrying value of UHREIT at FVOCI (estimate)	-	-	-	6,235	5,727	5,009	4,753	5,257	5,575	5,975
Yield from UHREIT (annualised)	-	-	-	9.5%	10.9%	11.9%	12.3%	9.4%	8.2%	8.6%

n.a. = not available.

Source: Metro, DHLT, UHREIT, Yahoo! Finance, SGX Stock Screener, FPA

By deducting the estimated dividend income from DHLT & UHREIT, we estimate the gross dividends that Metro received from long term investments (excluding DHLT & UHREIT) from 1H FY2021 to 2H FY2025, as shown in **Exhibit 39**. Thereafter, we estimate the annualised dividend yield from long term investments (excluding DHLT & UHREIT) for the same period.

We estimate that the annualised yield from long term investments (excluding DHLT & UHREIT) was 20.7% in 2H FY2022. Metro noted that, in 2H FY2022, it “registered a divestment gain of S\$7.6 million (EUR5.0 million) from its investment in an European Logistics Fund where it divested all the real estate assets.” The divestment gain may be included in gross dividends from long term investments in 2H FY2022.

We also estimate that, in 2H FY2025, Metro derived all of its long term investments’ gross dividends from DHLT & UHREIT only.

Excluding 2H FY2022, we estimate that the annualised yield from long term investments (excluding DHLT & UHREIT) rose from 3.8% in 1H FY2021 to 10.1% in 2H FY2021 before generally falling to nil in 2H FY2025, as shown in **Exhibit 39**.

Exhibit 39: Estimated Yield from Long Term Investments (excl. DHLT & UHREIT; 1H FY2021 to 2H FY2025)

(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		
DHLT	-	-	-	-	1,595	1,347	1,347	1,347	1,265	1,208		
UHREIT	-	-	-	297	312	298	293	247	229	258		
Others (incl. rounding error)	1,804	4,492	4,157	8,585	2,719	1,891	1,034	334	284	(1)		
Gross dividends from long term investments	1,804	4,492	4,157	8,882	4,626	3,536	2,674	1,929	1,777	1,465		
Estimated yield from long term investments (excl. DHLT & UHREIT):												
Long term investments	94,237	88,534	99,745	133,621	122,972	109,065	110,586	106,805	105,700	81,173		
Exclude: DHLT (est. for 1H)	-	-	-	(43,623)	(30,975)	(28,910)	(28,652)	(30,459)	(33,298)	(29,685)		
Exclude: UHREIT (est.)	-	-	-	(6,235)	(5,727)	(5,009)	(4,753)	(5,257)	(5,575)	(5,975)		
Long term investments (excl. DHLT & UHREIT; est.)	94,237	88,534	99,745	83,763	86,270	75,146	77,181	71,089	66,827	45,513		
				Potential contribution from ELF								
Dividends from others (incl. rounding error)	1,804	4,492	4,157	8,585	2,719	1,891	1,034	334	284	(1)		
Long term investments (excl. DHLT & UHREIT; est.)	94,237	88,534	99,745	83,763	86,270	75,146	77,181	71,089	66,827	45,513		
Yield from LT investments (excl. DHLT & UHREIT; annual; est.)	3.8%	10.1%	8.3%	20.5%	6.3%	5.0%	2.7%	0.9%	0.8%	(0.0%)		

Source: Metro, DHLT, UHREIT, Yahoo! Finance, SGX Stock Screener, FPA

Meanwhile, the breakdown of short term investments from 1H FY2021 to 2H FY2025 is shown in **Exhibit 40**. For reference, we include again the dividend income from, and the estimated annualised yield of, short term investments for the same period. As mentioned on page 34, Metro’s annualised yield from short term investments generally rose from 3.1% in 1H FY2021 to 6.2% in 1H FY2024 before falling to 5.1% in 2H FY2025.

Exhibit 40: Breakdown of and Estimated Yield from Short Term Investments (1H FY2021 to 2H FY2025)

(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
Financial assets at FVPL:										
Equity securities (unquoted)	-	-	-	-	-	-	-	1,434	1,362	1,425
Equity securities (quoted)	13,921	15,932	15,169	16,493	14,652	14,580	14,014	13,220	13,590	14,610
Short term investments	13,921	15,932	15,169	16,493	14,652	14,580	14,014	14,654	14,952	16,035
Dividend yield (general basis):										
Gross dividends from short term investments	217	456	315	336	359	388	432	388	385	406
Short term investments	13,921	15,932	15,169	16,493	14,652	14,580	14,014	14,654	14,952	16,035
Yield from short term investments (annualised)	3.1%	5.7%	4.2%	4.1%	4.9%	5.3%	6.2%	5.3%	5.1%	5.1%

Source: Metro, FPA

We estimate the changes in long term investments from 1H FY2021 to 2H FY2025, as shown in **Exhibit 41**.

Metro invested in the ELF in 1H FY2022, but all its units were redeemed by ELF in 2H FY2022. Metro also invested in DHLT & UHREIT in 2H FY2022, and in DocMed in 2H FY2023. The corresponding increase or decrease in long term investments for each respective period is highlighted in **Exhibit 41**.

Note that quoted equity securities (long term) at Fair Value through Comprehensive Income (“FVOCI”) include Metro’s interests in DHLT & UHREIT, while unquoted equity securities (long term) at FVPL include Metro’s interest in MGSA Private Trust, BGO Fund III, and DocMed.

Exhibit 41: Estimated Changes in Carrying Value of Long Term Investments (1H FY2021 to 2H FY2025)

(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
Long-term investments (start of period)	99,873	94,237	88,534	99,745	133,621	122,972	109,065	110,586	106,805	105,700
Net change in fair value of investments at FVOCI	-	-	-	2,421	(13,798)	(2,686)	(801)	2,063	2,922	(3,213)
Net change in fair value of investments at FVPL	(3,976)	(3,482)	(3,555)	840	(1,878)	(9,950)	248	(5,701)	(917)	(22,244)
Increase/(decrease) in LT investments	(210)	(2,903)	15,224	31,005	6,031	(732)	1,113	(2)	(2,886)	(257)
(Estimated to be) Foreign exchange differences	(1,450)	682	(458)	(390)	(1,004)	(539)	961	(141)	(224)	1,187
Long-term investments (end of period)	94,237	88,534	99,745	133,621	122,972	109,065	110,586	106,805	105,700	81,173
Equity securities (quoted) at FVOCI (start of period)	-	-	-	-	49,858	36,702	33,919	33,405	35,716	38,873
(Estimated to be) DHLT & UHREIT	-	-	-	47,437	-	-	-	-	-	-
Net change in fair value of investments at FVOCI	-	-	-	2,421	(13,798)	(2,686)	(801)	2,063	2,922	(3,213)
(Estimated to be) Foreign exchange differences	-	-	-	-	642	(97)	287	248	235	-
Equity securities (quoted) at FVOCI (end of period)	-	-	-	49,858	36,702	33,919	33,405	35,716	38,873	35,660
Equity securities (quoted + unquoted) at FVPL (start of period)	99,873	94,237	88,534	99,745	83,763	86,270	75,146	77,181	71,089	66,827
Increase/(decrease) in LT investments (excl. DHLT & UHREIT)	(210)	(2,903)	15,224	(16,432)	6,031	(732)	1,113	(2)	(2,886)	(257)
Net change in fair value of investments at FVPL	(3,976)	(3,482)	(3,555)	840	(1,878)	(9,950)	248	(5,701)	(917)	(22,244)
(Estimated to be) Foreign exchange differences	(1,450)	682	(458)	(390)	(1,646)	(442)	674	(389)	(459)	1,187
Equity securities (quoted + unquoted) at FVPL (end of period)	94,237	88,534	99,745	83,763	86,270	75,146	77,181	71,089	66,827	45,513

Source: Metro, FPA

We also estimate the changes in carrying values of long term investments at FVPL (quoted vs unquoted), as well as in short term investments, from 1H FY2021 to 2H FY2025, as shown in **Exhibit 42**.

Exhibit 42: Estimated Changes in Carrying Values of Long Term & Short Term Investments (1H FY2021 to 2H FY2025)

(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
Equity securities (unquoted) at FVPL - LT & ST	93,248	n.a.	82,880	94,122	78,062	82,288	70,699	73,759	69,379	64,488
Disposal	-	-	-	-	-	-	-	-	(5)	5
Additions	n.a.	n.a.	16,536	65	6,348	144	1,328	541	-	-
Redemptions	n.a.	n.a.	(1,312)	(16,455)	(319)	(875)	(215)	(543)	(2,881)	-
Fair value loss recognised in profit or loss	n.a.	n.a.	(4,183)	417	(2,475)	(10,055)	1,712	(4,286)	(1,495)	(21,217)
Foreign exchange differences	n.a.	n.a.	201	(87)	672	(803)	235	(92)	(510)	470
Equity securities (unquoted) at FVPL - LT & ST	n.a.	82,880	94,122	78,062	82,288	70,699	73,759	69,379	64,488	43,746
Change in ST investments (quoted + unquoted at FVPL):										
Short-term investments (start of period)	10,988	13,921	15,932	15,169	16,493	14,652	14,580	14,014	14,654	14,952
Net change in fair value of ST investments at FVPL (quoted) ⁽¹⁾	2,934	2,010	(763)	1,324	(1,841)	(72)	(565)	(794)	370	1,021
(Estimated to be) Net change in fair value at FVPL (ST; unquoted) ⁽¹⁾	-	-	-	-	-	-	-	570	-	-
(Estimated to be) Net change in fair value at FVPL (LT; unquoted) ⁽¹⁾	-	-	-	-	-	-	-	-	(72)	63
(Estimated to be) Transfer from LT investment (unquoted) ⁽²⁾	-	-	-	-	-	-	-	864	-	-
Rounding	(1)	1	-	-	-	-	(1)	-	-	(1)
Short-term investments (end of period)	13,921	15,932	15,169	16,493	14,652	14,580	14,014	14,654	14,952	16,035
Change in LT investments at FVPL (unquoted):										
Equity securities (unquoted) at FVPL - LT (start of period)	93,248	n.a.	82,880	94,122	78,062	82,288	70,699	73,759	67,945	63,126
Disposal	-	-	-	-	-	-	-	-	(5)	5
Additions	n.a.	n.a.	16,536	65	6,348	144	1,328	541	-	-
Redemptions	n.a.	n.a.	(1,312)	(16,455)	(319)	(875)	(215)	(543)	(2,881)	-
Fair value loss recognised in profit or loss ⁽²⁾	n.a.	n.a.	(4,183)	417	(2,475)	(10,055)	1,712	(5,720)	(1,423)	(21,280)
Foreign exchange differences	n.a.	n.a.	201	(87)	672	(803)	235	(92)	(510)	470
Equity securities (unquoted) at FVPL - LT (end of period)	n.a.	82,880	94,122	78,062	82,288	70,699	73,759	67,945	63,126	42,321
Change in LT investments at FVPL (quoted):										
Equity securities (quoted) at FVPL (start of period)	n.a.	n.a.	5,654	5,623	5,701	3,982	4,447	3,422	3,144	3,701
(Estimated to be) Fair value loss recognised in profit or loss	n.a.	n.a.	628	423	597	105	(1,464)	19	506	(964)
(Estimated to be) Additions, disposals, and redemptions	n.a.	-	-	(42)	2	(1)	-	-	-	(262)
(Estimated to be) Foreign exchange differences	n.a.	n.a.	(659)	(303)	(2,318)	361	439	(297)	51	717
Equity securities (quoted) at FVPL (end of period)	n.a.	5,654	5,623	5,701	3,982	4,447	3,422	3,144	3,701	3,192

n.a. = not available. ⁽¹⁾ & ⁽²⁾ Short term unquoted equity securities rose from nil in 1H FY2024 to S\$1.4 million in 2H FY2024. We estimate that, of the S\$1.4 million, S\$864,000 (nearest '000) was transferred from long term unquoted equity securities at FVPL (via fair value loss) while S\$570,000 was recognised as net fair value loss in short term investments in 2H FY2024. Subsequently, we estimate that fair value change in short term unquoted equity securities in 1H & 2H FY2025 were recognised in net fair value loss in long term investments.

Source: Metro, FPA

With reference to **Exhibit 41** (page 39) and **Exhibit 42** (page 40), we collate the breakdown of net changes in fair value of investments at FVPL for both long & short term investments from 1H FY2021 to 2H FY2025, as shown in **Exhibit 43**. Note that unquoted equity securities (long term) at FVPL include Metro's interests in MGSA Private Trust (in which Metro invested S\$56.4 million in 4Q FY2017), BGO Fund III (S\$12.2 million invested in 4Q FY2019), and DocMed (S\$6.0 million invested in 1H FY2023).

We estimate that the net fair value loss in equity securities (long term; unquoted only) at FVPL rose by 272.0% from S\$5.7 million in 2H FY2024 to S\$21.3 million in 2H FY2025. Metro noted that there was a "higher net fair value loss from its long term investments mainly from the Group's investment in Mapletree Global Student Accommodation Private Trust by \$6.3 million, its investment in BentallGreenOak China Real Estate Fund III L.P. ("BGO Fund III") by \$3.6 million and its other long term investments by \$6.0 million" in 2H FY2025.

For the full year, Metro also noted that there was "higher net fair value loss from its long term investments by \$17.7 million mainly from the Group's investment in Mapletree Global Student Accommodation Private Trust by \$10.1 million, its investment in BGO Fund III by \$3.5 million and its other long term investments by \$6.0 million" in FY2025.

Exhibit 43: Breakdown of Net Changes in Fair Value of Short & Long Term Investments (1H FY2021 to 2H FY2025)

(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
LT investments: equity (quoted at FVPL)	n.a.	n.a.	628	423	597	105	(1,464)	19	506	(964)
LT investments: equity (unquoted at FVPL)	n.a.	n.a.	(4,183)	417	(2,475)	(10,055)	1,712	(5,720)	(1,423)	(21,280)
ST investments: equity (unquoted at FVPL; recorded under LT)	-	-	-	-	-	-	-	-	(72)	63
Net change in fair value at FVPL (long term investments)	-	-	(3,555)	840	(1,878)	(9,950)	248	(5,701)	(989)	(22,181)
ST investments: equity (quoted at FVPL)	2,934	2,010	(763)	1,324	(1,841)	(72)	(565)	(794)	370	1,021
ST investments: equity (unquoted at FVPL; recorded under ST)	-	-	-	-	-	-	-	570	-	-
Net change in fair value at FVPL (short term investments)	2,934	2,010	(763)	1,324	(1,841)	(72)	(565)	(224)	370	1,021
LT investments: equity (unquoted at FVPL)	n.a.	n.a.	(4,183)	417	(2,475)	(10,055)	1,712	(5,720)	(1,423)	(21,280)
ST investments: equity (unquoted at FVPL; recorded under LT)	-	-	-	-	-	-	-	-	(72)	63
ST investments: equity (unquoted at FVPL; recorded under ST)	-	-	-	-	-	-	-	570	-	-
(Estimated to be) Transfer to ST investments	-	-	-	-	-	-	-	864	-	-
Net change in fair value at FVPL (unquoted investments)	-	-	(4,183)	417	(2,475)	(10,055)	1,712	(4,286)	(1,495)	(21,217)

n.a. = not available.

Source: Metro, FPA

For reference, the change in carrying value of long term investments (shown in **Exhibit 37** on page 36) is shown in **Exhibit 44**. In line with the "higher net fair value loss" in "its other long term investments by \$6.0 million" in FY2025, we note that Metro's interest in DocMed may have been written down in 2H FY2025.

Exhibit 44: Estimated Changes in Carrying Values of Long Term Investments (FY2021 to FY2025)

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
(Quoted at FVOCI) Daiwa House Logistics Trust ("DHLT")	-	43,623	(14,713)	1,549	(774)
(Quoted at FVOCI) United Hampshire U.S. REIT ("UHREIT"; est.)	-	6,235	(1,226)	248	718
(Quoted at FVPL) Equity securities ⁽¹⁾	(971)	47	(1,254)	(1,303)	48
(Unquoted at FVPL) Equity securities (others; mainly/entirely MGSA)	(8,497)	(2,367)	(12,014)	(3,192)	(15,248)
Change in LT investments (Others excl. Australia)	(9,468)	47,538	(29,207)	(2,698)	(15,256)
(Unquoted at FVPL) Long term investment(s) (PRC) (BGO Fund III) ⁽¹⁾	(1,871)	(2,451)	(1,349)	438	(4,376)
(Unquoted at FVPL) Long term investment(s) (ASEAN) (DocMed)	-	-	6,000	-	(6,000)
Change in LT investments (total)	(11,339)	45,087	(24,556)	(2,260)	(25,632)

⁽¹⁾ Long term investments in PRC may include quoted equity securities at FVPL prior to FY2025.

Source: Metro, FPA

Fair value gain/loss on an investment property:

Fair value gain/loss on an investment property relates to Metro's 100%-owned GIE Tower, which is located at Guangzhou, China. Metro incurred a fair value loss on GIE Tower of S\$2.5 million in 2H FY2025 (nil in 2H FY2024) as shown in **Exhibit 45**.

Exhibit 45: Fair Value Gain/Loss on GIE Tower (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Balance at start of period	109,022	109,022	111,725	114,995	115,744	109,767	106,196	102,364	102,364	100,174
Adjustments to fair value	-	533	-	(341)	-	776	-	-	-	(2,535)
Foreign exchange adjustments	-	2,170	3,270	1,090	(5,977)	(4,347)	(3,832)	-	(2,190)	1,096
Investment property balance at end of period	109,022	111,725	114,995	115,744	109,767	106,196	102,364	102,364	100,174	98,735

Source: Metro, FPA

The valuation of Metro's interest in GIE tower from FY2021 to FY2025 is shown in **Exhibit 46**. The valuation (in Singapore Dollars or "SGD") generally fell from S\$111.7 million at end-FY2021 to S\$98.7 million at end-FY2025 due to the general depreciation of both GIE Tower itself, as well as of Renminbi ("RMB") against SGD, from FY2021 to FY2025.

We note that valuation (in RMB) rose in FY2023 in line with a fall in capitalisation rate from 6.00% in FY2023 to 5.5% in FY2024, and fell in FY2025 in line with a fall in the range highs of both the rental rate and comparable prices.

Exhibit 46: Valuation of GIE Tower (FY2021 to FY2025)

(in stated units)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Valuation (in RMB '000)	545,000	543,400	547,400	547,400	533,700
Valuation (in SGD '000)	111,725	115,744	106,196	102,364	98,735
RMB-to-SGD exchange rate (implied)	4.878	4.695	5.155	5.348	5.405
Valuation (in RMB '000)	545,000	543,400	547,400	547,400	533,700
Lettable area (sqm)	28,390	28,390	28,390	28,390	28,390
Valuation per lettable area (RMB per sqm)	19,197	19,141	19,281	19,281	18,799

Valuation inputs:

Capitalisation rate	6.00%	6.00%	5.5%	5.5%	5.5%
Rental rate (in RMB/sqm/month) - range high	143	143	143	143	130
Rental rate (in RMB/sqm/month) - range low	116	117	107	109	127
Comparable prices (RMB per sqm for retail & office) - range high	22,404	22,447	22,447	22,527	19,788
Comparable prices (RMB per sqm for retail & office) - range low	18,788	18,848	18,848	18,848	18,472
Comparable prices (RMB per carpark lot)	300,000	300,000	300,000	300,000	300,000

Note: Based on Metro's latest AR, GIE Tower was valued based on "Average of income capitalisation method and market comparison approach".

Source: Metro, FPA

Impairment on Right-of-Use (“ROU”) & fixed assets:

Impairment on ROU & fixed assets rose from nil in 2H FY2024 to S\$4.1 million (S\$0.4 million for fixed assets + S\$3.8 million for ROU assets) in 2H FY2025, as shown in **Exhibit 47**. Metro noted that “the Group accounted for the impairment loss on the retail’s right-of-use and fixed assets of \$4.1 million to reduce the carrying value of these assets in view of the continuing challenges faced by the retail segment.”

Exhibit 47: Impairment on ROU & Fixed Assets (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Impairment of plant & equipment	-	138	-	-	-	-	-	-	-	365
Impairment of Right-Of-Use (“ROU”) assets	-	4,578	-	-	-	-	-	-	-	3,753
Impairment on right-of-use and fixed assets	-	4,716	-	-	-	-	-	-	-	4,118

Source: Metro, FPA

General & administrative (“G&A”) expenses:

G&A expenses rose by 3.8% from S\$11.3 million in 2H FY2024 to S\$11.7 million in 2H FY2025, as shown in **Exhibit 48**. G&A expenses as a percentage of revenue generally remained around 16.7% (2H FY2022) to 23.6% (1H FY2021) from 1H FY2021 to 2H FY2025, except in 1H FY2022, where the percentage rose to 27.1% due to revenue falling by 32.7% from S\$60.6 million in 2H FY2021 to S\$40.8 million in 1H FY2022.

Exhibit 48: General & Administrative Expenses (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
General & Administrative (“G&A”) expenses	11,745	11,319	426	3.8%
Revenue	56,154	65,747	(9,593)	(14.6%)
G&A expenses as % of revenue	20.9%	17.2%	-	-

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
G&A expenses	8,680	10,962	11,035	9,984	10,599	10,776	9,950	11,319	10,237	11,745
Revenue	36,717	60,606	40,785	59,718	53,887	63,350	50,161	65,747	48,350	56,154
G&A expenses as % of revenue	23.6%	18.1%	27.1%	16.7%	19.7%	17.0%	19.8%	17.2%	21.2%	20.9%

Source: Metro, FPA

G&A expenses in absolute figures, and as a percentage of revenue, from 1H FY2021 to 2H FY2025, are shown in **Exhibit 49**.

Exhibit 49: General & Administrative Expenses #2 (1H FY2021 to 2H FY2025)



Source: Metro, FPA

We estimate the breakdown of G&A expenses by segments (retail vs property) from 1H FY2021 to 2H FY2025, as shown in **Exhibit 50**. We note that the property segment likely accounted for around 70.0% of G&A expenses for the review period.

We also estimate that while retail G&A expenses as a percentage of retail revenue generally remained around 6.3% during the review period (except 1H FY2021 & 1H FY2022), property G&A expenses exceeded property revenue for all semi-annual periods from 1H FY2021 to 2H FY2025. Accordingly, we note that Metro may incur G&A expenses to earn other property-related income (e.g., interest & dividend income, or income from associates or joint ventures).

For instance, Metro noted in its Sustainability Report for FY2025 that within its China Property Division, Metro engages “contractors for cleaning services, security services, renovation works and maintenance of facilities for the two Shanghai properties, Metro City and Metro Tower.” Metro’s interests in Metro City and Metro Tower are held through joint ventures. Metro also noted that “For GIE Tower in Guangzhou, CBRE China has been engaged as the property manager to take charge of day-to-day operations such as maintenance and repair works, security and cleaning.” Metro derives rental income from GIE Tower.

Metro disclosed too that, of its 461 employees as at end-FY2025, 198 (or 43.0%) were employed at its China Property Division.

Exhibit 50: Estimated Breakdown of G&A Expenses (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Retail G&A (estimated)	2,637	3,300	3,524	3,128	3,243	3,331	2,613	3,450	2,934	3,412
Property G&A (estimated)	6,043	7,662	7,511	6,856	7,356	7,445	7,337	7,869	7,303	8,333
G&A expenses	8,680	10,962	11,035	9,984	10,599	10,776	9,950	11,319	10,237	11,745

As % of G&A (total):

Retail as % of G&A	30.4%	30.1%	31.9%	31.3%	30.6%	30.9%	26.3%	30.5%	28.7%	29.1%
Property as % of G&A	69.6%	69.9%	68.1%	68.7%	69.4%	69.1%	73.7%	69.5%	71.3%	70.9%

Estimation of retail & property G&A:

Retail gross profits	1,562	6,928	1,991	7,338	5,859	7,871	2,592	4,873	219	2,345
Deduct: impairment on ROU & fixed assets	-	(4,578)	-	-	-	-	-	-	-	(4,118)
Deduct: sundry income ⁽¹⁾	309	1,299	810	727	679	983	695	1,298	1,287	1,132
Retail G&A (estimated)	(2,637)	(3,300)	(3,524)	(3,128)	(3,243)	(3,331)	(2,613)	(3,450)	(2,934)	(3,412)
Retail segment results	(766)	349	(723)	4,937	3,295	5,523	674	2,721	(1,428)	(4,053)
Property gross profits	3,372	3,628	3,004	2,971	3,346	3,296	2,519	2,360	2,302	2,152
Deduct: other net income/expenses (excl. sundry income)	12,395	14,937	10,854	21,723	8,980	8,718	13,617	8,432	23,363	(13,371)
Deduct: sundry income ⁽¹⁾	-	2,597	-	-	-	-	-	-	-	-
Property G&A (estimated)	(6,043)	(7,662)	(7,511)	(6,856)	(7,356)	(7,445)	(7,337)	(7,869)	(7,303)	(8,333)
Property segment results	9,724	13,500	6,347	17,838	4,970	4,569	8,799	2,923	18,362	(19,552)

Comparison with retail & property revenue:

Retail G&A (estimated)	2,637	3,300	3,524	3,128	3,243	3,331	2,613	3,450	2,934	3,412
Retail revenue	25,226	47,545	35,318	51,276	47,308	56,672	45,594	59,847	44,913	51,597
G&A as % of revenue (retail)	10.5%	6.9%	10.0%	6.1%	6.9%	5.9%	5.7%	5.8%	6.5%	6.6%
Property G&A (estimated)	6,043	7,662	7,511	6,856	7,356	7,445	7,337	7,869	7,303	8,333
Property revenue	3,372	3,628	3,004	2,971	3,346	3,296	2,519	2,360	2,302	2,152
G&A as % of revenue (property)	179.2%	211.2%	250.0%	230.8%	219.8%	225.9%	291.3%	333.4%	317.2%	387.2%

⁽¹⁾ We assume that each segment’s G&A contribution generally remained consistent from 1H FY2021 to 2H FY2025. Thus, we assume that sundry income is fully attributable to retail from 1H FY2021 to 2H FY2025 (except 2H FY2021). We also assume that only a third of the sundry income in 2H FY2021 was attributable to retail, such that the respective G&A contributions in 2H FY2021 would remain similar to those in 1H FY2021 & 1H FY2022 (the adjacent semi-annual periods).

Source: Metro, FPA

We estimate that staff costs comprise the majority of G&A expenses¹, as there was little difference between staff costs and G&A expenses from FY2023, as shown in **Exhibit 51**.

Staff costs (including Directors' emoluments) comprise mainly "Salaries, bonuses and other related costs" (grouped as one item in Metro's ARs). Contributions to CPF comprise around 9.9% of "Salaries, bonuses and other related costs" from FY2021 to FY2025. Staff costs in FY2021 & FY2022 included government grants (mainly those from the COVID-19-related Jobs Support Scheme). Excluding the government grants, staff costs (adjusted) as a percentage of revenue ranged around 18.2% (FY2023) to 21.1% (FY2021) from FY2021 to FY2025.

Exhibit 51: Staff Costs vs G&A Expenses (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
General & Administrative ("G&A") expenses	19,642	21,019	21,375	21,269	21,982
Staff costs (including Directors' emoluments)	(16,608)	(18,607)	(21,150)	(21,147)	(21,659)
Other G&A expenses (estimate)	3,034	2,412	225	122	323
General & Administrative ("G&A") expenses	19,642	21,019	21,375	21,269	21,982
Exclude: Government grants (mainly Jobs Support Scheme)	3,884	1,243	-	-	-
G&A (adjusted for government grants)	23,526	22,262	21,375	21,269	21,982
G&A expenses (adjusted) as % of revenue	24.2%	22.2%	18.2%	18.3%	21.0%
Salaries, bonuses and other related costs	14,954	16,618	18,940	19,070	19,633
Contributions to CPF	1,501	1,620	1,852	1,893	1,990
Provision for long-service benefits	153	369	358	184	36
Staff costs (including Directors' emoluments)	16,608	18,607	21,150	21,147	21,659
Exclude: Government grants (mainly Jobs Support Scheme)	3,884	1,243	-	-	-
Staff costs (incl. Directors' emoluments; adjusted)	20,492	19,850	21,150	21,147	21,659
Staff costs (incl. Directors' emoluments; adj.) as % of revenue	21.1%	19.8%	18.0%	18.2%	20.7%

Source: Metro, FPA

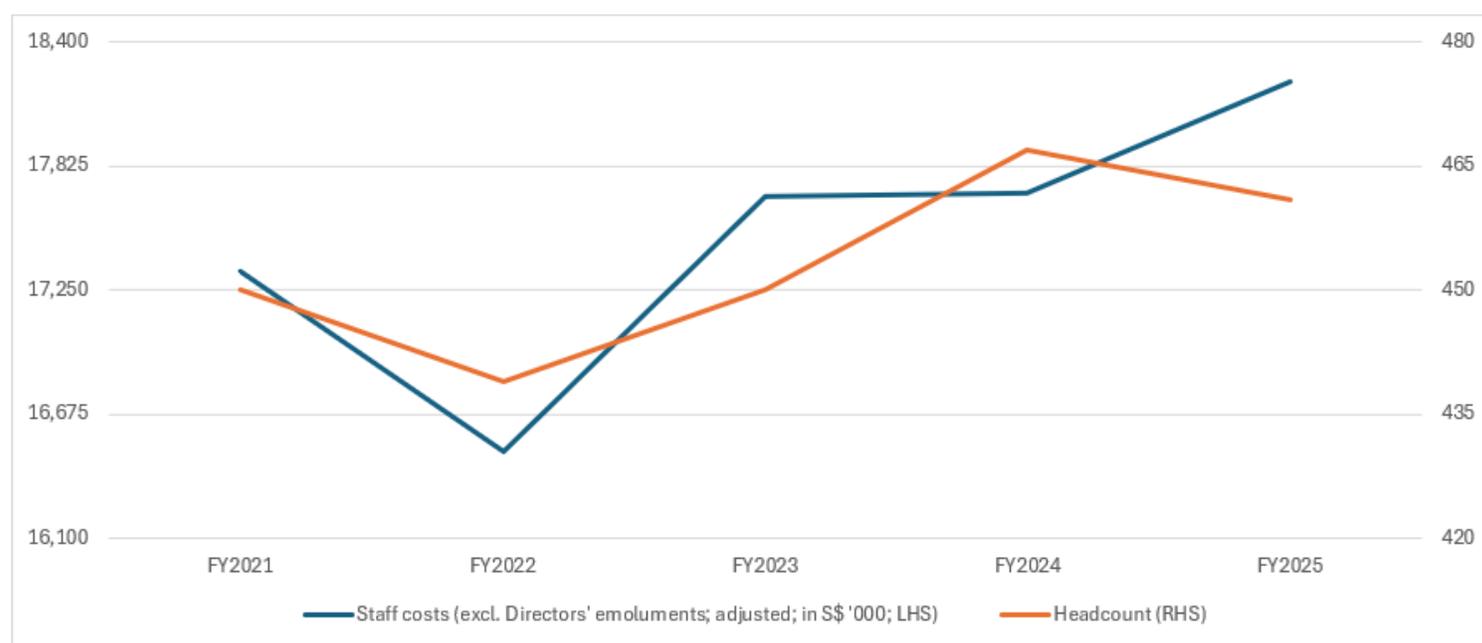
¹ Alternatively, a portion of G&A expenses may have been included in cost of sales.

We note that Directors' emoluments comprised around 3.0% (FY2023 & FY2024) to 3.3% (FY2022 & FY2025) of revenue from FY2021 to FY2025, as shown in **Exhibit 52**.

We also note that staff costs (excl. Directors' emoluments) generally trended with Metro's headcount from FY2021 to FY2025, as shown in **Exhibit 52**.

Exhibit 52: Staff Costs vs G&A Expenses #2 (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Fees payable	2,217	2,330	2,347	2,391	2,335
Other emoluments	936	1,016	1,116	1,057	1,112
Staff costs (Directors' emoluments only)	3,153	3,346	3,463	3,448	3,447
Directors' emoluments as % of revenue	3.2%	3.3%	3.0%	3.0%	3.3%
Staff costs (incl. Directors' emoluments; adjusted)	20,492	19,850	21,150	21,147	21,659
Deduct: staff costs (Directors' emoluments only)	(3,153)	(3,346)	(3,463)	(3,448)	(3,447)
Staff costs (excl. Directors' emoluments; adjusted)	17,339	16,504	17,687	17,699	18,212
Staff costs (excl. Directors' emoluments; adj.) as % of revenue	17.8%	16.4%	15.1%	15.3%	17.4%
Property (China)	209	206	200	200	198
Retail (Singapore)	210	202	220	236	234
Metro Corporate HQ (Singapore)	31	31	30	31	29
Headcount	450	439	450	467	461



Source: Metro, FPA

Finance costs:

Finance costs fell by 6.9% from S\$15.6 million in 2H FY2024 to S\$14.5 million in 2H FY2025, as shown in **Exhibit 53**, mainly due to Metro no longer paying interest on fixed rate notes from 1H FY2025. Metro most recently redeemed its 4.30% per annum (“p.a.”) fixed rate notes in April 2024 (start of 1H FY2025).

The average¹ Effective Federal Funds Rate (average “EFFR”) fell from 5.3% in 2H FY2024 to 4.5% in 2H FY2025. While the annualised² effective interest on borrowings (excluding fixed rate notes) rose from 4.1% in 2H FY2024 to 5.4% in 2H FY2025, the annualised effective interest on lease liabilities rose from 3.7% in 2H FY2024 to 4.0% in 2H FY2025.

Exhibit 53: Finance Costs (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Interest on borrowings carried at amortised cost	12,344	9,441	2,903	30.7%
Interest on notes carried at amortised cost	-	4,439	(4,439)	(100.0%)
Interest on lease liabilities	1,063	818	245	30.0%
Others	1,138	933	205	22.0%
Finance costs	14,545	15,631	(1,086)	(6.9%)
Interest on borrowings carried at amortised cost	12,344	9,441	2,903	30.7%
Borrowings (total) excluding fixed rate notes (prev. period)	599,817	348,219	251,598	72.3%
Eff. interest on borrowings excl. fixed rate notes (annualised)	4.1%	5.4%	-	-
Interest on lease liabilities	1,063	818	245	30.0%
Lease liabilities (total)(prev. period)	52,596	44,067	8,529	19.4%
Effective interest on lease liabilities (annualised)	4.0%	3.7%	-	-
Effective Federal Funds Rate ("EFFR"; average)	4.5%	5.3%	-	-

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
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
Interest on notes carried at amortised cost	7,626	7,597	7,632	4,854	4,459	4,437	4,427	4,439	-	-
Interest on lease liabilities	914	837	758	781	859	779	696	818	1,220	1,063
Others	234	271	341	755	702	1,079	918	933	915	1,138
Finance costs	9,757	9,616	9,801	9,367	11,043	15,813	15,359	15,631	15,885	14,545
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
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
Eff. interest on borrowings excl. fixed rate notes (annualised)	1.4%	1.2%	1.2%	2.3%	2.5%	4.7%	4.7%	5.4%	4.6%	4.1%
Interest on lease liabilities	914	837	758	781	859	779	696	818	1,220	1,063
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
Effective interest on lease liabilities (annualised)	2.8%	2.8%	2.9%	3.2%	2.8%	2.8%	2.8%	3.7%	4.2%	4.0%
EFFR (average)	0.08%	0.08%	0.06%	0.12%	1.75%	4.16%	5.16%	5.33%	5.25%	4.46%
Borrowings & lease liabilities:										
4.00% p.a. fixed rate SGD notes (repaid in Oct '21)	-	149,815	149,978	-	-	-	-	-	-	-
4.30% p.a. fixed rate SGD notes (repaid in Apr '24)	348,650	199,128	199,272	199,415	199,561	199,705	199,851	-	-	-
Borrowings (current) excluding fixed rate notes	154,825	175,142	137,934	135,524	142,652	139,201	85,990	201,747	207,049	207,481
Borrowings (non-current) excluding fixed rate notes	-	-	117,028	270,862	261,259	256,097	262,229	391,368	392,768	397,055
Borrowings (total)	503,475	524,085	604,212	605,801	603,472	595,003	548,070	593,115	599,817	604,536
Lease liabilities (current)	10,669	9,651	10,981	10,996	11,262	11,454	11,568	10,853	11,198	12,387
Lease liabilities (non-current)	48,510	43,058	37,529	49,757	44,068	38,303	32,499	47,102	41,398	16,528
Lease liabilities (total)	59,179	52,709	48,510	60,753	55,330	49,757	44,067	57,955	52,596	28,915

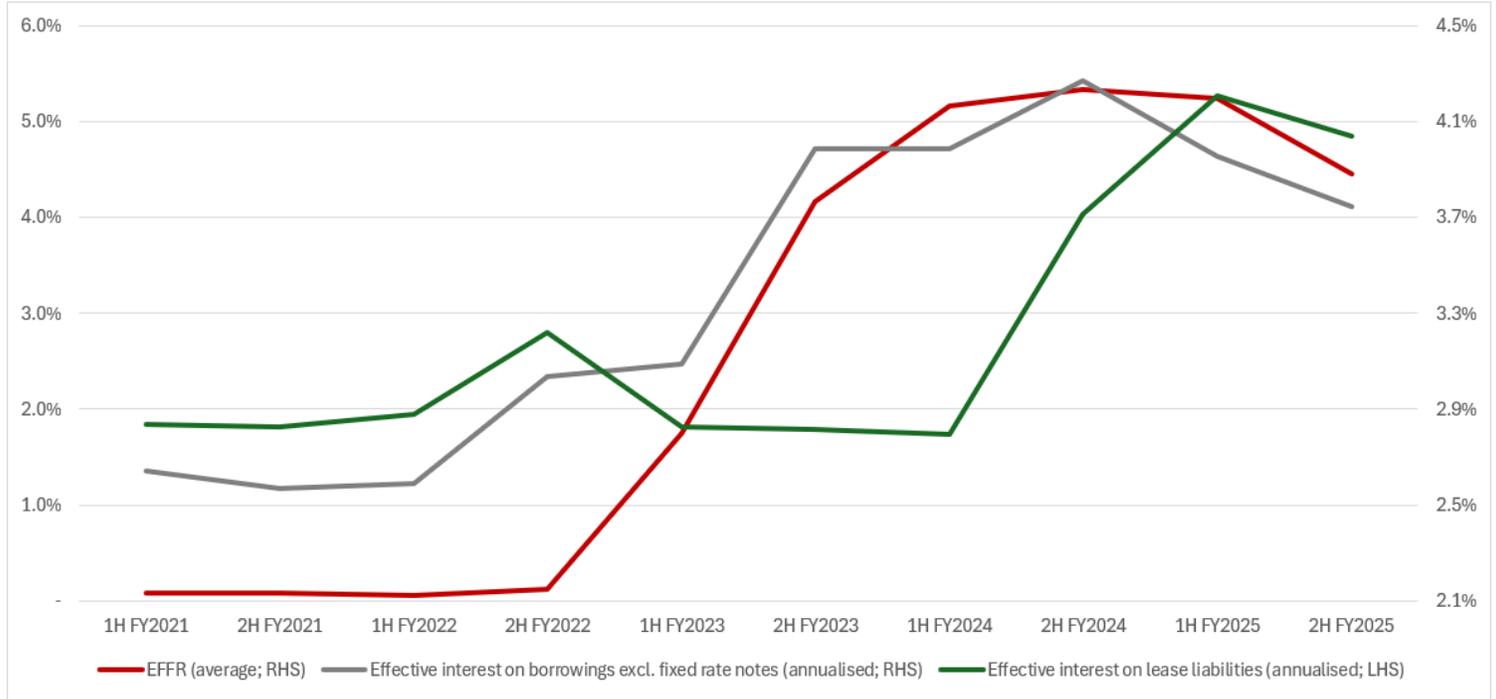
Source: Metro, Federal Reserve Bank of New York, FPA

¹ As averaged across the end of each month in each period.

² Annualised by multiplying by two.

Nonetheless, the annualised effective interests on borrowings (excluding fixed rate notes) and on lease liabilities generally trended with the average EFFR from 1H FY2021 to 2H FY2025, as shown in **Exhibit 54**.

Exhibit 54: Effective Interest on Borrowings (Excl. Note) and on Lease Liabilities vs Avg EFFR (1H FY2021 to 2H FY2025)



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

The calculation of average EFFR from 1H FY2021 to 2H FY2025 is shown in **Exhibit 55**.

Exhibit 55: Average Effective Federal Funds Rate (1H FY2021 to 2H FY2025)

(in %)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
January	-	0.07%	-	0.08%	-	4.33%	-	5.33%	-	4.33%
February	-	0.07%	-	0.08%	-	4.57%	-	5.33%	-	4.33%
March	-	0.06%	-	0.33%	-	4.83%	-	5.33%	-	4.33%
April	0.05%	-	0.05%	-	0.33%	-	4.83%	-	5.33%	-
May	0.05%	-	0.05%	-	0.83%	-	5.08%	-	5.33%	-
June	0.08%	-	0.08%	-	1.58%	-	5.08%	-	5.33%	-
July	0.10%	-	0.07%	-	2.32%	-	5.33%	-	5.33%	-
August	0.09%	-	0.06%	-	2.33%	-	5.33%	-	5.33%	-
September	0.09%	-	0.06%	-	3.08%	-	5.33%	-	4.83%	-
October	-	0.09%	-	0.07%	-	3.08%	-	5.33%	-	4.83%
November	-	0.09%	-	0.07%	-	3.83%	-	5.33%	-	4.58%
December	-	0.09%	-	0.07%	-	4.33%	-	5.33%	-	4.33%
Effective Federal Funds Rate ("EFFR"; average)	0.08%	0.08%	0.06%	0.12%	1.75%	4.16%	5.16%	5.33%	5.25%	4.46%

Source: Federal Reserve Bank of New York, FPA

We note that most of Metro's finance costs were incurred by the property segment from 1H FY2021 to 2H FY2025, as shown in **Exhibit 56**. We also estimate that the retail segment accounted for most of the interest on lease liabilities for the review period.

Exhibit 56: Breakdown of Finance Costs by Segments (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Retail	857	783	709	735	763	688	609	735	1,142	989
Property	8,900	8,833	9,092	8,632	10,280	15,125	14,750	14,896	14,743	13,556
Finance costs	9,757	9,616	9,801	9,367	11,043	15,813	15,359	15,631	15,885	14,545
Retail as % of finance costs	8.8%	8.1%	7.2%	7.8%	6.9%	4.4%	4.0%	4.7%	7.2%	6.8%
Property as % of finance costs	91.2%	91.9%	92.8%	92.2%	93.1%	95.6%	96.0%	95.3%	92.8%	93.2%
Retail finance costs vs interest on lease liabilities:										
Interest on lease liabilities	914	837	758	781	859	779	696	818	1,220	1,063
Deduct: retail finance costs	(857)	(783)	(709)	(735)	(763)	(688)	(609)	(735)	(1,142)	(989)
Interest on lease liabilities (property; estimated)	57	54	49	46	96	91	87	83	78	74
Retail as % of interest on lease liabilities	93.8%	93.5%	93.5%	94.1%	88.8%	88.3%	87.5%	89.9%	93.6%	93.0%

Source: Metro, FPA

Share of results from associates & joint ventures:

Given that share of results from associates & joint ventures has been substantial to Metro's profit/loss net of taxation, we shall review it separately from page 55.

Profit/loss from operations before tax:

Accordingly, profit/loss from operations before taxation fell by S\$235.6 million from a profit of S\$8.8 million in 2H FY2024 to a loss of S\$226.8 million in 2H FY2025.

Taxation:

Taxation fell by 41.2% from S\$2.3 million in 2H FY2024 to S\$1.4 million. The breakdown of taxation (by segments) from 1H FY2021 to 2H FY2025 is shown in **Exhibit 57**. The share of results of associates and of joint ventures are net of tax, thus are excluded from tax computations.

Despite incurring losses (excluding associates & joint ventures) before taxation for seven out of the past 10 semi-annual periods, Metro has been incurring tax expenses for all semi-annual periods from 1H FY2021 to 2H FY2025, as some of its expenses are not tax-deductible. Most of Metro's tax expenses were incurred by its property segment, which may be affected by fair value changes in its long & short term investments.

Metro's Group Chief Financial Officer ("CFO") noted in the AGM held in July 2025 that "some of the non tax-deductible expenses include but are not limited to foreign exchange losses, fair value impairment loss of long term/short term investments, disallowed interest expenses, non tax-deductible expenses for tax-exempt income and non tax-deductible corporate expenses."

Exhibit 57: Breakdown of Taxation (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Profit/(loss) from operations before tax	23,747	23,815	22,355	9,344	20,720	11,003	10,944	8,780	7,004	(226,847)
Deduct: Share of results of associates, net of tax	7,531	13,028	(2,537)	27,043	(8,555)	4,418	(3,217)	(22,685)	6,418	196,938
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)
Profit/(loss) before taxation (excl. associates & joint ventures)	(799)	4,766	(4,177)	13,067	(2,778)	(4,945)	(5,886)	(9,987)	1,049	(40,685)
Retail taxation	-	789	-	1,068	(464)	(973)	(47)	(182)	2	760
Property taxation	(3,924)	(7,432)	(3,971)	(5,145)	(3,451)	(1,491)	(2,736)	(2,147)	(3,451)	(2,129)
Taxation	(3,924)	(6,643)	(3,971)	(4,077)	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)
Profit/(loss) before taxation (excl. associates & joint ventures)	(799)	4,766	(4,177)	13,067	(2,778)	(4,945)	(5,886)	(9,987)	1,049	(40,685)
Effective tax rate (%)	(491.1%)	139.4%	(95.1%)	31.2%	(140.9%)	(49.8%)	(47.3%)	(23.3%)	328.8%	(3.4%)

Source: Metro, FPA

Accordingly, we estimate the taxable income and effective tax rate for each of Metro's segments (property & retail) as shown in **Exhibit 58**. We exclude finance costs from our estimation of the taxable income (through the use of segment results) for each segment as: (1) the taxable incomes would otherwise often be negative; and (2) Metro did note that non tax-deductible expenses included "disallowed interest expenses". We also exclude fair value gain/(loss) on investment property as property taxable income would otherwise fall below property taxation in 2H FY2025.

We estimate that the property effective tax rate was higher than that of retail from 1H FY2021 to 2H FY2025 (except 2H FY2023).

Exhibit 58: Breakdown of Taxation #2 (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Retail taxation	-	789	-	1,068	(464)	(973)	(47)	(182)	2	760
Property taxation	(3,924)	(7,432)	(3,971)	(5,145)	(3,451)	(1,491)	(2,736)	(2,147)	(3,451)	(2,129)
Taxation	(3,924)	(6,643)	(3,971)	(4,077)	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)
Retail taxation:										
Retail gross profit	1,562	6,928	1,991	7,338	5,859	7,871	2,592	4,873	219	2,345
Impairment loss on ROU & fixed assets	-	(4,578)	-	-	-	-	-	-	-	(4,118)
Sundry income	309	1,299	810	727	679	983	695	1,298	1,287	1,132
Retail G&A (estimated)	(2,637)	(3,300)	(3,524)	(3,128)	(3,243)	(3,331)	(2,613)	(3,450)	(2,934)	(3,412)
Retail segment results / taxable income (est.)	(766)	349	(723)	4,937	3,295	5,523	674	2,721	(1,428)	(4,053)
Retail taxation	-	789	-	1,068	(464)	(973)	(47)	(182)	2	760
Retail taxable income (est.)	(766)	349	(723)	4,937	3,295	5,523	674	2,721	(1,428)	(4,053)
Retail effective tax rate (%)	-	(226.1%)	-	(21.6%)	14.1%	17.6%	7.0%	6.7%	0.1%	18.8%
Property taxation:										
Property gross profit	3,372	3,628	3,004	2,971	3,346	3,296	2,519	2,360	2,302	2,152
Other net income/(expenses) (excl. sundry income)	12,395	17,534	10,854	21,723	8,980	8,718	13,617	8,432	23,363	(13,371)
Property G&A (estimated)	(6,043)	(7,662)	(7,511)	(6,856)	(7,356)	(7,445)	(7,337)	(7,869)	(7,303)	(8,333)
Property segment results	9,724	13,500	6,347	17,838	4,970	4,569	8,799	2,923	18,362	(19,552)
Deduct: Net fair value change at FVPL (long term investments)	3,976	3,482	3,555	(840)	1,878	9,950	(248)	5,701	989	22,181
Deduct: Net fair value change at FVPL (short term investments)	(2,934)	(2,010)	763	(1,324)	1,841	72	565	224	(370)	(1,021)
Deduct: Foreign exchange gain/(loss)	(881)	(2,044)	(696)	480	2,599	15	2,756	(100)	(1,023)	2,492
Property taxable income (est.)	9,885	12,928	9,969	16,154	11,288	14,606	11,872	8,748	17,958	4,100
Property taxation	(3,924)	(7,432)	(3,971)	(5,145)	(3,451)	(1,491)	(2,736)	(2,147)	(3,451)	(2,129)
Property taxable income (est.)	9,885	12,928	9,969	16,154	11,288	14,606	11,872	8,748	17,958	4,100
Property effective tax rate (%)	39.7%	57.5%	39.8%	31.8%	30.6%	10.2%	23.0%	24.5%	19.2%	51.9%

Source: Metro, FPA

For reference, the breakdown of annual income tax from FY2021 to FY2025 is shown in **Exhibit 59**.

Exhibit 59: Breakdown of Taxation (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
(Loss)/profit from operations before taxation	47,562	31,699	31,723	19,724	(219,843)
Exclude: Share of results of equity-accounted associates	20,559	(11,821)	(4,137)	(25,902)	203,356
Exclude: Share of results of equity-accounted joint ventures	(64,154)	(47,315)	(35,309)	(9,695)	(23,149)
Taxable income	3,967	(27,437)	(7,723)	(15,873)	(39,636)
Taxation calculated at Singapore income tax rate of 17%	(674)	4,664	1,313	2,698	6,738
Expenses not deductible for tax purposes	(6,041)	(13,303)	(9,426)	(6,857)	(10,681)
Difference arising from tax rates applicable to foreign entities	(1,679)	(1,863)	(1,185)	(984)	(340)
Income not subject to tax	2,703	3,752	3,792	375	616
Unremitted foreign sourced income	(2,212)	(2,493)	(1,918)	(1,718)	(1,769)
Over provision in respect of prior financial years	(3,428)	(609)	1,493	202	1,059
Withholding tax	(63)	-	(620)	-	(511)
Utilisation of previously unrecognised tax losses	130	1,049	155	801	498
Deferred tax asset not recognised	-	-	-	-	(515)
Others	697	755	17	371	87
Taxation expense recognised in the income statement	(10,567)	(8,048)	(6,379)	(5,112)	(4,818)

Source: Metro, FPA

Profit/loss net of taxation and attributable to owners of the Company:

After deducting income tax expense from profit/loss from operations before tax, profit/loss net of taxation fell by S\$234.7 million from a profit of S\$6.5 million in 2H FY2024 to a loss of S\$228.2 million in 2H FY2025, as shown in **Exhibit 60**.

Profit/loss 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 profit/loss attributable to NCI from profit/loss net of taxation, profit/loss attributable to owners of the Company fell by S\$234.5 million from a profit of S\$6.4 million in 2H FY2024 to a loss of S\$228.1 million in 2H FY2025, as also shown in **Exhibit 60**.

Earnings Per Share ("EPS"):

The weighted number of shares in issue (basic & diluted) remained the same in 2H FY2024 & 2H FY2025. Thus, basic & diluted EPS (in cents) fell by 28.3 from positive 0.8 in 2H FY2024 to negative 27.6 in 2H FY2025, as shown in **Exhibit 60**.

Exhibit 60: Profit/Loss Net of Taxation, Attributable to Owners of the Company, and EPS (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Profit from operations before tax	23,747	23,815	22,355	9,344	20,720	11,003	10,944	8,780	7,004	(226,847)
Taxation	(3,924)	(6,643)	(3,971)	(4,077)	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)
Profit/(loss) net of taxation	19,823	17,172	18,384	5,267	16,805	8,539	8,161	6,451	3,555	(228,216)
Attributable to:										
Owners of the Company	19,783	16,969	18,335	5,365	16,887	8,264	8,192	6,361	3,310	(228,146)
Non-Controlling Interests ("NCI")	40	203	49	(98)	(82)	275	(31)	90	245	(70)
Profit/(loss) net of taxation	19,823	17,172	18,384	5,267	16,805	8,539	8,161	6,451	3,555	(228,216)
Weighted no. of shares in issue (basic & diluted; '000)	828,036	828,036	828,036	828,036	828,036	828,036	828,036	828,036	828,036	828,036
Earnings per share (basic & diluted in cents)	2.4	2.0	2.2	0.6	2.0	1.0	1.0	0.8	0.4	(27.6)

Source: Metro, FPA

Dividend Per Share ("DPS"):

Metro declared DPS (in cents) of 2.0 for FY2025, unchanged from 2.0 for FY2024.

Metro's financial performance for 2H FY2024 & 2H FY2025 is summarised in **Exhibit 61**.

Exhibit 61: Financial Performance (2H FY2024 & 2H FY2025)

(in S\$ '000)	Actual		2H FY2025 vs 2H FY2024	
	2H FY2025 (ended 31 Mar)	2H FY2024 (ended 31 Mar)	Absolute Change	Change (%)
Retail	51,597	59,847	(8,250)	(13.8%)
Sales of property rights	2,111	3,163	(1,052)	(33.3%)
Rental income	2,446	2,737	(291)	(10.6%)
Revenue	56,154	65,747	(9,593)	(14.6%)
Cost of revenue	(51,657)	(58,514)	6,857	(11.7%)
Gross profit	4,497	7,233	(2,736)	(37.8%)
Other net income/(expenses)	(12,239)	9,730	(21,969)	(225.8%)
Fair value gain/(loss) on investment propert(ies)	(2,535)	-	(2,535)	n.m.
Impairment on right-of-use and fixed assets	(4,118)	-	(4,118)	n.m.
General & administrative expenses	(11,745)	(11,319)	(426)	3.8%
Finance costs	(14,545)	(15,631)	1,086	(6.9%)
Associates:				
Share of results of associates, net of tax	(164,026)	(37,662)	(126,364)	335.5%
Negative goodwill of associates	-	60,347	(60,347)	(100.0%)
Impairment of amounts due from associates	(32,912)	-	(32,912)	n.m.
Joint ventures:				
Share of results of joint ventures, net of tax	3,533	(3,918)	7,451	(190.2%)
Negative goodwill of joint ventures	7,243	-	7,243	n.m.
Profit from operations before tax	(226,847)	8,780	(235,627)	n.m.
Taxation	(1,369)	(2,329)	960	(41.2%)
Profit/(loss) net of taxation	(228,216)	6,451	(234,667)	n.m.
Attributable to:				
Owners of the Company	(228,146)	6,361	(234,507)	n.m.
Non-Controlling Interests ("NCI")	(70)	90	(160)	(177.8%)
Profit/(loss) net of taxation	(228,216)	6,451	(234,667)	n.m.
Weighted no. of shares in issue (basic & diluted; '000)	828,036	828,036	-	-
Earnings per share (basic & diluted in cents)	(27.6)	0.8	(28.3)	n.m.

n.m. = not meaningful.

Source: Metro's financial statements, FPA

(II) FINANCIAL REVIEW – ASSOCIATES & JOINT VENTURES

Share of results of associates (inclusive of negative goodwill of associates & impairment of amounts due from associates), net of tax, fell by S\$219.6 million from a profit of S\$22.7 million in 2H FY2024 to a loss of S\$196.9 million in 2H FY2025. Metro noted that there were:

- “higher losses incurred by Top Spring by \$64.5 million, primarily arising from its fair value loss (net of tax) on investment properties by \$46.9 million and higher operating loss (including impairment losses on its properties held for sale) by \$17.6 million,”
- “higher fair value loss (net of tax) on its China investment properties, namely Bay Valley by \$41.9 million and Shanghai Plaza by \$15.4 million, totalling \$57.3 million”
- “higher operating loss for Shanghai Plaza by \$11.3 million”
- “impairment loss of \$32.9 million on the amounts due from associates from the co-investments with BentallGreenOak due to ongoing China property sector headwinds.”

Metro noted though that the losses were partially offset by:

- “higher fair value gain (net of tax) on investment properties in Singapore from its 26% stake in Boustead Industrial Fund by \$1.2 million”
- “a fair value gain (net of tax) on investment properties of \$2.2 million in 2HFY2025 from its 30% stake in the UK purpose-built student accommodation (“PBSA”) properties under the Paideia Capital UK Trust compared to a fair value loss (net of tax) of \$0.3 million in 2HFY2024”
- “better operating performance from its associates in the UK, Australia and Singapore by \$0.7 million.”

Meanwhile, share of results of joint ventures (inclusive of negative goodwill), net of tax, rose from a loss of S\$3.9 million in 2H FY2024 to a profit of S\$10.8 million in 2H FY2025. Metro noted that there were:

- “higher share of joint venture results recognised by the Group’s 20%-owned VisionCrest Orchard from the strata sales of one office floor by \$2.2 million and higher fair value gain (net of tax) by \$6.9 million”
- “absence of fair value loss (net of tax) of \$17.9 million for 5 Chancery Lane in UK recorded in 2HFY2024”
- “recognition of a negative goodwill of \$7.2 million being the excess fair value over purchase consideration arising from the Group’s acquisition of an additional 25% equity stake in Fairbriar Real Estate Limited”.

Metro noted though that there were:

- “higher fair value loss (net of tax) for its China properties by \$17.1 million from Metro Tower by \$8.1 million, Metro City by \$7.4 million and The Atrium Mall in Chengdu by \$1.6 million and lower operating profit by \$1.3 million from Metro Tower and by \$1.0 million from Metro City, all of which arose from the prolonged property downturn in China”
- “lower operating performance from its joint ventures in the UK and Singapore by \$2.0 million.”

Share of results of associates & joint ventures accounted for minimally 80.0% of Metro’s profit from operations before tax from 1H FY2021 to 2H FY2025 (except 2H FY2022 where the percentage was negative), as shown in **Exhibit 62**.

Exhibit 62: Share of Results of Associates & Joint Ventures, Net of Tax (1H FY2021 to 2H FY2025)

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Share of results of associates, net of tax	(7,531)	(13,028)	2,537	(27,043)	8,555	(4,418)	3,217	22,685	(6,418)	(196,938)
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
(A) Share of results of associates & joint ventures	24,546	19,049	26,532	(3,723)	23,498	15,948	16,830	18,767	5,955	(186,162)
(B) Profit from operations before tax	23,747	23,815	22,355	9,344	20,720	11,003	10,944	8,780	7,004	(226,847)
A as a % of B	103.4%	80.0%	118.7%	(39.8%)	113.4%	144.9%	153.8%	213.7%	85.0%	82.1%

(in S\$ '000)	Actual									
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025
Operating results	(4,595)	(17,441)	(316)	2,768	11,860	517	4,164	(28,002)	3,853	(47,003)
Negative goodwill on acquisition	-	-	-	-	-	-	-	60,347	-	-
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)
Impairment of amounts due from associates	-	-	-	(36,327)	-	-	-	-	-	(32,912)
Non-operating results	-	-	5,119	8	-	-	2,130	-	-	65
Taxation	(574)	(3,327)	(4,885)	(9,549)	(5,773)	(1,285)	(1,397)	(1,285)	877	13,833
Others	165	1,083	(226)	(117)	(147)	(54)	320	(344)	576	763
Share of results of associates	(7,531)	(13,028)	2,537	(27,043)	8,555	(4,418)	3,217	22,685	(6,418)	(196,938)
Operating results	39,017	32,834	32,985	26,706	24,480	24,882	17,710	21,454	20,671	17,941
Negative goodwill on acquisition	-	-	-	-	-	-	-	-	-	7,243
Fair value adjustments on investment properties	(2,309)	8,881	(2,430)	4,135	(5,352)	(1,642)	(1,179)	(17,519)	(3,997)	(15,745)
Taxation	(4,631)	(9,638)	(6,560)	(7,521)	(4,185)	(2,874)	(2,918)	(7,853)	(4,301)	1,337
Share of results of joint ventures	32,077	32,077	23,995	23,320	14,943	20,366	13,613	(3,918)	12,373	10,776

Source: Metro, FPA

We review Metro’s associates & joint ventures from pages 57 to 64.

(a) Associates

Properties held by Metro's associates are as shown in **Exhibit 63**. While the valuations of Bay Valley and Shanghai Plaza fell from FY2024 to FY2025, the valuations of the Australian properties' portfolio and the PBSA portfolio rose in the same period.

Exhibit 63: Properties Held by Associates (FY2021 to FY2025)

Properties owned by associates	Measure (and unit)	Actual / Estimate				
		FY2021	FY2022	FY2023	FY2024	FY2025
(China, Shanghai) Bay Valley (Land use rights ends on 2 November 2058)	Valuation at 100% (RMB million)	1,550	2,615	2,624	2,626	1,700
	× RMB-to-SGD exchange rate (stated in AR)	4.878	4.695	5.155	5.348	5.405
	Valuation at 100% (SGD million)	318	557	509	491	315
	× Metro's interest (%)	30%	30%	30%	30%	30%
	Valuation at share (est.; in SGD million)	95	167	153	147	95
	Valuation at 100% (RMB million)	1,550	2,615	2,624	2,626	1,700
	Leaseable GFA (sqm)	58,733	97,526	97,526	97,526	97,854
	Valuation per leaseable area (RMB per sqm; est.)	26,391	26,813	26,906	26,926	17,373
	Occupancy rate (%)	100.0%	69.2%	65.7%	70.6%	68.6%
	(China, Shanghai) Shanghai Plaza (50-year lease expires in 2042)	Valuation at 100% (RMB million)	3,119	3,119	3,119	3,083
× RMB-to-SGD exchange rate (stated in AR)		4.878	4.695	5.155	5.348	5.405
Valuation at 100% (SGD million)		639	664	605	577	479
× Metro's interest (%)		35.0%	38.5%	38.5%	38.5%	38.5%
Valuation at share (est.; in SGD million)		224	256	233	222	184
Valuation at 100% (RMB million)		3,119	3,119	3,119	3,083	2,590
Lettable area (sqm)		39,305	38,411	37,634	37,779	37,807
Valuation per lettable area (RMB per sqm; est.)		79,354	81,201	82,877	81,606	68,506
Lease remaining (years)		21	20	19	18	17
Occupancy rate (%)		86.8%	91.1%	97.9%	88.2%	84.9%
(Singapore) Boustead Industrial Fund portfolio	Valuation at 100% (SGD million)	n.a.	689.0	747.9	754.6	763.2
	× Metro's interest (%)	26%	26%	26%	26%	26%
	Valuation at share (est.; in SGD million)	n.a.	179.1	194.5	196.2	198.4
	Occupancy rate (%)	n.a.	97.1%	98.1%	92.8%	90.8%
(Australia) Australian properties portfolio	Valuation at 100% (AUD million)	935	1,112	1,205	1,190	1,396
	× AUD-to-SGD exchange rate (implied)	0.98	0.99	1.13	1.14	1.19
	Valuation at 100% (SGD million)	957	1,126	1,069	1,045	1,178
	× Metro's interest (%)	20%	30%	30%	30%	30%
	Valuation at share (est.; in SGD million)	191	338	321	314	353
No. of properties	15	16	17	17	18	
Occupancy rate (%)	94.8%	95.5%	96.5%	94.1%	92.9%	
(United Kingdom) PBSA portfolio	Valuation at 100% (GBP million)	n.a.	n.a.	135.5	132.4	149.0
	× GBP-to-SGD exchange rate (implied)	n.a.	n.a.	0.61	0.59	0.58
	Valuation at 100% (SGD million)	n.a.	n.a.	222.8	225.3	259.0
	× Metro's interest (%)	30%	30%	30%	30%	30%
	Valuation at share (est.; in SGD million)	n.a.	n.a.	66.8	67.6	77.7
	No. of beds	391	391	902	902	902
Occupancy rate	n.a.	n.a.	83.7%	95.2%	99.3%	

n.a. = not available.

Source: Metro, FPA

One of Metro's associates is Top Spring. After pre-sales of properties fell by 61.0% from HK\$1.7 billion in the year ended 31 December 2021 to HK\$663.3 million in the year ended 31 December 2022, as shown in **Exhibit 64**, sales of properties subsequently fell by 87.1% from HK\$3.1 billion in the year ended 31 December 2022 to HK\$405.5 million in the year ended 31 December 2023.

Top Spring noted a "Material uncertainty related to going concern" in its AR for the year ended 31 December 2024, during which Top Spring recorded a loss after taxation of HK\$1.9 billion. Top Spring began noting a "Material uncertainty related to going concern" in its AR for the year ended 31 December 2022, during which Top Spring recorded a loss after tax of HK\$183.6 million.

Exhibit 64: Income Statement of Top Spring (FY2021 to FY2025)

(in HK\$ '000)	Actual / Estimate				
	FY2020	FY2021	FY2022	FY2023	FY2024
Top Spring's income statement (FY ends on 31 Dec):					
Sales of properties	79,211	75,980	3,139,871	405,477	806,752
Property management and related services income	228,176	271,446	267,766	287,352	293,294
Education related services income	36,536	44,520	36,329	44,245	46,102
Gross rentals from investment properties ("from other sources"):					
Lease payments that are fixed or depend on a rate	218,104	230,577	215,926	204,844	212,174
Variable lease payments that don't depend on an index or a rate	13,024	16,434	7,271	12,401	10,963
Revenue	575,051	638,957	3,667,163	954,319	1,369,285
Direct costs	(313,922)	(318,788)	(3,072,932)	(1,208,094)	(1,486,059)
Gross profit/(loss)	261,129	320,169	594,231	(253,775)	(116,774)
Profit/(loss) from operations	(33,679)	491,529	288,764	(458,863)	(1,839,541)
Profit/(loss) before taxation	(346,604)	187,588	(73,026)	(836,477)	(2,146,856)
Profit/(loss) for the year	(367,536)	46,714	(183,641)	(900,330)	(1,896,619)
(For reference) Pre-sales of properties:					
Pre sales (in sq m of Gross Floor Area)	16,839	25,527	7,877	7,540	14,269
x Average selling price (HK\$ per sq m)	66,417.2	66,647.1	84,207.2	78,355.4	54,649.9
Pre-sales of properties (in HK\$ '000)	1,118,399	1,701,301	663,300	590,800	779,799

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Top Spring's financials (adjusted by Metro):					
Revenue	99,484	110,540	619,751	164,143	235,517
Profit/(loss) for the year	(63,584)	8,082	(31,035)	(154,857)	(326,218)
Dividends received/receivable	819	2,765	402	391	-

Source: Metro, Top Spring, FPA

Top Spring added, "As at 31 December 2024, the Group's current bank loans and other borrowings amounted to HK\$2,659.6 million, including bank loans and other borrowings outside of Chinese Mainland of HK\$2,122.5 million. However, the Group only had cash and cash equivalents of HK\$376.9 million, including those situated outside of Chinese Mainland of HK\$115.1 million."

Top Spring also noted that, "In view of the continuing deterioration of the property market, tightening of the financing environment and exchange restrictions for remittance of funds out of Chinese Mainland, the Group have challenges in realising cash from sale of its properties, securing additional financing, renewing existing bank facilities and borrowings and remitting funds from Chinese Mainland in a timely manner to meet its loan repayment obligations."

Top Spring's financial position, from FY2021 to FY2025 (based on Metro's FY), is shown in **Exhibit 65**.

Exhibit 65: Financial Position of Top Spring (FY2021 to FY2025)

(in HK\$ '000)	Actual				
	FY2020	FY2021	FY2022	FY2023	FY2024
(A) Cash & cash equivalents	1,653,196	1,077,346	579,975	665,194	376,867
(B) Bank loans & other borrowings	5,966,708	6,196,768	2,568,827	3,305,907	2,659,573
A as a % of B	27.7%	17.4%	22.6%	20.1%	14.2%

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
Current assets	3,021,209	2,818,651	1,929,270	1,713,779	1,515,789
Non-current assets	1,681,256	2,090,018	1,760,446	1,733,250	1,342,278
Total assets	4,702,465	4,908,669	3,689,716	3,447,029	2,858,067
Current bank and other borrowings	(1,032,240)	(1,072,041)	(434,131)	(568,616)	(457,447)
Other current liabilities	(894,252)	(1,151,188)	(604,202)	(570,364)	(525,023)
Non-current bank & other borrowings	(777,748)	(631,308)	(861,405)	(679,125)	(657,172)
Other non-current liabilities	(241,541)	(260,151)	(221,319)	(231,740)	(182,151)
Total liabilities	(2,945,781)	(3,114,688)	(2,121,057)	(2,049,845)	(1,821,793)
Total assets	4,702,465	4,908,669	3,689,716	3,447,029	2,858,067
Total liabilities	(2,945,781)	(3,114,688)	(2,121,057)	(2,049,845)	(1,821,793)
Net assets	1,756,684	1,793,981	1,568,659	1,397,184	1,036,274
Non-controlling interests	(13,721)	(11,592)	(9,823)	(5,325)	7,549
Net assets excluding non-controlling interests	1,742,963	1,782,389	1,558,836	1,391,859	1,043,823

Metro's interest in Top Spring:

Net assets excluding non-controlling interests	1,742,963	1,782,389	1,558,836	1,391,859	1,043,823
Multiply by: Proportion of the Group's ownership	14.9%	14.9%	14.9%	20.5%	20.5%
Group's share of net assets	260,224	266,111	232,734	284,913	213,637
Other adjustments	(4,904)	(4,901)	(4,602)	(17,288)	(60,947)
Carrying amount of the investment	255,320	261,210	228,132	267,625	152,690
Share price (in HK\$)	1.22	0.86	1.01	0.50	0.32
No. of shares (in '000)	228,390	228,390	228,390	313,154	313,154
Market value of Metro's interest in Top Spring (in HK\$ '000)	278,636	196,415	230,674	156,577	100,209
÷ HKD-to-SGD exchange rate (implied)	5.780	5.780	5.917	5.873	6.201
Market value of quoted shares	48,204	33,980	38,984	26,662	16,159

Source: Metro, Top Spring, Hong Kong Stock Exchange, FPA

Another one of Metro's associates is BIF, a fund launched by Boustead Singapore Limited ("Boustead"; SGX:F9D). Metro acquired a 26% stake in BIF in December 2020. According to Metro, BIF owns a "Portfolio of 15 Industrial, Business Park, High-Spec Industrial & Logistics Properties". While BIF's revenue has been rising from S\$3.1 million in FY2021 to S\$55.7 million in FY2025, as shown in **Exhibit 66**, loss after income tax rose from S\$2.5 million in FY2021 to S\$56.5 million in FY2025. We also estimate that the dividends that Metro has been receiving from BIF fell from S\$3.5 million in FY2023 to S\$0.8 million in FY2025.

Exhibit 66: Boustead Industrial Fund (FY2021 to FY2025)

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue	3,112	42,053	49,241	53,776	55,687
Loss before income tax	(2,450)	(13,018)	(20,451)	(29,599)	(56,873)
Income tax	(36)	(1,442)	(581)	(628)	355
Loss after income tax	(2,486)	(14,460)	(21,032)	(30,227)	(56,518)
Other comprehensive income	-	1,412	197	(1,703)	(1,717)
Total comprehensive income	(2,486)	(13,048)	(20,835)	(31,930)	(58,235)
Net assets at start of period	-	52,214	47,366	24,111	(11,644)
Profit/(loss) for the period	(2,486)	(14,460)	(21,032)	(30,227)	(56,518)
Other comprehensive income for the financial year	-	1,412	197	(1,703)	(1,717)
Issuance of equity units	54,700	12,600	10,880	3,800	-
Dividends paid	-	(4,400)	(13,300)	(7,625)	(2,975)
Net assets at end of period	52,214	47,366	24,111	(11,644)	(72,854)
Equity units at start of period	-	54,700	67,300	78,180	81,980
Issuance of equity units	54,700	12,600	10,880	3,800	-
Equity units at end of period	54,700	67,300	78,180	81,980	81,980
Metro's interest in BIF:					
Metro's interest in BIF	26.0%	26.0%	26.0%	26.0%	26.0%
Dividends received from BIF (est.)	-	1,144	3,458	1,983	774
Investment in BIF (est.)	14,222	3,276	2,829	988	-
Investment in BIF at start of period (est.)	-	14,222	17,498	20,327	21,315
Investment in BIF (est.)	14,222	3,276	2,829	988	-
Investment in BIF at end of period (est.)	14,222	17,498	20,327	21,315	21,315
BIF 7.0% note (due 2031)	61,360	75,660	88,660	88,660	88,660
Carrying value of BIF (est.)	15,477	21,439	22,514	24,396	27,431
Associates (ASEAN)	76,837	97,099	111,174	113,056	116,091

Source: Metro, Boustead, FPA

(b) Joint ventures

Chinese properties held by Metro's joint ventures are as shown in **Exhibit 67**. The valuations of Metro City, Shanghai ("MCSH"), Metro Tower, and The Atrium Mall fell from FY2024 to FY2025.

Exhibit 67: Chinese Properties Held by Joint Ventures (FY2021 to FY2025)

Properties owned by joint ventures	Measure (and unit)	Actual / Estimate				
		FY2021	FY2022	FY2023	FY2024	FY2025
(China, Shanghai) Metro Tower (50-year lease expires in 2043)	Valuation at 100% (RMB million)	1,120.0	1,120.0	1,121.0	1,121.0	1,021.0
	× RMB-to-SGD exchange rate (stated in AR)	4.878	4.695	5.155	5.348	5.405
	Valuation at 100% (SGD million)	229.6	238.6	217.5	209.6	188.9
	× Metro's interest (%)	60%	60%	60%	60%	60%
	Valuation at share (est.; in SGD million)	137.8	143.1	130.5	125.8	113.3
	Valuation at 100% (RMB million)	1,120.0	1,120.0	1,121.0	1,121.0	1,021.0
	Lettable area (sqm)	39,295	39,295	39,295	39,295	39,295
	Valuation per lettable area (RMB per sqm; est.)	28,502	28,502	28,528	28,528	25,983
	Lease remaining (years)	22	21	20	19	18
	Occupancy rate (%)	89.4%	96.5%	88.8%	75.5%	56.1%
Dividend received/receivable from associate (S\$ '000)	6,069	7,316	12,977	5,805	4,005	
(China, Shanghai) Metro City (36-year lease expires in 2029)	Valuation at 100% (RMB million)	914.0	842.0	769.0	749.0	613.0
	× RMB-to-SGD exchange rate (stated in AR)	4.878	4.695	5.155	5.348	5.405
	Valuation at 100% (SGD million)	187.4	179.3	149.2	140.1	113.4
	× Metro's interest (%)	60%	60%	60%	60%	60%
	Valuation at share (est.; in SGD million)	112.4	107.6	89.5	84.0	68.0
	Valuation at 100% (RMB million)	914.0	842.0	769.0	749.0	613.0
	Lettable area (sqm)	38,599	38,394	38,345	38,409	38,790
	Valuation per lettable area (RMB per sqm; est.)	23,679	21,931	20,055	19,501	15,803
	Lease remaining (years)	8	7	6	5	4
	Occupancy rate (%)	98.3%	88.0%	83.0%	79.9%	85.3%
Dividend received/receivable from associate (S\$ '000)	27,543	27,758	50,352	22,752	21,028	
(China, Chengdu) The Atrium Mall (40-year lease expires on 2047)	Valuation at 100% (RMB million)	1,740	1,784	1,776	1,807	1,780
	× RMB-to-SGD exchange rate (stated in AR)	4.878	4.695	5.155	5.348	5.405
	Valuation at 100% (SGD million)	357	380	345	338	329
	× Metro's interest (%)	25%	25%	25%	25%	25%
	Valuation at share (est.; in SGD million)	89	95	86	85	82
	Valuation at 100% (RMB million)	1,740	1,784	1,776	1,807	1,780
	Lettable area (sqm)	25,186	24,710	24,698	26,299	26,370
	Valuation per lettable area (RMB per sqm; est.)	69,086	72,197	71,909	68,710	67,501
	Lease remaining (years)	26	25	24	23	22
	Occupancy rate (%)	n.a.	86.9%	90.6%	91.2%	88.0%

n.a. = not available.

Source: Metro, FPA

The remaining properties held by Metro's joint ventures are as shown in **Exhibit 68**. While the valuation of VisionCrest Orchard also fell from FY2024 to FY2025, the valuation of Asia Green remained the same. Meanwhile, the valuation of 5 Chancery Lane rose from FY2024 to FY2025.

Exhibit 68: Other Properties Held by Joint Ventures (FY2021 to FY2025)

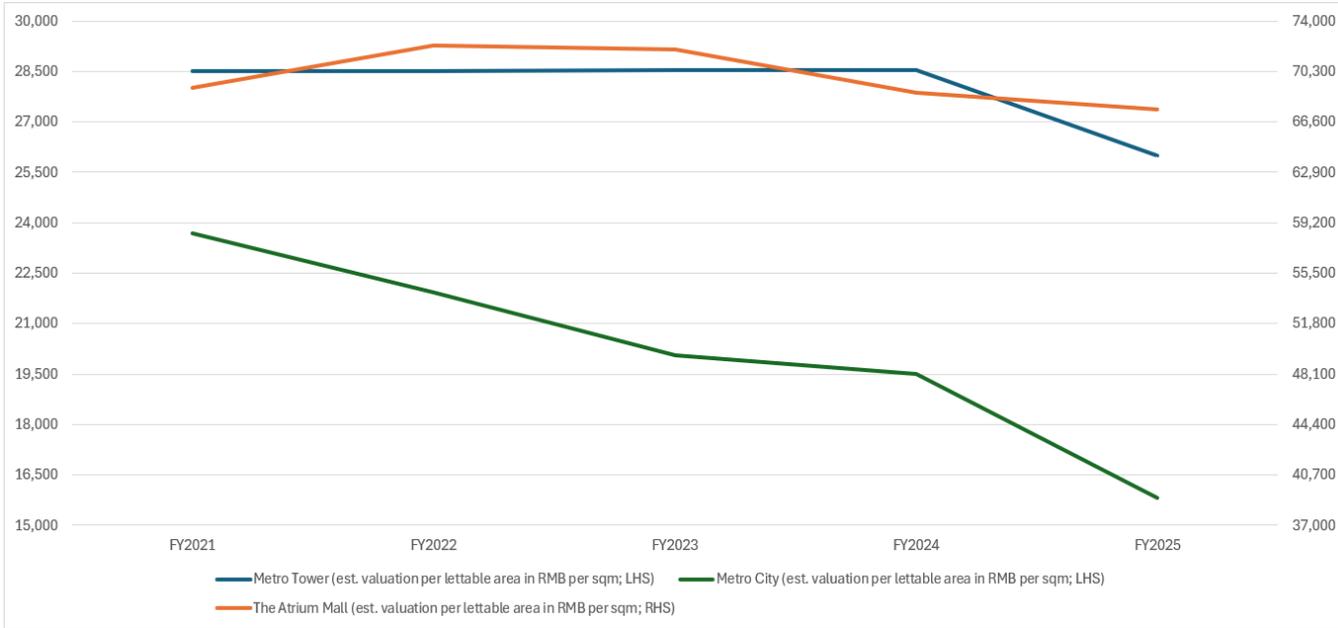
Properties owned by joint ventures	Measure (and unit)	Actual / Estimate				
		FY2021	FY2022	FY2023	FY2024	FY2025
(Singapore) Asia Green	Valuation at 100% (SGD million)	405.0	424.0	435.0	435.0	435.0
	× Metro's interest (%)	50%	50%	50%	50%	50%
	Valuation at share (est.; in SGD million)	202.5	212.0	217.5	217.5	217.5
	Valuation at 100% (SGD million)	405.0	424.0	435.0	435.0	435.0
	Lettable area (sqm)	26,724	26,562	26,413	26,413	26,442
	Valuation per lettable area (SGD per sqm; est.)	15,155	15,963	16,469	16,469	16,451
	Occupancy rate (%)	78.1%	92.2%	94.0%	99.7%	90.7%
(Singapore) VisionCrest Orchard	Valuation at 100% (SGD million)	n.a.	n.a.	n.a.	470	415
	× Metro's interest (%)	-	-	-	20%	20%
	Valuation at share (est.; in SGD million)	-	-	-	94	83
	Valuation at 100% (SGD million)	n.a.	n.a.	n.a.	470	415
	Lettable area (sqm)	n.a.	n.a.	n.a.	13,829	n.a.
	Valuation per lettable area (SGD per sqm; est.)	n.a.	n.a.	n.a.	33,987	n.a.
	Occupancy rate (%)	-	-	-	89.5%	n.a.
(London, UK) 5 Chancery Lane	Valuation at 100% (GBP million)	80.0	80.7	80.7	67.0	82.8
	± GBP-to-SGD exchange rate (implied)	1.850	1.778	1.644	1.702	1.736
	Valuation at 100% (SGD million)	148.0	143.4	132.6	114.0	143.7
	× Metro's interest (%)	50%	50%	50%	50%	50%
	Valuation at share (est.; in SGD million)	74.0	71.7	66.3	57.0	71.9
	Valuation at 100% (GBP million)	80.0	80.7	80.7	67.0	82.8
	Lettable area (sqm)	7,882	7,882	7,888	7,882	7,882
Valuation per lettable area (GBP per sqm; est.)	10,150	10,232	10,224	8,500	10,505	
Occupancy rate (%)	100.0%	100.0%	100.0%	n.a.	n.a.	
(Manchester, UK) Middlewood Locks	Gross development value (GBP billion)	0.7	1	1	1	1
(Sheffield, UK) Endeavour, Sheffield Digital Campus	Site area (acres)	1.03	1.03	1.03	1.03	1.03

n.a. = not available.

Source: Metro, FPA

While the valuation of Metro Tower generally remained the same from FY2021 to FY2024, as shown in **Exhibit 69**, the valuation of The Atrium Mall generally rose while that of Metro City fell. During the AGM held in July 2025, the Group CEO noted that the “fair value loss of MCSH is increasing as there are only 4 years remaining lease and the property has fully depreciated.”

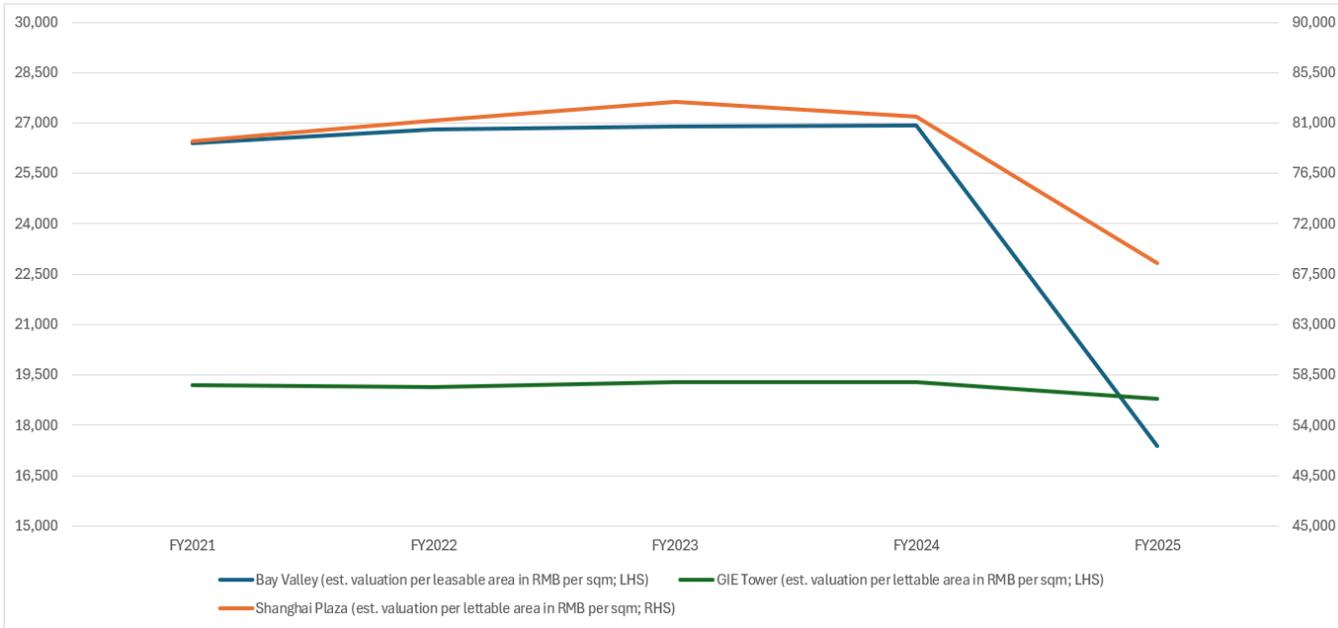
Exhibit 69: Valuations at 100% of Chinese Properties Held by Joint Ventures (FY2021 to FY2025)



Source: Metro, FPA

For reference, the valuations of GIE Tower, Bay Valley, and Shanghai Plaza from FY2021 to FY2025 are shown in **Exhibit 70**.

Exhibit 70: Valuations at 100% of Chinese Properties Held by Subsidiary & Associates (FY2021 to FY2025)



Source: Metro, FPA

The financial positions of the respective joint ventures that hold Metro City and Metro Tower, from FY2021 to FY2025, are shown in **Exhibit 71**. We note that the net assets of both Shanghai Metro City Commercial Management Co. Ltd (which holds Metro City) and Shanghai Huimei Property Co Ltd (which holds Metro Tower) have been falling from FY2021 to FY2025. Accordingly, the respective carrying values of Metro's interests in each of the joint ventures have been falling in the same period.

Exhibit 71: Joint Ventures that hold Metro City & Metro Tower (FY2021 to FY2025)

(in S\$ '000)	Actual / Estimate				
	FY2021	FY2022	FY2023	FY2024	FY2025
Shanghai Metro City Commercial Management Co. Ltd (owns Metro City):					
Cash & cash equivalents	73,582	96,823	80,860	61,536	63,691
Current assets (other than cash & cash equivalents)	23,228	17,113	2,786	5,505	4,801
Valuation of Metro City	137,760	143,136	130,484	125,776	113,331
Non-current assets (excl. Metro City; estimate)	75,060	48,177	15,573	11,499	(2,473)
Total assets	309,630	305,249	229,703	204,316	179,350
Current liabilities	(82,795)	(80,079)	(88,335)	(68,608)	(65,090)
Non-current liabilities	(31,235)	(28,751)	(22,318)	(20,888)	(14,796)
Total liabilities	(114,030)	(108,830)	(110,653)	(89,496)	(79,886)
Total assets	309,630	305,249	229,703	204,316	179,350
Total liabilities	(114,030)	(108,830)	(110,653)	(89,496)	(79,886)
Net assets	195,600	196,419	119,050	114,820	99,464
Proportion of the Group's ownership	60.0%	60.0%	60.0%	60.0%	60.0%
Carrying amount of the investment	117,360	117,851	71,430	68,892	59,678
Dividend received/receivable	27,543	27,758	50,352	22,752	21,028
Shanghai Huimei Property Co Ltd (owns Metro Tower):					
Cash & cash equivalents	24,347	31,201	32,582	15,818	13,688
Current assets (other than cash & cash equivalents)	3,471	2,495	656	34	506
Valuation of Metro Tower	112,422	107,608	89,512	84,038	68,043
Non-current assets (excl. Metro Tower; estimate)	122,839	133,632	126,746	125,189	120,362
Total assets	263,079	274,936	249,496	225,079	202,599
Current liabilities	(21,879)	(24,955)	(31,962)	(16,236)	(14,713)
Non-current liabilities	(52,089)	(53,992)	(49,091)	(47,115)	(42,015)
Total liabilities	(73,968)	(78,947)	(81,053)	(63,351)	(56,728)
Total assets	263,079	274,936	249,496	225,079	202,599
Total liabilities	(73,968)	(78,947)	(81,053)	(63,351)	(56,728)
Net assets	189,111	195,989	168,443	161,728	145,871
Proportion of the Group's ownership	60.0%	60.0%	60.0%	60.0%	60.0%
Carrying amount of the investment	113,467	117,593	101,066	97,037	87,523
Dividend received/receivable	6,069	7,316	12,977	5,805	4,005

Source: Metro, FPA

FINANCIAL PROJECTIONS

(I) REVENUE & GROSS PROFIT PROJECTIONS

Revenue:

Metro's FY ends on 31 March of the same calendar year (e.g., FY2025 ends on 31 March 2025). After adjusting for Metro's FY, we project that the y-o-y fall in average RSI (department stores; n.s.a.) will be 2.8% in 1H FY2026, 4.3% in 2H FY2026, 3.4% in 1H FY2027, and 3.4% in 2H FY2027 as shown in **Exhibit 72**.

Exhibit 72: Projected Y-o-Y Growth in RSI (Total excl. Motor Vehicles) and RSI (Dept. Stores) (1H FY2026 to 2H FY2027)

(in S\$ million; chained (2015) dollars)	Actual				Projection			
	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
4Q (note: 4Q FY2024 = 1Q 2024)	-	135,612.1	-	141,191.4	-	143,309.3	-	145,458.9
1Q (note: 1Q FY2024 = 2Q 2023)	133,017.3	-	137,603.1	-	143,721.6	-	145,877.4	-
2Q (note: 2Q FY2024 = 3Q 2023)	134,613.1	-	142,350.4	-	142,124.1	-	144,256.0	-
3Q (note: 3Q FY2024 = 4Q 2023)	-	139,345.6	-	146,375.8	-	146,143.1	-	148,335.3
GDP (1H or 2H)	267,630.4	274,957.7	279,953.5	287,567.2	285,845.7	289,452.4	290,133.4	293,794.2
GDP (period one year ago)	267,232.3	264,361.1	267,630.4	274,957.7	279,953.5	287,567.2	285,845.7	289,452.4
Y-o-y growth (%)	0.1%	4.0%	4.6%	4.6%	2.1%	0.7%	1.5%	1.5%

(2017 = 100)	Actual				Projection			
	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
RSI (total excl. motor vehicles; n.s.a.):								
4Q (note: 4Q FY2024 = 1Q 2024)	-	105.0	-	103.4				
1Q (note: 1Q FY2024 = 2Q 2023)	102.5	-	98.4	-				
2Q (note: 2Q FY2024 = 3Q 2023)	104.0	-	100.6	-				
3Q (note: 3Q FY2024 = 4Q 2023)	-	113.3	-	110.2				
Average (1H or 2H)	103.2	109.1	99.5	106.8	97.3	102.9	94.6	100.1
RSI (total excl. motor vehicles; n.s.a.)	103.2	109.1	99.5	106.8	97.3	102.9	94.6	100.1
RSI (total excl. motor vehicles; n.s.a.; period one year ago)	102.0	109.8	103.2	109.1	99.5	106.8	97.3	102.9
Y-o-y growth (%)	1.2%	(0.6%)	(3.6%)	(2.1%)	(2.2%)	(3.6%)	(2.8%)	(2.8%)

RSI (department stores; n.s.a.):

4Q (note: 4Q FY2024 = 1Q 2024)	-	82.9	-	80.6				
1Q (note: 1Q FY2024 = 2Q 2023)	80.1	-	76.2	-				
2Q (note: 2Q FY2024 = 3Q 2023)	79.8	-	73.7	-				
3Q (note: 3Q FY2024 = 4Q 2023)	-	94.9	-	91.7				
Average (1H or 2H)	79.9	88.9	75.0	86.1	72.8	82.5	70.4	79.6
RSI (department stores; n.s.a.)	79.9	88.9	75.0	86.1	72.8	82.5	70.4	79.6
RSI (department stores; n.s.a.; period one year ago)	80.7	89.9	79.9	88.9	75.0	86.1	72.8	82.5
Y-o-y growth (%)	(0.9%)	(1.1%)	(6.2%)	(3.1%)	(2.8%)	(4.3%)	(3.4%)	(3.4%)

(Y-o-y growth in %)	Actual				Projection			
	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Real GDP	0.1%	4.0%	4.6%	4.6%	2.1%	0.7%	1.5%	1.5%
Deduct: Difference in y-o-y growth	1.0%	(4.6%)	(8.2%)	(6.7%)	(4.3%)	(4.3%)	(4.3%)	(4.3%)
Average RSI (total excl. motor vehicles; n.s.a.)	1.2%	(0.6%)	(3.6%)	(2.1%)	(2.2%)	(3.6%)	(2.8%)	(2.8%)
Deduct: Difference in y-o-y growth	(2.1%)	(0.5%)	(2.6%)	(1.0%)	(0.6%)	(0.6%)	(0.6%)	(0.6%)
Average RSI (department stores; n.s.a.)	(0.9%)	(1.1%)	(6.2%)	(3.1%)	(2.8%)	(4.3%)	(3.4%)	(3.4%)

Source: SingStat, FPA

We assume that sales of goods & gross revenue from concessionaire sales will fall at the same y-o-y rate as average RSI (department stores; n.s.a.) from 1H FY2026 to 2H FY2027. We also assume that net commission from concessionaires as a percentage of gross revenue from concessionaire sales from 1H FY2026 to 2H FY2027 will remain at 26.4%, the same as in 2H FY2025.

Thus, we project that retail revenue will fall to S\$43.7 million in 1H FY2026, S\$49.4 million in 2H FY2026 (S\$100.4 million in FY2026), S\$42.2 million in 1H FY2027, and S\$47.7 million in 2H FY2027 (S\$89.9 million in FY2027), as shown in **Exhibit 73**¹.

Exhibit 73: Projected Retail Revenue (1H 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
4Q (note: 4Q FY2024 = 1Q 2024)	-	81.95	-	82.855	-	80.574				
1Q (note: 1Q FY2024 = 2Q 2023)	79.923	-	80.065	-	76.242	-				
2Q (note: 2Q FY2024 = 3Q 2023)	81.382	-	79.803	-	73.689	-			---	not projected ---
3Q (note: 3Q FY2024 = 4Q 2023)	-	97.894	-	94.922	-	91.719				
RSI (department stores; n.s.a.)	80.653	89.922	79.934	88.889	74.966	86.147	72.850	82.467	70.353	79.641
RSI (department stores; n.s.a.; period one year ago)	56.692	78.864	80.653	89.922	79.934	88.889	74.966	86.147	72.850	82.467
Y-o-y change (%)	42.3%	14.0%	(0.9%)	(1.1%)	(6.2%)	(3.1%)	(2.8%)	(4.3%)	(3.4%)	(3.4%)

Projecting retail revenue components:

Sales of goods	35,156	41,036	34,330	45,287	35,287	39,415	34,291	37,731	33,116	36,438
Sales of goods (period one year ago)	27,487	37,604	35,156	41,036	34,330	45,287	35,287	39,415	34,291	37,731
Y-o-y change (%)	27.9%	9.1%	(2.3%)	10.4%	2.8%	(13.0%)	(2.8%)	(4.3%)	(3.4%)	(3.4%)
Gross revenue from concessionaire sales	42,752	55,826	40,188	54,534	36,551	46,144	35,519	44,173	34,302	42,659
Gross revenue from concessionaire sales (period one year ago)	29,596	51,612	42,752	55,826	40,188	54,534	36,551	46,144	35,519	44,173
Y-o-y change (%)	44.5%	8.2%	(6.0%)	(2.3%)	(9.0%)	(15.4%)	(2.8%)	(4.3%)	(3.4%)	(3.4%)
Net commission from concessionaires	12,152	15,636	11,264	14,560	9,626	12,182	9,377	11,662	9,056	11,262
Gross revenue from concessionaire sales	42,752	55,826	40,188	54,534	36,551	46,144	35,519	44,173	34,302	42,659
Comms as % of gross revenue from concessionaire sales	28.4%	28.0%	28.0%	26.7%	26.3%	26.4%	26.4%	26.4%	26.4%	26.4%

Projecting retail revenue:

Net commission from concessionaires	12,152	15,636	11,264	14,560	9,626	12,182	9,377	11,662	9,056	11,262
Sales of goods	35,156	41,036	34,330	45,287	35,287	39,415	34,291	37,731	33,116	36,438
Retail revenue	47,308	56,672	45,594	59,847	44,913	51,597	43,668	49,393	42,172	47,700

n.a. = not available.

Source: Metro, SingStat, FPA

¹ We include actual figures back to only 1H FY2023 (instead of 1H FY2021) for Exhibits showing projections, such that up to only 10 semi-annual periods' (or five FYs') worth of figures are shown in each Exhibit. Readers may refer to previous Exhibits for actual figures from 1H FY2021 to 2H FY2023. Graphs are an exception, as they run less risk of overwhelming readers when presenting more extensive (i.e., over five FYs' worth of) historical data.

We note that sales of property rights is unlikely to improve, given that: (1) sales of property rights at Trans Park Juanda, Bekasi, and Trans Park Bintaro has generally been falling from 1H FY2022 to 2H FY2025; and (2) Indonesia's middle class (likely customers for the residential properties) has been noted to be shrinking. Thus, to also account for seasonality, we project that:

- sales of property rights in 1H FY2026 & 1H FY2027 will be S\$0.9 million, the same as in 1H FY2025
- sales of property rights in 2H FY2026 & 2H FY2027 will be S\$2.1 million, the same as in 2H FY2025

such that sales of property rights in FY2026 & FY2027 will be S\$3.0 million. Our projections of sales of property rights for 1H FY2026 to 2H FY2027 are shown in **Exhibit 74**.

Exhibit 74: Projected Sales of property rights (1H 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
Sales of property rights	3,467	3,367	1,827	3,163	871	2,111	871	2,111	871	2,111

Source: Metro, FPA

We assume that rental income from GIE Tower will fall at the same y-o-y rate as the fall in average Guangzhou office rent (as indicated by Colliers) from 1H FY2026 to 2H FY2027. Thus, we project that rental income will be S\$2.2 million in 1H FY2026, S\$2.1 million in 2H FY2026 (S\$4.3 million in FY2026), S\$2.1 million in 1H FY2027, and S\$2.0 million in 2H FY2027 (S\$4.0 million in FY2027), as shown in **Exhibit 75**.

Exhibit 75: Projected Rental Income (1H 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
4Q (note: 4Q FY2024 = 1Q 2024)	-	158	-	140.8	-	133.8	-	n.a.	-	n.a.
1Q (note: 1Q FY2024 = 2Q 2023)	168.4	-	152.8	-	137.3	-	124.5	-	n.a.	-
2Q (note: 2Q FY2024 = 3Q 2023)	167.4	-	147.8	-	135	-	n.a.	-	n.a.	-
3Q (note: 3Q FY2024 = 4Q 2023)	-	161.8	-	144.1	-	134.8	-	n.a.	-	n.a.
Average Guangzhou office rent (Knight Frank or "KF")	167.9	159.9	150.3	142.5	136.2	134.3	124.5	n.a.	n.a.	n.a.
4Q	-	154.6	-	144.6	-	129.4	-	115.9	-	107.9
1Q	163.1	-	152.3	-	141.4	-	121.0	-	110.9	-
2Q	160.9	-	149.4	-	137.5	-	119.5	-	109.4	-
3Q	-	157.2	-	147.6	-	134.2	-	112.3	-	105.9
Average Guangzhou office rent (Colliers)	162.0	155.9	150.9	146.1	139.5	131.8	120.3	114.1	110.1	106.9
Average Guangzhou office rent (Knight Frank)	167.9	159.9	150.3	142.5	136.2	134.3	-	-	-	-
Average Guangzhou office rent (Colliers)	162.0	155.9	150.9	146.1	139.5	131.8	120.3	114.1	110.1	106.9
Average Guangzhou office rent (KF & Colliers)	165.0	157.9	150.6	144.3	137.8	133.1	120.3	114.1	110.1	106.9
Average Guangzhou office rent (KF & Colliers)	165.0	157.9	150.6	144.3	137.8	133.1	120.3	114.1	110.1	106.9
Average Guangzhou office rent (KF & Colliers) (one year ago)	170.5	169.5	165.0	157.9	150.6	144.3	137.8	133.1	120.3	114.1
Y-o-y change (%)	(3.3%)	(6.8%)	(8.7%)	(8.6%)	(8.5%)	(7.8%)	(12.7%)	(14.3%)	(8.4%)	(6.3%)

Projecting rental income:

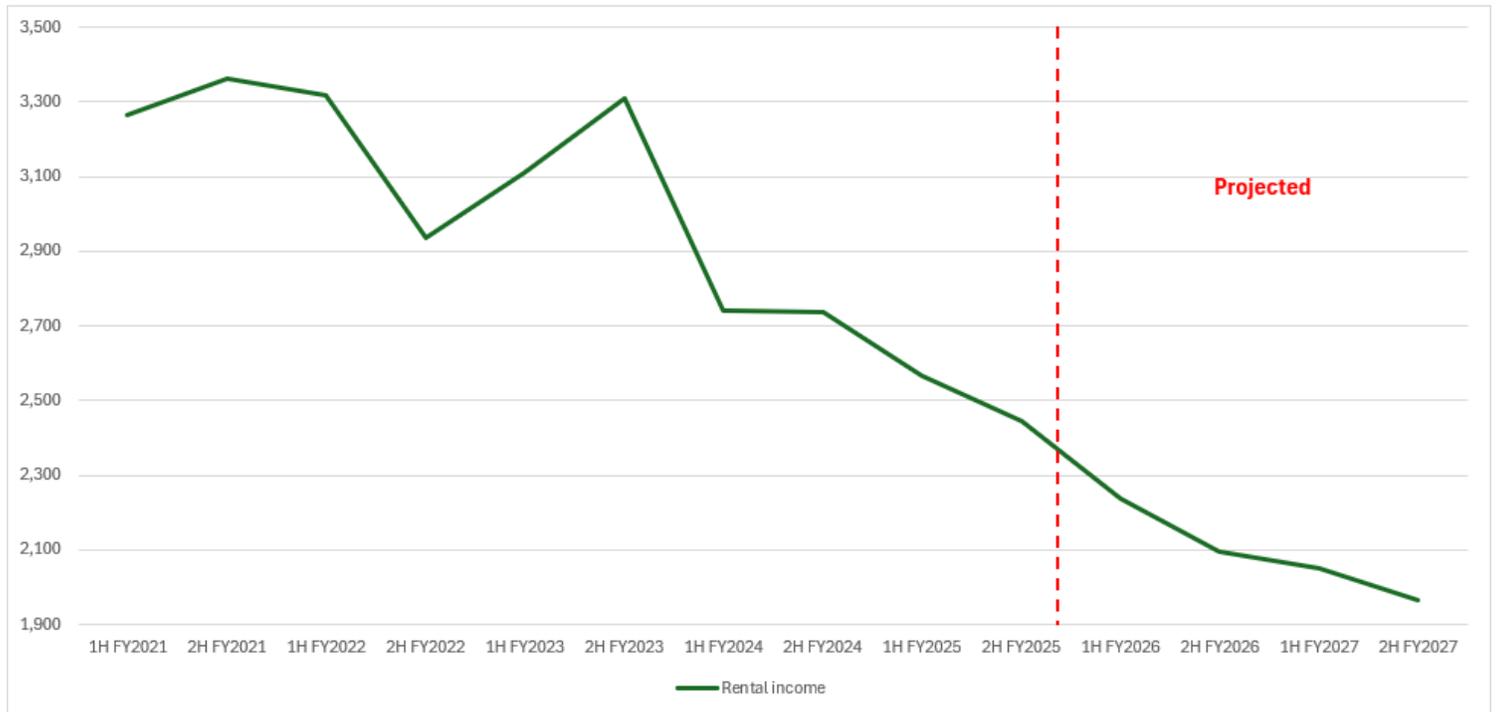
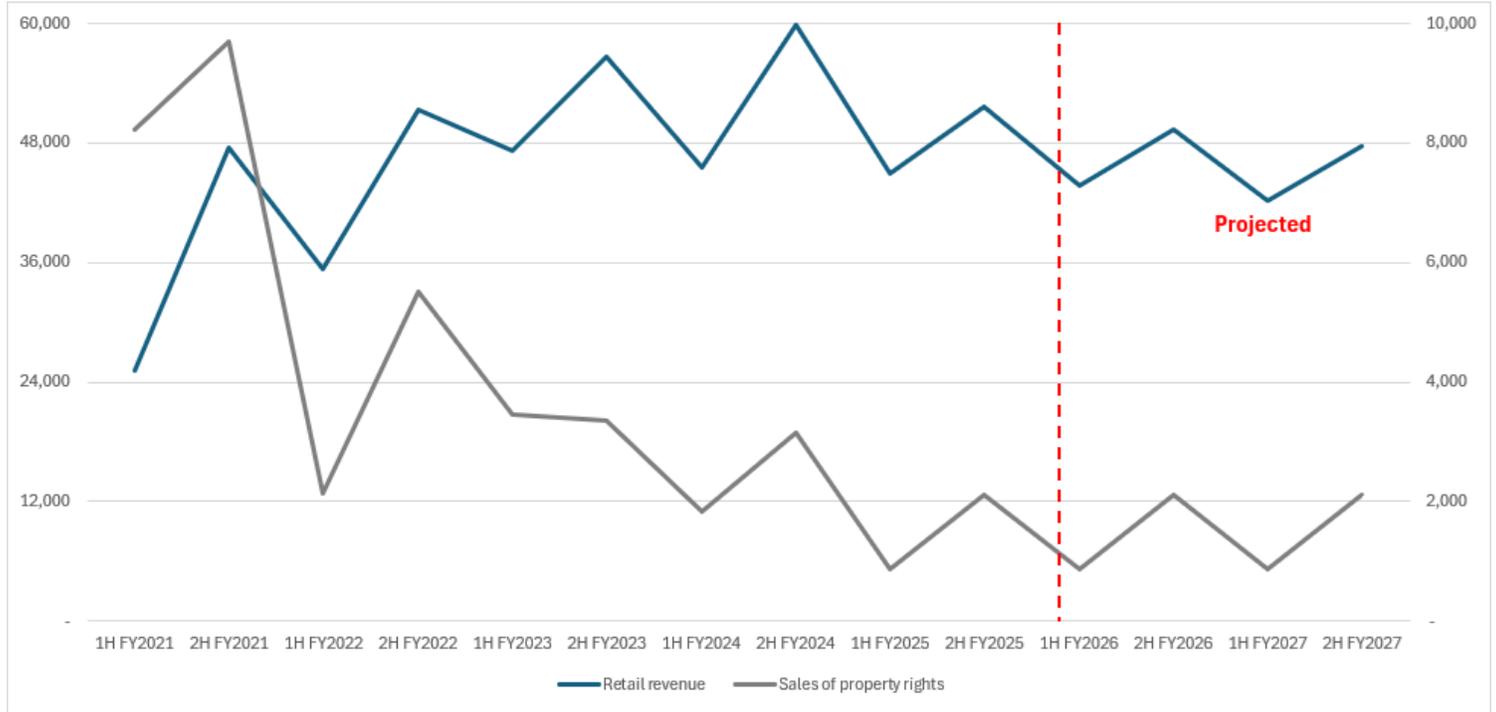
Rental income	3,112	3,311	2,740	2,737	2,566	2,446	2,239	2,097	2,051	1,965
Rental income (period one year ago)	3,318	2,936	3,112	3,311	2,740	2,737	2,566	2,446	2,239	2,097
Y-o-y change (%)	(6.2%)	12.8%	(12.0%)	(17.3%)	(6.4%)	(10.6%)	(12.7%)	(14.3%)	(8.4%)	(6.3%)

n.a. = not available.

Source: Metro, Knight Frank, Colliers, FPA

The projected retail revenue, sales of property rights, and rental income from 1H FY2026 to 2H FY2027 are shown in **Exhibit 76**.

Exhibit 76: Projected Revenue (1H FY2026 to 2H FY2027)



Source: Metro, FPA

Overall, we project that revenue will fall to S\$46.8 million in 1H FY2026, S\$53.6 million in 2H FY2026 (S\$100.4 million in FY2026), S\$45.1 million in 1H FY2027, and S\$51.8 million in 2H FY2027 (S\$96.9 million in FY2027), as shown in **Exhibit 77**.

Gross profit:

Retail gross margin fluctuated between 0.5% (1H FY2025) and 14.6% (2H FY2021) from 1H FY2021 to 2H FY2025, but generally trended lower from 1H FY2024. To account for seasonality, we assume that:

- retail gross margin in 1H FY2026 & 1H FY2027 will be 3.1%, the average of 1H FY2024 & 1H FY2025
- retail gross margin in 2H FY2026 & 2H FY2027 will be 6.3%, the average of 2H FY2024 & 2H FY2025.

Similarly, to account for seasonality, we assume that:

- sales of property rights gross margin in 1H FY2026 & 1H FY2027 will be 10.2%, the 1H average of FY2023 to FY2025 (three FYs' average due to little clear trend, unlike retail gross margin)
- sales of property rights gross margin in 2H FY2026 & 2H FY2027 will be 14.6%, the 2H average of FY2023 to FY2025

Rental income gross margin showed little seasonality from 1H FY2022 to 2H FY2025. Thus, we project that rental income gross margin from 1H FY2026 to 2H FY2027 will be 82.2%, the average from 1H FY2023 to 2H FY2025 (three FYs' average).

Accordingly, we project that gross profit will fall to S\$3.3 million in 1H FY2026, S\$5.2 million in 2H FY2026 (S\$8.4 million in FY2026), S\$3.1 million in 1H FY2027, and S\$4.9 million in 2H FY2027 (S\$8.0 million in FY2027), as shown in **Exhibit 77**.

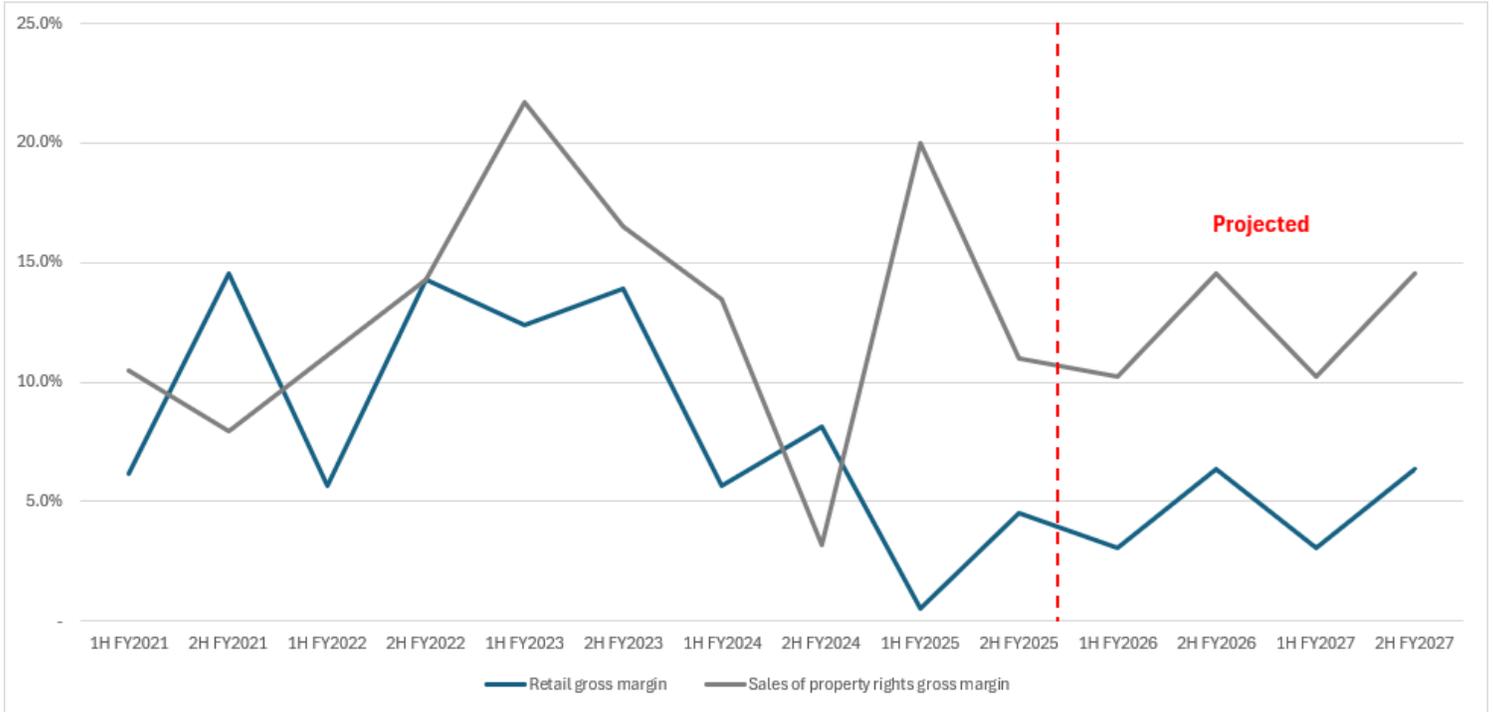
Exhibit 77: Projected Revenue & Gross Profit (1H FY2026 to 2H FY2027)

(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
Retail	47,308	56,672	45,594	59,847	44,913	51,597	43,668	49,393	42,172	47,700
Sales of property rights	3,467	3,367	1,827	3,163	871	2,111	871	2,111	871	2,111
Rental income	3,112	3,311	2,740	2,737	2,566	2,446	2,239	2,097	2,051	1,965
Revenue	53,887	63,350	50,161	65,747	48,350	56,154	46,779	53,601	45,093	51,777
Retail	(41,449)	(48,801)	(43,002)	(54,974)	(44,694)	(49,252)	(42,321)	(46,260)	(40,870)	(44,675)
Sales of property rights	(2,715)	(2,812)	(1,581)	(3,062)	(697)	(1,879)	(782)	(1,804)	(782)	(1,804)
Rental income	(518)	(570)	(467)	(478)	(438)	(526)	(399)	(374)	(365)	(350)
Cost of revenue	(44,682)	(52,183)	(45,050)	(58,514)	(45,829)	(51,657)	(43,502)	(48,437)	(42,018)	(46,829)
Retail	5,859	7,871	2,592	4,873	219	2,345	1,348	3,133	1,302	3,026
Sales of property rights	752	555	246	101	174	232	89	307	89	307
Rental income	2,594	2,741	2,273	2,259	2,128	1,920	1,840	1,724	1,685	1,615
Gross profit	9,205	11,167	5,111	7,233	2,521	4,497	3,277	5,164	3,076	4,948
Retail	12.4%	13.9%	5.7%	8.1%	0.5%	4.5%	3.1%	6.3%	3.1%	6.3%
Sales of property rights	21.7%	16.5%	13.5%	3.2%	20.0%	11.0%	10.2%	14.6%	10.2%	14.6%
Rental income	83.4%	82.8%	83.0%	82.5%	82.9%	78.5%	82.2%	82.2%	82.2%	82.2%
Gross margin	17.1%	17.6%	10.2%	11.0%	5.2%	8.0%	7.0%	9.6%	6.8%	9.6%

Source: Metro, FPA

The projected gross margins of retail, sales of property rights, and rental income from 1H FY2026 to 2H FY2027 are shown in Exhibit 78.

Exhibit 78: Projected Gross Margins (1H FY2026 to 2H FY2027)



Source: Metro, FPA

(II) EARNINGS PROJECTIONS

Other net income/expenses – interest income:

In August 2025, U.S. Federal Reserve Chair Jerome Powell noted that “with policy in restrictive territory, the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance.” Reuters noted after Powell’s speech that “investors quickly bumped up bets that the Fed will reduce its policy rate by a quarter of a percentage point at its September 16-17 meeting.”

In June 2025, the U.S. Federal Open Market Committee (U.S. “FOMC”) released its Summary of Economic Projections which indicated that the median federal funds rate projection was 3.9% for end-2025, 3.4% for end-2026, and 3.1% for end-2027.

Accordingly, we assume that the U.S. FOMC will lower the Target Federal Funds Rate (“Target FFR”; range high) by 25 basis points (“bps”) in September 2025. We also assume that the Target FFR will be lowered by 25 bps in March & September 2026.

By assuming that the difference between the Target FFR and EFR for each month in FY2026 & FY2027 will remain the same as that of from FY2023 to FY2025, we project that the average EFR will fall to 4.29% in 1H FY2026, 3.87% in 2H FY2026 (4.08% in FY2026), 3.54% in 1H FY2027, and 3.33% in 2H FY2027 (3.43% in FY2026), as shown in **Exhibit 79**.

Exhibit 79: Projected Average Effective & Target Federal Fund Rates (1H FY2026 to 2H FY2027)

(in %)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
January	-	4.33%	-	5.33%	-	4.33%	-	3.83%	-	3.33%
February	-	4.57%	-	5.33%	-	4.33%	-	3.83%	-	3.33%
March	-	4.83%	-	5.33%	-	4.33%	-	3.58%	-	3.33%
April	0.33%	-	4.83%	-	5.33%	-	4.33%	-	3.58%	-
May	0.83%	-	5.08%	-	5.33%	-	4.33%	-	3.58%	-
June	1.58%	-	5.08%	-	5.33%	-	4.33%	-	3.58%	-
July	2.32%	-	5.33%	-	5.33%	-	4.33%	-	3.58%	-
August	2.33%	-	5.33%	-	5.33%	-	4.33%	-	3.58%	-
September	3.08%	-	5.33%	-	4.83%	-	4.08%	-	3.33%	-
October	-	3.08%	-	5.33%	-	4.83%	-	4.08%	-	3.33%
November	-	3.83%	-	5.33%	-	4.58%	-	4.08%	-	3.33%
December	-	4.33%	-	5.33%	-	4.33%	-	3.83%	-	3.33%
Effective Federal Funds Rate (“EFR”; average)	1.75%	4.16%	5.16%	5.33%	5.25%	4.46%	4.29%	3.87%	3.54%	3.33%

(in %)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
January	-	4.50%	-	5.50%	-	4.50%	-	4.00%	-	3.50%
February	-	4.75%	-	5.50%	-	4.50%	-	4.00%	-	3.50%
March	-	5.00%	-	5.50%	-	4.50%	-	3.75%	-	3.50%
April	0.50%	-	5.00%	-	5.50%	-	4.50%	-	3.75%	-
May	1.00%	-	5.25%	-	5.50%	-	4.50%	-	3.75%	-
June	1.75%	-	5.25%	-	5.50%	-	4.50%	-	3.75%	-
July	2.50%	-	5.50%	-	5.50%	-	4.50%	-	3.75%	-
August	2.50%	-	5.50%	-	5.50%	-	4.50%	-	3.75%	-
September	3.25%	-	5.50%	-	5.00%	-	4.25%	-	3.50%	-
October	-	3.25%	-	5.50%	-	5.00%	-	4.25%	-	3.50%
November	-	4.00%	-	5.50%	-	4.75%	-	4.25%	-	3.50%
December	-	4.50%	-	5.50%	-	4.50%	-	4.00%	-	3.50%
Target Federal Funds Rate (“Target FFR”; average of range high)	1.92%	4.33%	5.33%	5.50%	5.42%	4.63%	4.46%	4.04%	3.71%	3.50%

(in %)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
January	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%
February	-	0.18%	-	0.17%	-	0.17%	-	0.17%	-	0.17%
March	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%
April	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-
May	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-
June	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-
July	0.18%	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-
August	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-
September	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-
October	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%
November	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%
December	-	0.17%	-	0.17%	-	0.17%	-	0.17%	-	0.17%
Target FFR (average) - EFR (average)	0.17%									

Source: Federal Reserve Bank of New York, FPA

In line with the projected fall in average EFFR, we project that the effective interest on cash & cash equivalents will fall to 4.6% in FY2026 and 4.0% in FY2027, as shown in **Exhibit 80**. However, we assume that the effective interest on amounts due from associates (excluding BIF) and from joint ventures will remain at 2.3% and 1.0% respectively in FY2026 & FY2027, the same as in FY2025.

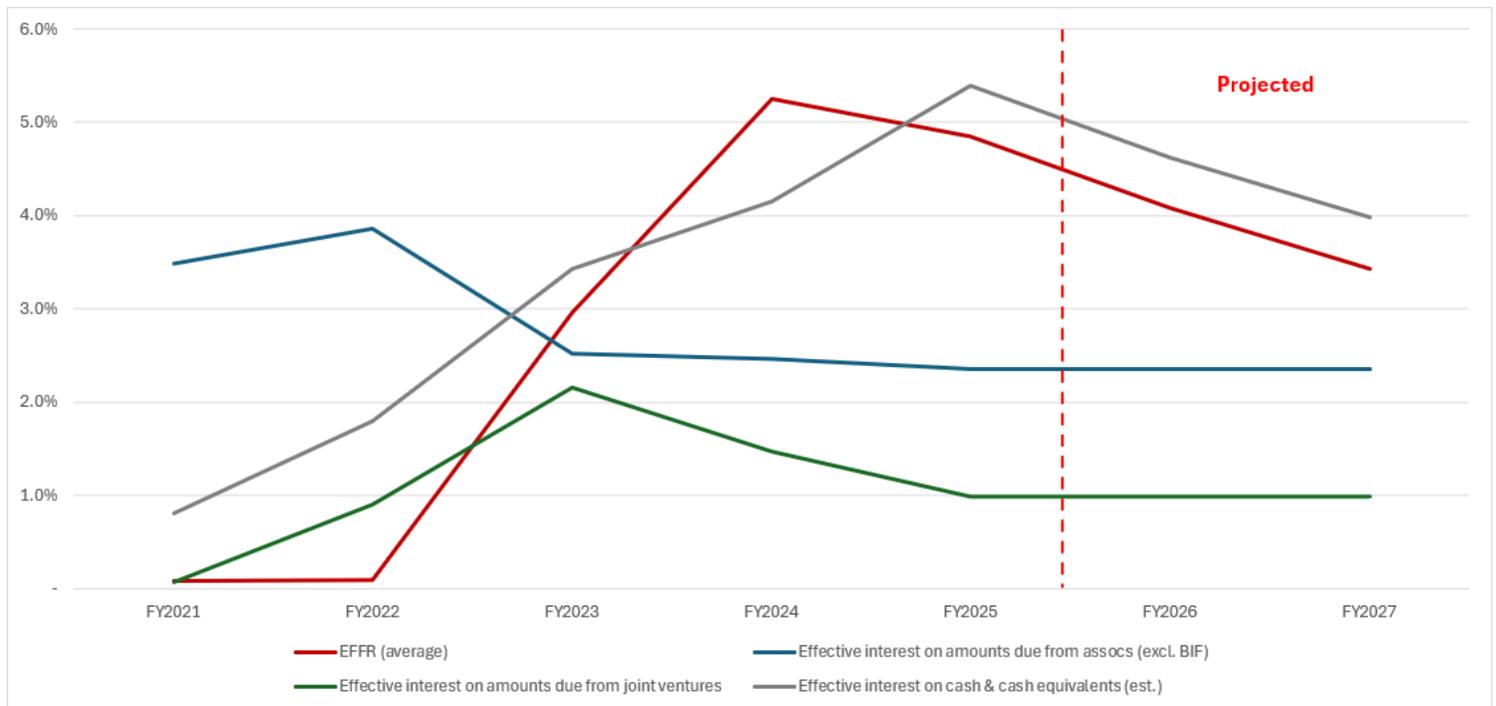
Exhibit 80: Projected Effective Interest on Interest Income (FY2026 & FY2027)

(in S\$ '000)	Actual			Projection	
	FY2023	FY2024	FY2025	FY2026	FY2027
Effective interest on amounts due from assocs (excl. BIF)	2.5%	2.5%	2.3%	2.3%	2.3%
Deduct: EFFR (average)	(3.0%)	(5.2%)	(4.9%)	(4.1%)	(3.4%)
Difference	(0.4%)	(2.8%)	(2.5%)	(1.7%)	(1.1%)
Effective interest on amounts due from joint ventures	2.2%	1.5%	1.0%	1.0%	1.0%
Deduct: EFFR (average)	(3.0%)	(5.2%)	(4.9%)	(4.1%)	(3.4%)
Difference	(0.8%)	(3.8%)	(3.9%)	(3.1%)	(2.5%)
Effective interest on cash & cash equivalents (est.)	3.4%	4.2%	5.4%	4.6%	4.0%
Deduct: EFFR (average)	(3.0%)	(5.2%)	(4.9%)	(4.1%)	(3.4%)
Difference	0.5%	(1.1%)	0.5%	0.5%	0.5%

Source: Metro, FPA

The actual (FY2021 to FY2025) and projected (FY2026 & FY2027) effective interest on amounts due from associates (excl. BIF) and joint ventures, as well as on cash & cash equivalents, as compared against the average EFFR, is shown in **Exhibit 81**.

Exhibit 81: Projected Effective Interest on Interest Income vs Average EFFR (FY2026 & FY2027)



Source: Metro, FPA

We assume the respective amounts due from associates & joint ventures in FY2026 & FY2027 to remain the same as in FY2025. Thus, we project that interest income will be S\$25.5 million in FY2026 and S\$23.6 million in FY2027, as shown in **Exhibit 82**.

Exhibit 82: Projected Interest Income (FY2026 & FY2027)

(in S\$ '000)	Actual			Projection	
	FY2023	FY2024	FY2025	FY2026	FY2027
Interest income from associates	12,214	12,014	11,058	11,058	11,058
Interest income from joint ventures	698	829	695	695	695
Interest income (others)	11,293	11,333	16,053	13,759	11,837
Interest income	24,205	24,176	27,806	25,512	23,590

Interest bearing loans:

Amounts due from associates (BIF 7.0% note)	88,660	88,660	88,660	88,660	88,660
Amounts due from associates (non-current excl. BIF 7.0% note)	146,117	9,117	-	-	-
Amounts due from associates (current)	92,457	226,396	206,607	206,607	206,607
Amounts due from associates (interest bearing)	327,234	324,173	295,267	295,267	295,267

Amounts due from joint ventures (non-current)	28,281	55,603	69,996	69,996	69,996
Amounts due from joint ventures (current)	4,055	739	678	678	678
Amounts due from joint ventures (interest bearing)	32,336	56,342	70,674	70,674	70,674

Effective interest from interest sources:

Interest from Boustead Industr. Fund ("BIF") 7.0% note (due 2031)	6,206	6,206	6,206	6,206	6,206
BIF 7.0% note (due 2031)	88,660	88,660	88,660	88,660	88,660
Interest rate on BIF 7.0% note (due 2031)	7.0%	7.0%	7.0%	7.0%	7.0%

Interest income from associates	12,214	12,014	11,058	11,058	11,058
Deduct: Interest income from BIF note	(6,206)	(6,206)	(6,206)	(6,206)	(6,206)
Interest income from associates (excl. BIF)	6,008	5,808	4,852	4,852	4,852

Amounts due from associates (interest bearing excl. BIF)	238,574	235,513	206,607	206,607	206,607
Effective interest on amounts due from assocs (excl. BIF)	2.5%	2.5%	2.3%	2.3%	2.3%

Interest income from joint ventures	698	829	695	695	695
Amounts due from joint ventures (interest bearing)	32,336	56,342	70,674	70,674	70,674
Effective interest on amounts due from joint ventures	2.2%	1.5%	1.0%	1.0%	1.0%

Interest income (others)	11,293	11,333	16,053	13,759	11,837
Cash & cash equivalents	329,305	272,687	297,507	297,507	297,507
Effective interest on cash & cash equivalents (est.)	3.4%	4.2%	5.4%	4.6%	4.0%

Effective Federal Funds Rate ("EFFR"; average)	3.0%	5.2%	4.9%	4.1%	3.4%
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Source: Metro, Federal Reserve Bank of New York, FPA

Other net income/expenses – gross dividends:

We briefly review existing coverage on both DHLT & UHREIT to project Metro's gross dividends.

Based on the analyst reports we found, the average target price for DHLT was S\$0.610 as at 29 August 2025. The average Dividend Per Unit ("DPU" in cents) forecasts for the FYs ended 31 December 2025 and 31 December 2026 were 4.80 for both years, as shown in **Exhibit 83**.

Meanwhile, the average target price for UHREIT was US\$0.650 as at 29 August 2025. The average DPU (in U.S. cents) for the FYs ended 31 December 2025 and 31 December 2026 were 4.15 and 4.66 respectively, as shown in **Exhibit 83**.

Exhibit 83: Target Prices and Forecasted DPU for DHLT & UHREIT

Company	Latest report	Currency	Target price	Forecasted DPU	
				FY2025 ⁽¹⁾	FY2026 ⁽¹⁾
<u>Daiwa House Logistics Trust ("DHLT"; FY ends on 31 December):</u>					
DBS	11 Aug '25	SGD	0.63	n.a.	n.a.
DBS	03 Mar '25	SGD	superseded	4.80	4.80
Beansprout	12 May '25	SGD	0.59	4.7	4.9
Average (for target price & DPU forecasts)		SGD	0.610	4.80	4.80
<u>United Hampshire U.S. REIT ("UHREIT"; FY ends on 31 December)</u>					
UOB Kay Hian	14 Aug '25	USD	0.70	4.5	4.9
KGI Securities	06 Mar '25	USD	0.60	3.79	4.41
Average (for target price & DPU forecasts)		USD	0.650	4.15	4.66

n.a. = not available. ⁽¹⁾ Based on the respective FY end of DHLT and UHREIT. Unless indicated otherwise (e.g., for this Exhibit), FY refers to Metro's financial year ended 31 March.

Source: DBS, Beansprout, UOB Kay Hian, KGI Securities, SGX Analyst Research, FPA

We assume that the unit prices of DHLT & UHREIT will rise to their respective average target prices at the end of 2H FY2027.

We also assume for the DPUs of DHLT & UHREIT that:

- DPUs in 1H & 2H FY2026 will be half of the respective forecasted DPUs for their FYs ended 31 December 2025¹
- DPUs in 1H & 2H FY2027 will be half of the respective forecasted DPUs for their FYs ended 31 December 2026.

We assume too that the average USD-to-SGD exchange rate from 1H FY2026 to 2H FY2027 will remain at 1.2823 as at 29 August 2025, as indicated by Yahoo! Finance.

Thus, we project the carrying value of & dividend income from DHLT & UHREIT for 1H FY2026 to 2H FY2027 as shown in **Exhibit 84**.

Exhibit 84: Projected Carrying Value of & Dividend Income from DHLT & UHREIT (1H 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
Daiwa House Logistics Trust ("DHLT"; est. for 1H)	30,975	28,910	28,652	30,459	33,298	29,685	30,201	30,717	30,975	31,491
United Hampshire U.S. REIT ("UHREIT"; est.)	5,727	5,009	4,753	5,257	5,575	5,975	6,260	6,802	7,283	7,825
Equity securities (quoted; at FVOCI)	36,702	33,919	33,405	35,716	38,873	35,660	36,461	37,519	38,258	39,316
Daiwa House Logistics Trust ("DHLT"):										
No. of units (in '000)	51,625	51,625	51,625	51,625	51,625	51,625	51,625	51,625	51,625	51,625
Share price (in S\$; from SGX Stock Screener for 1H, est. for 2H)	0.600	0.560	0.555	0.590	0.645	0.575	0.585	0.595	0.600	0.610
Carrying value of DHLT at FVOCI (estimate for 1H)	30,975	28,910	28,652	30,459	33,298	29,685	30,201	30,717	30,975	31,491
No. of units (in '000)	51,625	51,625	51,625	51,625	51,625	51,625	51,625	51,625	51,625	51,625
Dividend Per Unit ("DPU" in cents) by payment date	3.09	2.61	2.61	2.61	2.45	2.34	2.40	2.40	2.40	2.40
Dividend income from DHLT (estimate)	1,595	1,347	1,347	1,347	1,265	1,208	1,239	1,239	1,239	1,239
Carrying value of DHLT at FVOCI (estimate for 1H)	30,975	28,910	28,652	30,459	33,298	29,685	30,201	30,717	30,975	31,491
Yield from DHLT (annualised)	10.3%	9.3%	9.4%	8.8%	7.6%	8.1%	8.2%	8.1%	8.0%	7.9%
United Hampshire U.S. REIT ("UHREIT"):										
No. of units (in '000) (from UHREIT's AR for 2H; est. for 1H)	7,480	7,557	8,092	8,558	8,884	9,388	9,388	9,388	9,388	9,388
Share price (in USD) (from SGX Stock Screener for 1H; est. for 2H)	0.535	0.499	0.430	0.455	0.490	0.475	0.520	0.565	0.605	0.650
USD-to-SGD exchange rate (Yahoo! Finance)	1.431	1.328	1.366	1.350	1.281	1.343	1.282	1.282	1.282	1.282
Carrying value of UHREIT at FVOCI (estimate)	5,727	5,009	4,753	5,257	5,575	5,975	6,260	6,802	7,283	7,825
No. of units (in '000)	7,480	7,557	8,092	8,558	8,884	9,388	9,388	9,388	9,388	9,388
Dividend Per Unit ("DPU" in U.S. cents) by payment date	2.91	2.97	2.65	2.14	2.01	2.05	2.08	2.08	2.33	2.33
USD-to-SGD exchange rate (Yahoo! Finance)	1.431	1.328	1.366	1.350	1.281	1.343	1.282	1.282	1.282	1.282
Dividend income from UHREIT (estimate)	312	298	293	247	229	258	250	250	280	280
Carrying value of UHREIT at FVOCI (estimate)	5,727	5,009	4,753	5,257	5,575	5,975	6,260	6,802	7,283	7,825
Yield from UHREIT (annualised)	10.9%	11.9%	12.3%	9.4%	8.2%	8.6%	8.0%	7.3%	7.7%	7.2%

Source: Metro, DHLT, UHREIT, DBS, Beansprout, UOB Kay Hian, KGI Securities, SGX, Yahoo! Finance, FPA

¹ As the FYs of both DHLT & UHREIT end on 31 December, we note that both DHLT & UHREIT's FY2025 (FY2026) may correspond more closely with Metro's FY2026 (FY2027).

We assume that the carrying value of Metro's other long term investments from 1H FY2026 to 2H FY2027 will remain the same as in 2H FY2025. We also assume that Metro will not earn any gross dividend from other long term investments beside DHLT & UHREIT from 1H FY2026 to 2H FY2027, like we estimated for 2H FY2025.

Thus, we project that gross dividends from long term investments will be S\$1.5 million for 1H & 2H FY2026 (S\$3.0 million in FY2026) and S\$1.5 million for 1H & 2H FY2027 (S\$3.0 million in FY2027) as shown in **Exhibit 85**.

Exhibit 85: Projected Gross Dividends from Long Term Investments (1H 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
Dividend income from DHLT (estimate)	1,595	1,347	1,347	1,347	1,265	1,208	1,239	1,239	1,239	1,239
Dividend income from UHREIT (estimate)	312	298	293	247	229	258	250	250	280	280
Others (incl. rounding error)	2,719	1,891	1,034	334	284	(1)	-	-	-	-
Gross dividends from long term investments	4,626	3,536	2,674	1,929	1,777	1,465	1,489	1,489	1,519	1,519

Estimated yield from long term investments (excl. DHLT & UHREIT):

Long term investments	122,972	109,065	110,586	106,805	105,700	81,173	81,974	83,032	83,771	84,829
Exclude: DHLT (est. for 1H)	(30,975)	(28,910)	(28,652)	(30,459)	(33,298)	(29,685)	(30,201)	(30,717)	(30,975)	(31,491)
Exclude: UHREIT (est.)	(5,727)	(5,009)	(4,753)	(5,257)	(5,575)	(5,975)	(6,260)	(6,802)	(7,283)	(7,825)
Long term investments (excl. DHLT & UHREIT; est.)	86,270	75,146	77,181	71,089	66,827	45,513	45,513	45,513	45,513	45,513
Dividends from LT investments (excl. DHLT & UHREIT; est.)	2,719	1,891	1,034	334	284	(1)	-	-	-	-
Long term investments (excl. DHLT & UHREIT; est.)	86,270	75,146	77,181	71,089	66,827	45,513	45,513	45,513	45,513	45,513
Yield from LT investments (excl. DHLT & UHREIT; annual; est.)	6.3%	5.0%	2.7%	0.9%	0.8%	(0.0%)	-	-	-	-

(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
Financial assets at Fair Value through Comprehensive Income ("FVOCI"):										
Equity securities (quoted)	36,702	33,919	33,405	35,716	38,873	35,660	36,461	37,519	38,258	39,316
Financial assets at Fair Value through Profit or Loss ("FVPL"):										
Equity securities (unquoted)	82,288	70,699	73,759	67,945	63,126	42,321	42,321	42,321	42,321	42,321
Equity securities (quoted)	3,982	4,447	3,422	3,144	3,701	3,192	3,192	3,192	3,192	3,192
Long term investments	122,972	109,065	110,586	106,805	105,700	81,173	81,974	83,032	83,771	84,829

Source: Metro, DHLT, UHREIT, FPA

We assume that the carrying value of & yield from short term investments from 1H FY2026 to 2H FY2027 will be the same as in 2H FY2025.

Thus, we project that gross dividends from short term investments will be S\$0.4 million for each semi-annual period from 1H FY2026 to 2H FY2027 (S\$0.8 million in FY2025 & FY2026), as shown in **Exhibit 86**.

Exhibit 86: Projected Gross Dividends from Short Term Investments (1H 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
Financial assets at FVPL:										
Equity securities (unquoted)	-	-	-	1,434	1,362	1,425	1,425	1,425	1,425	1,425
Equity securities (quoted)	14,652	14,580	14,014	13,220	13,590	14,610	14,610	14,610	14,610	14,610
Short term investments	14,652	14,580	14,014	14,654	14,952	16,035	16,035	16,035	16,035	16,035

Dividend yield (general basis):

Gross dividends from short term investments	359	388	432	388	385	406	406	406	406	406
Short term investments	14,652	14,580	14,014	14,654	14,952	16,035	16,035	16,035	16,035	16,035
Yield from short term investments (annualised)	4.9%	5.3%	6.2%	5.3%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%

Source: Metro, FPA

Other net income/expenses – net fair value change in investments at FVPL:

We assume no fair value change in any investments at FVPL from 1H FY2026 to 2H FY2027.

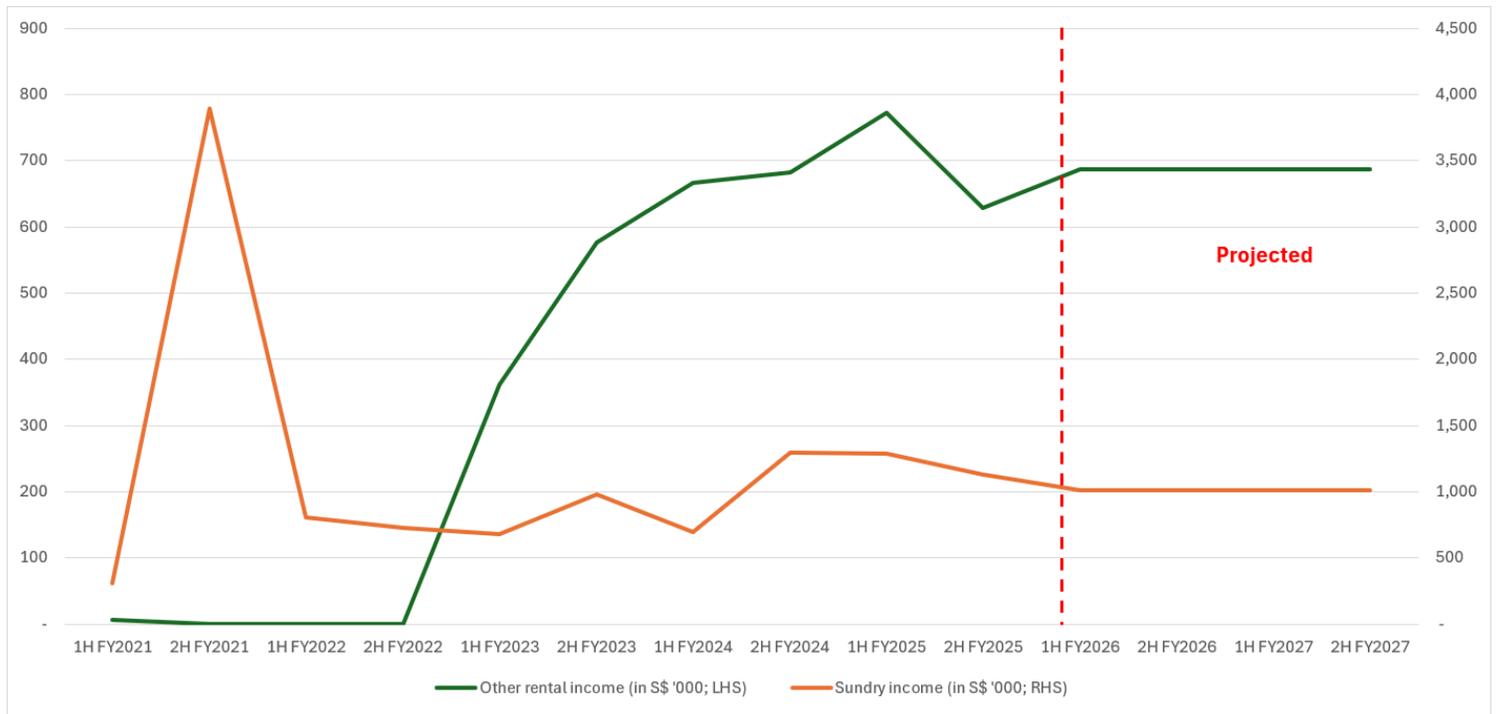
Other net income/expenses – others:

We assume no foreign exchange gain/loss from 1H FY2026 to 2H FY2027.

Other rental income generally rose from 1H FY2021 to 1H FY2025, before declining in 2H FY2025. We assume that other rental income from 1H FY2026 to 2H FY2027 will plateau at S\$0.7 million, the average from 1H FY2024 to 2H FY2025 (two FYs), as shown in **Exhibit 87**.

Excluding 2H FY2021 (where sundry income rose to S\$3.9 million), sundry income fluctuated but generally rose from 1H FY2021 to 2H FY2024 before declining to 2H FY2025. Given the volatility, we assume that sundry income from 1H FY2026 to 2H FY2027 will be S\$1.0 million, the average from 1H FY2023 to 2H FY2025 (three FYs), as shown in **Exhibit 87**.

Exhibit 87: Projected Other Rental & Sundry Income (1H FY2026 to 2H FY2027)



Source: Metro, FPA

Thus, we project that other net income/expenses will total a net income of S\$16.4 million in 1H & 2H FY2026 (S\$32.7 million in FY2026) and S\$15.4 million in 1H & 2H FY2027 (S\$30.8 million in FY2027) as shown in **Exhibit 88**.

Exhibit 88: Projected Other Net Income/Expenses (1H 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
Interest income from:										
Financial instruments at amortised cost ⁽¹⁾	9,951	14,254	12,918	11,258	20,025	7,781	12,756	12,756	11,795	11,795
Dividends, gross from:										
Long term investments	4,626	3,536	2,674	1,929	1,777	1,465	1,489	1,489	1,519	1,519
Short term investments	359	388	432	388	385	406	406	406	406	406
Net change in fair value of investments at FVPL:										
Long term investments	(1,878)	(9,950)	248	(5,701)	(989)	(22,181)	-	-	-	-
Short term investments	(1,841)	(72)	(565)	(224)	370	1,021	-	-	-	-
Others:										
Foreign exchange (loss)/gain	(2,599)	(15)	(2,756)	100	1,023	(2,492)	-	-	-	-
Other rental income	362	577	666	682	772	629	687	687	687	687
Sundry income	679	983	695	1,298	1,287	1,132	1,012	1,012	1,012	1,012
Other net income/(expenses)	9,659	9,701	14,312	9,730	24,650	(12,239)	16,350	16,350	15,420	15,420

⁽¹⁾ We assume that interest income in 1H & FY2026 will be half of what we project for FY2026; interest income in 1H & FY2027 will be half of what we project for FY2027.

Source: Metro, FPA

Fair value change on investment property:

While the average Guangzhou office rent is expected to fall from 1H FY2026 to 2H FY2027, we assume no fair value change on GIE Tower for the same period.

Impairment on ROU & fixed assets:

While the average RSI (department stores; n.s.a.) is expected to fall from 1H FY2026 to 2H FY2027, we assume no impairment on ROU & fixed assets for the same period.

G&A expenses:

We assume that G&A expenses as a percentage of revenue for 1H FY2026 & 1H FY2027 will be 21.2%, the same as in 1H FY2025. We also assume that the percentage for 2H FY2026 & 2H FY2027 will be 20.9%, the same as in 2H FY2025.

Thus, we project that G&A expenses will be S\$9.9 million in 1H FY2026, S\$11.2 million in 2H FY2026 (S\$21.1 million in FY2026), S\$9.5 million in 1H FY2027, and S\$10.8 million in 2H FY2027 (S\$20.4 million in FY2027), as shown in **Exhibit 89**.

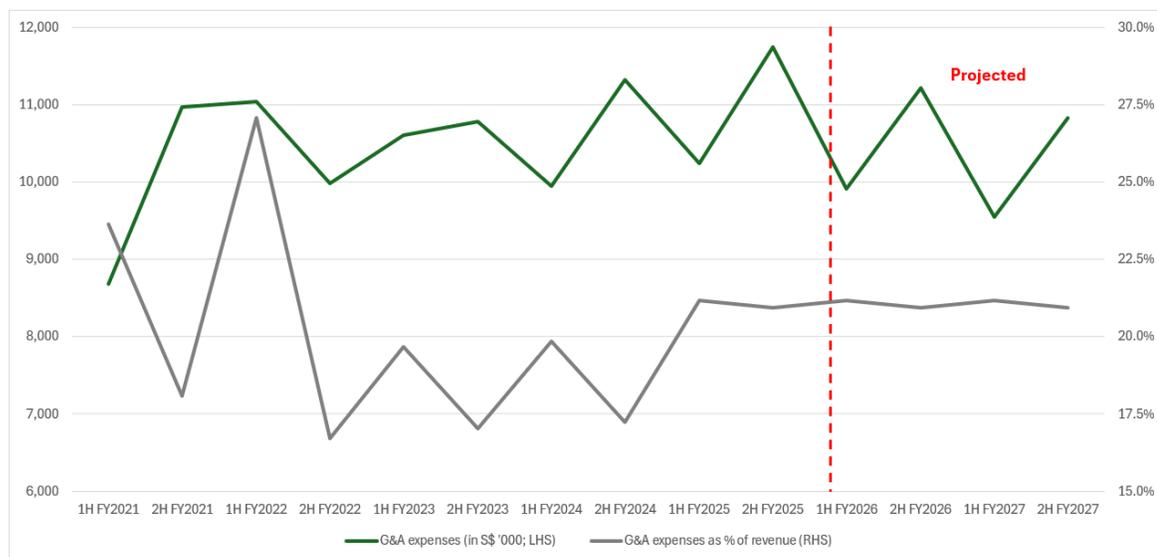
Exhibit 89: Projected G&A Expenses (1H FY2026 to 2H FY2027)

(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
G&A expenses	10,599	10,776	9,950	11,319	10,237	11,745	9,904	11,211	9,547	10,829
Revenue	53,887	63,350	50,161	65,747	48,350	56,154	46,779	53,601	45,093	51,777
G&A expenses as % of revenue	19.7%	17.0%	19.8%	17.2%	21.2%	20.9%	21.2%	20.9%	21.2%	20.9%

Source: Metro, FPA

The actual (1H FY2021 to 2H FY2025) and projected (1H FY2026 to 2H FY2027) G&A expenses are shown in **Exhibit 90**.

Exhibit 90: Projected G&A Expenses #2 (1H FY2026 to 2H FY2027)



Source: Metro, FPA

We also assume that retail G&A expenses as a percentage of total G&A expenses will remain at 29.3%, the average from 1H FY2023 to 2H FY2025 (three FYs), as shown in **Exhibit 91**.

Exhibit 91: Projected Breakdown of G&A Expenses by Segments (1H 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
Retail G&A (estimated)	3,243	3,331	2,613	3,450	2,934	3,412	2,905	3,288	2,800	3,176
Property G&A (estimated)	7,356	7,445	7,337	7,869	7,303	8,333	7,000	7,923	6,748	7,654
G&A expenses	10,599	10,776	9,950	11,319	10,237	11,745	9,904	11,211	9,547	10,829

As % of G&A (total):

Retail as % of G&A	30.6%	30.9%	26.3%	30.5%	28.7%	29.1%	29.3%	29.3%	29.3%	29.3%
Property as % of G&A	69.4%	69.1%	73.7%	69.5%	71.3%	70.9%	70.7%	70.7%	70.7%	70.7%

Source: Metro, FPA

Finance costs:

We assume that the effective interest on borrowings (excluding fixed rate notes) and lease liabilities from 1H FY2026 to 2H FY2027 will fall with the expected fall in average EFFR, as shown in **Exhibit 92**.

Exhibit 92: Projected Effective Interest on Borrowings (excl. Notes) & Lease Liabilities (1H 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
Eff. interest on borrowings excl. fixed rate notes (annualised)	2.5%	4.7%	4.7%	5.4%	4.6%	4.1%	3.9%	3.5%	3.2%	3.0%
Deduct: EFFR (average)	(1.7%)	(4.2%)	(5.2%)	(5.3%)	(5.2%)	(4.5%)	(4.3%)	(3.9%)	(3.5%)	(3.3%)
Difference	0.7%	0.6%	(0.4%)	0.1%	(0.6%)	(0.3%)	(0.3%)	(0.3%)	(0.3%)	(0.3%)
Effective interest on lease liabilities (annualised)	2.8%	2.8%	2.8%	3.7%	4.2%	4.0%	3.9%	3.5%	3.1%	2.9%
Deduct: EFFR (average)	(1.7%)	(4.2%)	(5.2%)	(5.3%)	(5.2%)	(4.5%)	(4.3%)	(3.9%)	(3.5%)	(3.3%)
Difference	1.1%	(1.3%)	(2.4%)	(1.6%)	(1.0%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)

Source: Metro, FPA

We also assume that:

- borrowings & lease liabilities from 1H FY2026 to 2H FY2027 will remain the same as in 2H FY2025
- “Others” from 1H FY2026 to 2H FY2027 will be S\$0.9 million, the average from 1H FY2023 to 2H FY2025 (three FYs).

Thus, we project that finance costs will be S\$13.4 million in 1H FY2026, S\$12.1 million in 2H FY2026 (S\$22.6 million in FY2026), S\$11.1 million in 1H FY2027, and S\$10.4 million in 2H FY2027 (S\$18.7 million in FY2027), as shown in **Exhibit 93**.

Exhibit 93: Projected Finance Costs (1H 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
Interest on borrowings carried at amortised cost	5,023	9,518	9,318	9,441	13,750	12,344	11,937	10,676	9,669	9,039
Interest on notes carried at amortised cost	4,459	4,437	4,427	4,439	-	-	-	-	-	-
Interest on lease liabilities	859	779	696	818	1,220	1,063	560	500	452	422
Others	702	1,079	918	933	915	1,138	948	948	948	948
Finance costs	11,043	15,813	15,359	15,631	15,885	14,545	13,445	12,124	11,068	10,408
Interest on borrowings carried at amortised cost	5,023	9,518	9,318	9,441	13,750	12,344	11,937	10,676	9,669	9,039
Borrowings (total) excluding fixed rate notes (prev. period)	406,386	403,911	395,298	348,219	593,115	599,817	604,536	604,536	604,536	604,536
Eff. interest on borrowings excl. fixed rate notes (annualised)	2.5%	4.7%	4.7%	5.4%	4.6%	4.1%	3.9%	3.5%	3.2%	3.0%
Interest on lease liabilities	859	779	696	818	1,220	1,063	560	500	452	422
Lease liabilities (total)(prev. period)	60,753	55,330	49,757	44,067	57,955	52,596	28,915	28,915	28,915	28,915
Effective interest on lease liabilities (annualised)	2.8%	2.8%	2.8%	3.7%	4.2%	4.0%	3.9%	3.5%	3.1%	2.9%
EFFR (average)	1.7%	4.2%	5.2%	5.3%	5.2%	4.5%	4.3%	3.9%	3.5%	3.3%
Borrowings & lease liabilities:										
4.00% p.a. fixed rate SGD notes (repaid in Oct '21)	-	-	-	-	-	-	-	-	-	-
4.30% p.a. fixed rate SGD notes (repaid in Apr '24)	199,561	199,705	199,851	-	-	-	-	-	-	-
Borrowings (current) excluding fixed rate notes	142,652	139,201	85,990	201,747	207,049	207,481	207,481	207,481	207,481	207,481
Borrowings (non-current) excluding fixed rate notes	261,259	256,097	262,229	391,368	392,768	397,055	397,055	397,055	397,055	397,055
Borrowings (total)	603,472	595,003	548,070	593,115	599,817	604,536	604,536	604,536	604,536	604,536
Lease liabilities (current)	11,262	11,454	11,568	10,853	11,198	12,387	12,387	12,387	12,387	12,387
Lease liabilities (non-current)	44,068	38,303	32,499	47,102	41,398	16,528	16,528	16,528	16,528	16,528
Lease liabilities (total)	55,330	49,757	44,067	57,955	52,596	28,915	28,915	28,915	28,915	28,915

Source: Metro, FPA

Share of results of associates, net of tax:

Given that Metro's Chinese associates may continue to incur substantial fair value losses, we assume no share of results of associates in FY2026 & FY2027, as shown in **Exhibit 94**.

Share of results of joint ventures, net of tax:

Share of results of joint ventures, net of tax, generally fell from S\$32.1 million in 1H FY2021 to S\$3.5 million in 2H FY2025. Accordingly, we assume that share of results of joint ventures, net of tax, from 1H FY2026 to 2H FY2027 to be S\$3.5 million (S\$7.1 million in FY2025 & FY2026), the same as in 2H FY2025, as shown in **Exhibit 94**.

Profit/loss from operations before tax:

Accordingly, we project that profit/loss from operations before tax will be a loss of S\$0.2 million in 1H FY2026, a profit of S\$1.7 million in 2H FY2026 (profit of S\$1.5 million in FY2026), a profit of S\$1.4 million in 1H FY2027, and a profit of S\$2.7 million in 2H FY2027 (profit of S\$4.1 million in FY2027), as shown in **Exhibit 94**.

Exhibit 94: Projected Profit/Loss from Operations Before Tax (1H 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
Gross profit	9,205	11,167	5,111	7,233	2,521	4,497	3,277	5,164	3,076	4,948
Other net income/(expenses)	9,659	9,701	14,312	9,730	24,650	(12,239)	16,350	16,350	15,420	15,420
Fair value gain/(loss) on an investment property	-	776	-	-	-	(2,535)	-	-	-	-
Impairment on right-of-use and fixed assets	-	-	-	-	-	(4,118)	-	-	-	-
General & administrative expenses	(10,599)	(10,776)	(9,950)	(11,319)	(10,237)	(11,745)	(9,904)	(11,211)	(9,547)	(10,829)
Finance costs	(11,043)	(15,813)	(15,359)	(15,631)	(15,885)	(14,545)	(13,445)	(12,124)	(11,068)	(10,408)
Associates:										
Share of results of associates, net of tax	8,555	(4,418)	3,217	(37,662)	(6,418)	(164,026)	-	-	-	-
Negative goodwill of associates	-	-	-	60,347	-	-	-	-	-	-
Impairment of amounts due from associates	-	-	-	-	-	(32,912)	-	-	-	-
Joint ventures:										
Share of results of joint ventures, net of tax	14,943	20,366	13,613	(3,918)	12,373	3,533	3,533	3,533	3,533	3,533
Negative goodwill of joint ventures	-	-	-	-	-	7,243	-	-	-	-
Profit from operations before tax	20,720	11,003	10,944	8,780	7,004	(226,847)	(189)	1,713	1,413	2,663

Source: Metro, FPA

Taxation:

We assume that the effective tax rates of retail and property from 1H FY2026 to 2H FY2027 will be 10.7% and 26.6% respectively, the respective averages from 1H FY2023 to 2H FY2025 (three FYs). Thus, we project that taxation will be S\$2.7 million in 1H FY2026, S\$2.6 million in 2H FY2026 (S\$5.3 million in FY2026), S\$2.5 million in 1H FY2027, and S\$2.4 million in 2H FY2027 (S\$4.9 million in FY2027) as shown in **Exhibit 95**.

Exhibit 95: Projected Taxation (1H 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
Retail taxation	(464)	(973)	(47)	(182)	2	760	58	(92)	52	(92)
Property taxation	(3,451)	(1,491)	(2,736)	(2,147)	(3,451)	(2,129)	(2,730)	(2,511)	(2,508)	(2,307)
Taxation	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)	(2,671)	(2,603)	(2,456)	(2,399)

Retail taxation:

Retail gross profit	5,859	7,871	2,592	4,873	219	2,345	1,348	3,133	1,302	3,026
Impairment loss on ROU & fixed assets	-	-	-	-	-	(4,118)	-	-	-	-
Sundry income	679	983	695	1,298	1,287	1,132	1,012	1,012	1,012	1,012
Retail G&A (estimated)	(3,243)	(3,331)	(2,613)	(3,450)	(2,934)	(3,412)	(2,905)	(3,288)	(2,800)	(3,176)
Retail segment results / taxable income (est.)	3,295	5,523	674	2,721	(1,428)	(4,053)	(545)	858	(486)	862

Retail taxation	(464)	(973)	(47)	(182)	2	760	58	(92)	52	(92)
Retail taxable income (est.)	3,295	5,523	674	2,721	(1,428)	(4,053)	(545)	858	(486)	862
Retail effective tax rate (%)	14.1%	17.6%	7.0%	6.7%	0.1%	18.8%	10.7%	10.7%	10.7%	10.7%

Property taxation:

Property gross profit	3,346	3,296	2,519	2,360	2,302	2,152	1,929	2,031	1,774	1,922
Other net income/(expenses) (excl. sundry income)	8,980	8,718	13,617	8,432	23,363	(13,371)	15,338	15,338	14,408	14,408
Property G&A (estimated)	(7,356)	(7,445)	(7,337)	(7,869)	(7,303)	(8,333)	(7,000)	(7,923)	(6,748)	(7,654)
Property segment results	4,970	4,569	8,799	2,923	18,362	(19,552)	10,268	9,446	9,434	8,676

Deduct: Net fair value change at FVPL (long term investments)	1,878	9,950	(248)	5,701	989	22,181	-	-	-	-
Deduct: Net fair value change at FVPL (short term investments)	1,841	72	565	224	(370)	(1,021)	-	-	-	-
Deduct: Foreign exchange gain/(loss)	2,599	15	2,756	(100)	(1,023)	2,492	-	-	-	-
Property taxable income (est.)	11,288	14,606	11,872	8,748	17,958	4,100	10,268	9,446	9,434	8,676

Property taxation	(3,451)	(1,491)	(2,736)	(2,147)	(3,451)	(2,129)	(2,730)	(2,511)	(2,508)	(2,307)
Property taxable income (est.)	11,288	14,606	11,872	8,748	17,958	4,100	10,268	9,446	9,434	8,676
Property effective tax rate (%)	30.6%	10.2%	23.0%	24.5%	19.2%	51.9%	26.6%	26.6%	26.6%	26.6%

Source: Metro, FPA

Profit/loss net of taxation and attributable to owners of the Company:

After deducting taxation from profit/loss before tax, we project that Metro will incur a loss net of taxation of S\$2.9 million in 1H FY2026, S\$0.9 million in 2H FY2026 (loss of S\$3.8 million in FY2026), and S\$1.0 million in 1H FY2027 before earning a profit after taxation of S\$0.3 million in 2H FY2027 (loss of S\$0.8 million in FY2027), as shown in **Exhibit 96**.

We assume that profit attributable to NCI from 1H FY2026 to 2H FY2027 will be S\$71,000, the average from 1H FY2023 to 2H FY2025 (three FYs). Thus, after deducting profit attributable to NCI, we project that profit/loss attributable to owners of the Company will be a loss of S\$2.9 million in 1H FY2026, S\$1.0 million in 2H FY2026 (loss of S\$3.9 million in FY2026), and S\$1.1 million in 1H FY2027, before a profit of S\$0.2 million in 2H FY2027 (loss of S\$0.9 million in FY2027), as shown in **Exhibit 96**.

EPS:

We assume that the weighted number of shares in issue (basic & diluted) from 1H FY2026 to 2H FY2027 will remain the same as in 2H FY2025. Thus, we project that EPS (basic & diluted in cents) will be negative 0.4 in 1H FY2026, negative 0.1 in 2H FY2026 (negative 0.5 in FY2026), negative 0.1 in 1H FY2027, and positive 0.0 (less than 0.05) in 2H FY2027 (negative 0.1 in FY2027), as shown in **Exhibit 96**.

Exhibit 96: Projected Profit/Loss Net of Taxation & Attributable to Owners of the Company (1H 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
Profit from operations before tax	20,720	11,003	10,944	8,780	7,004	(226,847)	(189)	1,713	1,413	2,663
Taxation	(3,915)	(2,464)	(2,783)	(2,329)	(3,449)	(1,369)	(2,671)	(2,603)	(2,456)	(2,399)
Profit/(loss) net of taxation	16,805	8,539	8,161	6,451	3,555	(228,216)	(2,860)	(890)	(1,043)	265
Attributable to:										
Owners of the Company	16,887	8,264	8,192	6,361	3,310	(228,146)	(2,932)	(962)	(1,114)	193
Non-Controlling Interests ("NCI")	(82)	275	(31)	90	245	(70)	71	71	71	71
Profit/(loss) net of taxation	16,805	8,539	8,161	6,451	3,555	(228,216)	(2,860)	(890)	(1,043)	265
Weighted no. of shares in issue (basic & diluted; '000)	828,036	828,036	828,036	828,036	828,036	828,036	828,036	828,036	828,036	828,036
Earnings per share (basic & diluted in cents)	2.0	1.0	1.0	0.8	0.4	(27.6)	(0.4)	(0.1)	(0.1)	0.0

Source: Metro, FPA

DPS:

We assume that DPS (cents) in FY2026 & FY2027 will be 2.0, the same as in FY2025.

Our projections for FY2026 & FY2027 are summarised in **Exhibit 97**.

Exhibit 97: Projected Financial Performance (FY2026 to FY2027)

(in S\$ '000)	Actual			Projection	
	FY2023	FY2024	FY2025	FY2026	FY2027
Retail	103,980	105,441	96,510	93,061	89,872
Sales of property rights	6,834	4,990	2,982	2,982	2,982
Rental income	6,423	5,477	5,012	4,337	4,016
Revenue	117,237	115,908	104,504	100,380	96,870
Cost of revenue	(96,865)	(103,564)	(97,486)	(91,939)	(88,846)
Gross profit	20,372	12,344	7,018	8,441	8,024
Other net income/(expenses)	19,360	24,042	12,411	32,701	30,840
Fair value gain/(loss) on an investment property	776	-	(2,535)	-	-
Impairment on right-of-use and fixed assets	-	-	(4,118)	-	-
General & administrative expenses	(21,375)	(21,269)	(21,982)	(21,115)	(20,377)
Finance costs	(26,856)	(30,990)	(30,430)	(25,569)	(21,476)
Associates:					
Share of results of associates, net of tax	4,137	(34,445)	(170,444)	-	-
Negative goodwill of associates	-	60,347	-	-	-
Impairment of amounts due from associates	-	-	(32,912)	-	-
Joint ventures:					
Share of results of joint ventures, net of tax	35,309	9,695	15,906	7,066	7,066
Negative goodwill of joint ventures	-	-	7,243	-	-
Profit from operations before tax	31,723	19,724	(219,843)	1,524	4,077
Taxation	(6,379)	(5,112)	(4,818)	(5,274)	(4,855)
Profit/(loss) net of taxation	25,344	14,612	(224,661)	(3,751)	(778)
Attributable to:					
Owners of the Company	25,151	14,553	(224,836)	(3,893)	(921)
Non-Controlling Interests ("NCI")	193	59	175	142	142
Profit/(loss) net of taxation	25,344	14,612	(224,661)	(3,751)	(778)
Weighted no. of shares in issue (basic & diluted; '000)	828,036	828,036	828,036	828,036	828,036
Earnings per share (basic & diluted in cents)	3.0	1.8	(27.2)	(0.5)	(0.1)

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. We selected SGX-listed peer companies that: (1) also derive most of their profits before tax from sources related to property or department stores; and (2) whose non-current assets or properties are located mainly or only in China, for those who derive most of their profits before tax from property-related sources. Then, we compared Metro against its peers in terms of P/E multiple, P/B multiple, and dividend yield.

Below, we list the selected companies to compare with Metro (along with a brief description of each company) as follows:

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

CLCT’s market capitalisation is S\$1.4 billion as at 1 September 2025. According to CLCT’s latest financial statements, CLCT is a REIT that invests in “a diversified portfolio of income-producing real estate and real estate-related assets in mainland China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).” CLCT added that, as at 30 June 2025, it “owns and invests in a portfolio of 9 retail malls, 5 business parks and 4 logistics parks located in 12 cities in mainland China.”

ii. Sasseur REIT (SGX: Z25)

Sasseur REIT’s market capitalisation is S\$897.7 million as at 1 September 2025. According to Sasseur REIT’s latest financial statements, it invests “principally, directly or indirectly, in a diversified portfolio of income-producing real estate, primarily comprising outlet malls, as well as real estate-related assets, with an initial focus on Asia.” Sasseur REIT added that, as at 30 June 2025, its portfolio “comprises four outlet malls strategically located in People’s Republic of China (“PRC”), namely Sasseur (Chongqing Liangjiang) Outlet, Sasseur (Chongqing Bishan) Outlet, Sasseur (Hefei) Outlet and Sasseur (Kunming) Outlet.”

iii. BHG Retail REIT (“BHG”; SGX: Z25)

BHG’s market capitalisation is S\$223.4 million as at 1 September 2025. According to BHG’s latest financial statements, BHG invests in “a diversified portfolio of income-producing properties located primarily in the People’s Republic of China (“China”) and used primarily for retail purposes.” As at 30 June 2025, BHG’s six investment properties are all located in China.

iv. Parkson Retail Asia Limited (“Parkson”; SGX:O9E)

Parkson’s market capitalisation is S\$109.8 million as at 1 September 2025. According to Parkson’s latest financial statements, the principal activities of Parkson’s subsidiaries include “Operation of department stores” and “Trading of apparels and consumer products”. In its latest AR, Parkson also noted that it is a “Malaysian department store retailer with an extensive network of 37 department stores across cities in Malaysia as at 26 March 2025.”

The results of our peer comparison analysis are shown in **Exhibit 98**.

Exhibit 98: Peer Comparison Analysis

Company	Stock Symbol	Price (S\$) as at 01 Sept '25	Market Cap (S\$ million)	Diluted EPS (cents) ⁽¹⁾	P/E	DPS (cents) ⁽²⁾	Dividend Yield (%)	NAV per share (S\$) ⁽³⁾	P/B
Metro Holdings Ltd ("Metro")	M01	0.445	368.48	(27.15)	n.m.	2.00	4.49%	1.40	0.32
Peer companies:									
CapitaLand China Trust ("CLCT")	AU8U	0.785	1,365.88	0.02	3,308.75	5.13	6.54%	1.04	0.75
Sasseur REIT	CRPU	0.715	897.69	5.05	14.17	5.98	8.37%	0.78	0.92
BHG Retail REIT ("BHG")	BMGU	0.430	223.43	(0.49)	n.m.	0.47	1.09%	0.65	0.66
Parkson Retail Asia Limited ("Parkson")	O9E	0.163	109.83	2.87	5.68	4.00	24.54%	0.04	4.32
Peer average⁽⁴⁾:	-	-	-	-	9.93	-	5.33%	-	0.78

n.m. = not meaningful. ⁽¹⁾ & ⁽²⁾ Trailing Twelve-Months ("TTM"). ⁽³⁾ Most recent financial statement. ⁽⁴⁾ Peer average P/E includes only those of Sasseur REIT & Parkson, as the P/E multiple of CLCT seems anomalous while that of BHG is negative thus not meaningful. Peer average yield & P/B exclude Parkson, whose yield & P/B multiple seem anomalous and non-representative of Metro's likely yield & P/B multiple.

Source: SGX Stock Screener, respective companies, FPA

(a) P/E multiple

Based on **Exhibit 98**, Metro's TTM EPS (in cents) is negative 27.15. As its P/E multiple is thus negative (and not meaningful), we shall exclude P/E multiple from our peer comparison analysis.

(b) P/B multiple

Based on **Exhibit 98**, Metro is currently trading at a P/B multiple of 0.32x, which is lower than the peer average P/B of 0.78x. This suggests that Metro is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S\$1.100 if Metro is to trade at the peer average P/B of 0.78x as follows:

$$\begin{aligned}
 \text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per share} \\
 &= 0.78 \times \text{S\$1.40} \\
 &= \text{S\$1.100}
 \end{aligned}$$

The estimated target price of S\$1.100 represents an upside potential of 147.2% from the current share price of S\$0.445.

(c) Dividend yield

Based on **Exhibit 98**, Metro's current dividend yield of 4.49% is less attractive than the peer average yield of 5.33%. This suggests that Metro is overvalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.375 if Metro is to trade at the peer average yield of 5.33% as follows:

$$\begin{aligned}
 \text{Estimated target price (dividend yield)} &= \frac{\text{Current yield}}{\text{Peer average yield}} \times \text{Current share price} \\
 &= \frac{4.49\%}{5.33\%} \times \text{S\$0.445} \\
 &= \text{S\$0.375}
 \end{aligned}$$

The estimated target price of S\$0.375 represents a downside potential of 15.7% from the current share price of S\$0.445.

(d) Target price

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 our estimated target prices based on P/B multiple and yield, we derive an overall target price of S\$0.738 as follows:

$$\begin{aligned}\text{Overall target price} &= \frac{1}{2} \times [\text{Est. target price (P/B multiple)} + \text{Est. target price (yield)}] \\ &= \frac{1}{2} \times [\text{S\$1.100} + \text{S\$0.375}] \\ &= \text{S\$0.738}\end{aligned}$$

The overall target price of S\$0.738 represents an upside potential of 65.8% from the current share price of S\$0.445.

While the upside potential of 65.8% may seem attractive, the overall target price was lifted mainly by Metro's lower-than-peer-average P/B multiple. Metro's P/B multiple may be lower than the peer average as the market may be expecting further fair value losses in Metro's interest in Chinese properties (as compared with Metro's peers). For instance:

- Metro recorded the carrying value of its interest in Top Spring as S\$152.7 million as at end-FY2025. In contrast, Metro also disclosed that the market value of "Market value of quoted shares" (i.e., Top Spring's shares) was S\$16.2 million (10.6% of S\$152.7 million) as at end-FY2025. If Metro had recorded the carrying value as S\$16.2 million, we estimate that its NAV per share as at end-FY2025 would have been S\$1.24 (current P/B of 0.36x) instead.
- In the absence of renewal, the lease of MCSH expires in 4 years. During the AGM held in July 2025, the Group CEO noted that the "fair value loss of MCSH is increasing as there are only 4 years remaining lease and the property has fully depreciated." Metro's carrying value of its MCSH interest (hence NAV per share) may thus fall further after FY2025.

Accordingly, the upside potential of Metro's share price may not be as high as implied by our peer comparison analysis (65.8%).

For reference, we include the historical share prices & valuation metrics (1H FY2021 to 2H FY2025) as shown in **Exhibit 99**. We note that Metro's P/B multiple has been falling from 0.41x after the release of 1H FY2021 results to 0.33x after the release of 2H FY2025 results, which may suggest that expectations of further fair value/impairment losses have been rising over time.

Exhibit 99: Historical Share Prices & Valuation Metrics (1H FY2021 to 2H FY2025)

Period	Results release date	Share price (S\$) ⁽¹⁾	Diluted EPS (cents)	TTM EPS (cents)	P/E multiple	DPS (cents)	TTM DPS (cents)	Dividend yield	NAV per share (S\$)	P/B multiple
2H FY2025	23 May '25	0.460	(27.55)	(27.15)	(1.7x)	2.00	2.00	4.35%	1.40	0.33x
1H FY2025	13 Nov '24	0.490	0.40	1.17	42.0x	-	2.00	4.08%	1.67	0.29x
2H FY2024	24 May '24	0.525	0.77	1.76	29.9x	2.00	2.00	3.81%	1.72	0.30x
1H FY2024	14 Nov '23	0.608	0.99	1.99	30.6x	-	2.25	3.70%	1.72	0.35x
2H FY2023	26 May '23	0.632	1.00	3.04	20.8x	2.25	2.25	3.56%	1.76	0.36x
1H FY2023	11 Nov '22	0.747	2.04	2.69	27.8x	-	3.00	4.02%	1.84	0.41x
2H FY2022	27 May '22	0.775	0.65	2.86	27.1x	3.00	3.00	3.87%	1.91	0.41x
1H FY2022	10 Nov '21	0.772	2.21	4.26	18.1x	-	2.25	2.91%	1.89	0.41x
2H FY2021	25 May '21	0.664	2.05	4.44	15.0x	2.25	2.25	3.39%	1.86	0.36x
1H FY2021	12 Nov '20	0.738	2.39	3.75	19.7x	-	2.00	2.71%	1.80	0.41x
Maximum					42.0x			4.35%		0.41x
Minimum					15.0x			2.71%		0.29x
Average (excl. values ≤ 0)					25.6x			3.64%		0.36x

⁽¹⁾ Share price based on seven days after results release date to account for price movements after results release.

Source: Metro, FPA

(II) POTENTIAL METRO PRIVATISATION

However, a potential privatisation of Metro may provide upside potential for Metro's share price.

We note that:

- Ong Sek Hian (Wang ShiXian), one of the grandchildren of Metro's late founder, holds 35.7% total interest in Metro as at 28 August 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 0.32x, which represents a discount of approximately 68% to NAV.

Accordingly, we consider possibility of a privatisation offer by Ong Sek Hian (Wang ShiXian).

To estimate the potential privatisation cost for Metro, we review the recent privatisation offers for SGX-listed companies as shown in **Exhibit 100**. We note that the average price premium of the selected privatisation offers was 25.1%.

Ong Sek Hian (Wang ShiXian) holds 35.7% total interest in Metro. Thus, Ong Sek Hian (Wang ShiXian) would need to acquire the remaining 64.3% total interest to privatise Metro. At the market capitalisation of S\$368.5 million as at 1 September 2025, this equates to S\$236.8 million (S\$368.5 million × 64.3%).

Based on the average price premium of the selected privatisation offers, we also estimate that any privatisation offer may need to have a price premium of 25.1% from the current share price of S\$0.445 to have a chance to be successful. Thus, Ong Sek Hian (Wang ShiXian) may need to offer a minimum offer price of S\$0.557 (at the full privatisation cost of S\$296.3 million).

Exhibit 100: Privatisation Offers for SGX-listed Companies

Target	Code	Acquirer	Currency	Last undisturbed price		Offer price per share	Price premium
				Date	Price		
Singapore Paincare Holdings Ltd	FRQ	Advance Bridge Healthcare Pte Ltd	SGD	26 May '25	0.126	0.160	27.0%
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%
Amara Holdings	A34	DRC Investments Pte. Ltd.	SGD	23 Apr '25	0.705	0.895	27.0%
Sinarmas Land	A26	Lyon Investments Limited	SGD	24 Mar '25	0.275	0.375	36.4%
Average							25.1%

Note: "Last undisturbed price" based on the last available share price before takeover announcement.

Source: respective companies, SGX Stock Screener, FPA

POTENTIAL CATALYSTS

(I) UNWINDING OF U.S. TARIFFS

On 30 August 2025, the Financial Times (“FT”) reported that “A US appeals court has found most of the Trump administration’s sweeping tariffs to be unlawful, but agreed to leave them in place while the White House pursued a further appeal to the Supreme Court.” FT added, “In a 7-4 ruling handed down on Friday, the court upheld a decision that found many of the tariffs imposed exceeded Trump’s presidential authority. However, the panel agreed not to put the ruling into effect until October 14 to give the administration time to appeal to the high court.”

Should the Trump administration fail its appeal to the Supreme Court, the U.S. may unwind the tariffs. Accordingly, the global economic outlook may improve.

As mentioned on page 23, Savills noted in July 2025 that office leasing demand in Guangzhou “remained subdued in Q2/2025 as occupiers across the city broadly implemented more strict cost-saving strategies for real estate expenses against the backdrop of uncertain tariff policies and the challenging global trade environment since April 2025.” The rent & valuation of Metro’s properties located in Guangzhou (e.g., GIE Tower) as well as those in other cities like Shanghai (e.g., Shanghai Plaza & Bay Valley) may thus improve.

(II) WRITE-BACK OF FAIR VALUE LOSSES

Metro’s profit/loss before tax fell by S\$235.6 million from a profit of S\$8.8 million in 2H FY2024 to a loss of S\$226.8 million in 2H FY2025. The main reason was the rise in fair value losses on investment properties of associates & joint ventures. Metro’s share of fair value losses of associates & joint ventures rose by S\$121.9 million from S\$25.6 million in 2H FY2024 to S\$147.4 million in 2H FY2025. The rise in fair value losses was mainly attributable to properties located in China.

Metro added that “Top Spring International Holdings Limited, our co-investments with BentallGreenOak and our other China investment properties will continue to be subject to the persistent market headwinds in China and Hong Kong.”

We note that the fair value losses were non-cash losses; thus, they may be written back should there be an earlier-than-expected recovery in the Chinese property market (e.g., due to a potential unwinding of U.S. tariffs). Should the fair value losses be written back, Metro’s profit after tax would rise.

(III) EXTENSION OF LEASE AT METRO CITY, SHANGHAI (“MCSH”)

During the AGM held in July 2025, the Group CEO noted that the “fair value loss of MCSH is increasing as there are only 4 years remaining lease and the property has fully depreciated.” However, the Group CEO added that if Metro “manages to extend the lease for MCSH, the valuation will then increase at that time.” Accordingly, Metro’s net assets would rise.

INVESTMENT RECOMMENDATION

We consider the possibility of a privatisation offer for Metro given that: (1) Ong Sek Hian (Wang ShiXian), one of the grandchildren of Metro's late founder, holds 35.7% total interest in Metro as at 28 August 2025; (2) 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); and (3) Metro's current P/B multiple is 0.32x, which represents a discount of approximately 68% to NAV.

Based on our selected recent privatisation offers, we note that the average price premium of the offers was 25.1%. Accordingly, we estimate that any privatization offer may need to have a price premium of 25.1% from the current share price of S\$0.445 to have a chance to be successful. Thus, we estimate our overall target price to be S\$0.557 as follows:

$$\begin{aligned}\text{Overall target price} &= \text{Current share price} \times (1 + \text{average privatisation offer price premium}) \\ &= \text{S\$0.445} \times (1 + 25.1\%) \\ &= \text{S\$0.557}\end{aligned}$$

The overall target price of S\$0.557 represents an upside potential of 25.1% from the current share price of S\$0.445.

Besides the upside potential being the average price premium of selected recent privatisation offers, the upside potential may be justified by the potential write-back of fair value losses should there be a recovery in the Chinese property market. Thus, should a privatisation offer or a near-term recovery in the Chinese property market be seen as likely, a buy recommendation may be warranted. However, there are risks to our target price which we discuss in the next section.

RISKS TO TARGET PRICE

(I) PROLONGED CHINESE PROPERTY MARKET DOWNTURN

In August 2025, The Straits Times (“ST”) (as syndicated from Bloomberg) reported that UBS Group “now expects a delay” in the recovery of China’s property market, “following a renewed sales slowdown in the second quarter.” ST cited “UBS’ head of China and Hong Kong property research” as saying that the recovery in “home prices in top-tier cities” is now anticipated to “happen in mid- to late 2026, unless Beijing introduces additional stimulus measures.”

ST also noted that, in the meantime, “Major Chinese developer stocks listed in Hong Kong are trading at just 0.25 times the book value of their assets on average, according to data compiled by Bloomberg.”

J.P. Morgan (“JPM”) noted in October 2024 that “With property accounting for 50-60% of household wealth (the single largest component on the asset side of the ledger), the property slump since 2021 following the peak of the property boom has significantly eroded household wealth, deterring consumption.” JPM added, “J.P. Morgan Economic Research estimates that a 10% decline in housing prices will drag household real consumption growth by about 1.5 percentage points.”

Thus, the prolonged downturn in China’s residential property market may continue to dampen consumption and hinder growth in the broader Chinese economy (including the Chinese office property market).

During the AGM held in July 2025, the Group CEO likewise acknowledged the challenges in the Chinese economy. The Group CEO noted that “PRC faces many structural challenges like export pressure, tariffs, industrial overcapacity etc.” as well as “a decline in foreign investment, high unemployment, fresh graduates are jobless and weak domestic consumption as no one is over spending.” Noting that the “real estate sector contributes approximately 25% to 30% of PRC’s GDP”, the Group CEO added that “everyone” is affected “as the value of their properties” is “declining.” The Group CEO also noted that “property prices, rental and occupancy rates also dropped.” Thus, companies with exposure to China “face operational issues and impairment losses” with many being unable to sell their properties “even at a deep discount.”

Accordingly, we note that the prolonged downturn may continue to hinder growth in rental income from & valuations of Metro’s Chinese properties, such as GIE Tower, Metro Tower, Bay Valley, and Shanghai Plaza. According to the Group CEO, “Metro Group has approximately 45% asset investment in PRC” as at July 2025.

The Group CEO noted too that one of its associates, Top Spring, “is undoubtedly facing difficulties in liquidity as they are not able to sell some of the properties and rental income is also lower.” The Group CEO mentioned that Metro intended to “work with TSI to tide them through this difficult period so that when PRC recovers, TSI will also recover.”

In Metro’s latest AR, Metro noted that “For the financial year ended 31 December 2024, the independent auditor’s report of TSI included an emphasis of matter on material uncertainty related to going concern.” Metro added that “TSI has incurred a net loss during the year and its current bank loans and other borrowings are in excess of its cash and cash equivalents and pledged cash as at 31 December 2024.”

In Top Spring’s latest AR, Top Spring noted that it had “challenges in realising cash from sale of its properties, securing additional financing, renewing existing bank facilities and borrowings and remitting funds from Chinese Mainland in a timely manner to meet its loan repayment obligations.”

We note that the carrying value of Top Spring comprises 44.3% of that of Metro’s Chinese associates at end-FY2025, as shown in **Exhibit 101**. Top Spring also owes Metro S\$115.7 million as at end-FY2025.

During the AGM held in July 2025, the Group CEO did note that “to the best of his knowledge, TSI’s banks have not indicated that they will stop supporting TSI or will recall the loans as at to-date.” The Group CEO also noted that Metro’s loan to Top Spring “is fully secured by three office buildings (Bay Valley) in Shanghai,” as well as “a piece of land in Fanling, Hong Kong”, which “is going to be used to develop residential housing in Hong Kong.”

Nonetheless, should TSI’s banks indicate that they “will stop supporting TSI or will recall the loans”, Top Spring may have to declare bankruptcy such that Metro may need to write-down its carrying value in Top Spring.

Exhibit 101: Amounts Attributable to Top Spring (FY2021 to FY2025)

(in S\$ '000)	Actual				
	FY2021	FY2022	FY2023	FY2024	FY2025
Carrying value of Top Spring	255,320	261,210	228,132	267,625	152,690
Loan to Top Spring (non-current)	135,460	135,460	135,460	-	-
Amounts attributable to Top Spring (non-current)	390,780	396,670	363,592	267,625	152,690
Loan to Top Spring (current)	-	-	-	135,460	115,671
Amounts attributable to Top Spring (current + non-current)	390,780	396,670	363,592	403,085	268,361
Share price of Top Spring (in HKD; from Investing.com)	1.22	0.86	1.01	0.50	0.32
Market value of quoted shares	48,204	33,980	38,984	26,662	16,159
Breakdown of associates:					
Amounts attributable to Top Spring (non-current)	390,780	396,670	363,592	267,625	152,690
Others (e.g., BGO Fund II, Bay Valley, and Shanghai Plaza)	172,849	281,095	267,817	263,371	192,206
Associates (PRC)	563,629	677,765	631,409	530,996	344,896
Associates (ASEAN + Australia + Others)	209,642	307,906	324,499	316,436	286,946
Associates	773,271	985,671	955,908	847,432	631,842
Amts attrib. to Top Spring (non-current) as % of associates (PRC)	69.3%	58.5%	57.6%	50.4%	44.3%
Amts attrib. to Top Spring (non-current) as % of associates (total)	50.5%	40.2%	38.0%	31.6%	24.2%

Source: Metro, FPA

(II) INABILITY TO RENEW LEASE OF MCSH

In Metro's latest AR, Metro noted that there were "4 years remaining" for the tenure of MCSH. During the AGM held in July 2025, the Group CEO noted that MCSH "is under Co-Operative Joint Venture ("CJV") then where the PRC government will contribute the land and Metro Group will contribute the capital." The Group CEO added, "Under CJV, contractually speaking, the building will be returned to the owner which is the Chinese partner when the lease expires in 2029."

The Group CEO also noted that "Metro Group has already initiated talks with the Chinese partner many years ago on how to extend the lease." In the meantime, the Group CEO mentioned that the "fair value loss of MCSH is increasing as there are only 4 years remaining lease and the property has fully depreciated." Should Metro not be able to extend the lease on MCSH, Metro may no longer derive a share of income from MCSH after lease expiry.

(III) COMMENCEMENT OF JOHOR BAHRU-SINGAPORE RAPID TRANSIT SYSTEM

During the AGM held in July 2025, the Group CEO noted that "With the commencement of Johor Bahru-Singapore Rapid Transit System ("RTS") Link slated to start operations in December 2026, it will take less than 10 minutes from Woodlands for Singaporeans to reach Johor Bahru ("JB") and do shopping at City Square, JB." The Group CEO further acknowledged that the "RTS will definitely affect the business at Metro Causeway Point ("MCWP") where MCWP has been there for 26 years".

In line with the Group CEO's comments, we note that retail revenue may fall below that projected by us should the RTS Link begin operations in December 2026 (2H FY2027).

(IV) RISING INSTABILITY IN INDONESIA

In September 2025, ST reported that "Indonesian authorities ramped up security on Sept 1 after six people were killed in unrest over lavish perks for lawmakers that escalated into violent anger at the nation's police force." ST noted that the "deadly protests, which began last week over MP housing allowances nearly 10 times the minimum wage in the capital Jakarta, have forced President Prabowo Subianto to make a U-turn over the measures."

ST added, "Protests have since spread from Jakarta to other major cities, in the worst unrest since Mr Prabowo took power, with more rallies planned on Sept 1 across Indonesia's vast archipelago."

Should the protests continue, the sales of property rights at Trans Park Juanda, Bekasi, and Trans Park Bintaro, both located in Greater Jakarta, Indonesia, may fall below that projected by us.

CORPORATE GOVERNANCE

(I) BOARD OF DIRECTORS

As at 7 July 2025, the Board comprises nine (9) directors:

- Tan Soo Khoon: Chairman, Non-Executive & Non-Independent
- Deborah Lee Siew Yin: Lead Independent Director
- Yip Hoong Mun: Group Chief Executive Officer (Group “CEO”)
- Gerald Ong Chong Keng: Director, Non-Executive & Non-Independent
- Ong Sek Hian (Wang ShiXian): Director, Non-Executive & Non-Independent
- Ng Ee Peng: Director, Non-Executive & Independent
- Soong Hee Sang: Director, Non-Executive & Independent
- Chan Boon Hui: Director, Non-Executive & Independent
- Christopher Tang Kok Kai: Director, Non-Executive & Independent

Ong Sek Hian (Wang ShiXian) is one of the grandchildren of Metro’s founder, the late Ong Tjoe Kim. Ong Sek Hian (Wang ShiXian) also holds 35.7% total (0.0% direct + 35.6% deemed) interest in Metro as at 28 August 2025, the largest total interest amongst substantial shareholders. As mentioned on page 27, the total interest of Ong Sek Hian (Wang ShiXian) rose by 2,633,600 shares from 13 to 28 August 2025. Based on Metro’s announcements, 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 noted in its latest AR that the Board “oversees the business affairs and sets overall corporate strategy and direction of the Group.” Metro added that the Board is “collectively responsible for the long-term success of the Group.”

Metro also noted that the Board “is supported by the Nominating Committee (“NC”), Audit Committee (“AC”), Remuneration Committee (“RC”) and Investment Committee (“IC”) (collectively, the “Board Committees”).

Nominating Committee (“NC”):

The NC comprises three (3) directors:

- Deborah Lee Siew Yin: NC Chairman, Lead Independent Director
- Tan Soo Khoon: Board Chairman, Non-Executive & Non-Independent
- Soong Hee Sang: Director, Non-Executive & Independent

Audit Committee (“AC”):

The AC comprises four (4) directors:

- Deborah Lee Siew Yin: AC Chairman, Lead Independent Director
- Gerald Ong Chong Keng: Director, Non-Executive & Non-Independent
- Ng Ee Peng: Director, Non-Executive & Independent
- Chan Boon Hui: Director, Non-Executive & Independent

Remuneration Committee (“RC”):

The RC comprises three (3) directors:

- Soong Hee Sang: Director, Non-Executive & Independent
- Chan Boon Hui: Director, Non-Executive & Independent
- Ng Ee Peng: Director, Non-Executive & Independent

Investment Committee (“IC”):

The IC comprises six (6) directors:

- Tan Soo Khoon: IC & Board Chairman, Non-Executive & Non-Independent
- Yip Hoong Mun: Group CEO
- Gerald Ong Chong Keng: Director, Non-Executive & Non-Independent
- Ong Sek Hian (Wang ShiXian): Director, Non-Executive & Non-Independent
- Soong Hee Sang: Director, Non-Executive & Independent
- Christopher Tang Kok Kai: Director, Non-Executive & Independent

SUSTAINABILITY INFORMATION

Sustainability governance:

Metro noted that the Board “holds ultimate responsibility for the Group’s climate-related risks and opportunities” and “oversees the development of” Metro’s sustainability strategy “by considering climate-related factors and approving the resources needed for effective management of climate strategies.” Metro also noted that the Board “is supported by the Sustainability Steering Committee (“SSC”), whose role is to assist the Board in the strategic management of climate-related risks and opportunities.”

Metro’s sustainability governance structure is shown in **Exhibit 102**.

Exhibit 102: Sustainability Governance Structure

Figure 3: Metro's Sustainability Governance Structure



Source: Metro

Stakeholder engagement:

Metro noted that it engaged its stakeholders as shown in **Exhibit 103**.

Exhibit 103: Stakeholder Engagement

Table 3: Metro’s Stakeholder Engagement

Stakeholder Group	Key Needs and Interests of Stakeholder Group	Metro’s Response	Methods of Engagement	Frequency of Engagement
<p>Retail Shoppers and Visitors Customer satisfaction is key to Metro’s business and Metro strives to enhance customer experience by tailoring our offerings to best meet their needs.</p>	<ul style="list-style-type: none"> Health, safety and security at properties Customer satisfaction Quality of products sold Cybersecurity and data privacy 	<ul style="list-style-type: none"> Review of health and safety measures across all properties Differentiating product and service offerings Service recovery / prompt response and feedback provided to customers Implementation of measures to manage personal data protection and cybersecurity 	<ul style="list-style-type: none"> Customer feedback (via RateIt Portal, Metro’s website, phone call, Facebook, WhatsApp, Instagram and email) Dedicated customer service counter Face-to-face interactions in-store on sales floor Loyalty programmes Networking events 	<ul style="list-style-type: none"> Ongoing Daily Daily Ongoing As appropriate
<p>Tenants Customer satisfaction is key to Metro’s business and Metro strives to enhance customer experience by tailoring our offerings to best meet their needs.</p>	<ul style="list-style-type: none"> Health, safety and security at properties Tenant satisfaction Quality of assets and services 	<ul style="list-style-type: none"> Health and safety measures implemented across all properties Regular maintenance of all properties 	<ul style="list-style-type: none"> Tenant satisfaction survey (through survey form and face-to-face interview) Correspondence through email and calls Meetings Management-Union Dialogue 	<ul style="list-style-type: none"> Biannually Ongoing As appropriate Bi-annually (Retail)
<p>Employees The health, safety, competencies, welfare and professional development of employees are fundamental to Metro’s performance and key to enhancing human capital.</p>	<ul style="list-style-type: none"> Provision of fair remuneration, compensation and benefits Opportunities for career development and progression Participation in training and skills upgrading programmes Having a safe and healthy working environment Cybersecurity and data privacy 	<ul style="list-style-type: none"> Open-door policy for employees to provide feedback Providing learning and development programmes for employees Sponsorships for selected employees to further their education Implementation of health and safety measures at the workplace 	<ul style="list-style-type: none"> Employee orientation On-the-job training Performance reviews and appraisals for all employees Workshops for both technical and soft skills development 	<ul style="list-style-type: none"> Ongoing (Retail) Ongoing (Retail and Property) Ongoing (Corporate) Weekly, monthly, quarterly and yearly reviews (Retail and Property) As appropriate (Corporate)
<p>Employees (Continued) The health, safety, competencies, welfare and professional development of employees are fundamental to Metro’s performance and key to enhancing human capital.</p>		<ul style="list-style-type: none"> Implementation of measures to manage personal data protection and cybersecurity 	<ul style="list-style-type: none"> Employee engagement events (festive celebrations; Metro Staff Recreation Club; Workplace Safety & Health Committee) Participation in Workgroup Meetings, Email correspondence 	<ul style="list-style-type: none"> Ongoing (Retail) Ongoing
<p>Suppliers and Business Associates Suppliers play a vital role in supporting Metro towards continuous and sustainable growth.</p>	<ul style="list-style-type: none"> Receipt of timely payments Regulatory compliance 	<ul style="list-style-type: none"> Timely and transparent communication with suppliers / business associates Stringent selection of suppliers to ensure compliance with company standards, and laws and regulations 	<ul style="list-style-type: none"> Correspondence through calls, emails and video conferences Face-to-face meetings to feedback on performance 	<ul style="list-style-type: none"> Ongoing Ongoing
<p>Investors, Shareholders, Analysts and Media Stakeholders and investors guide and influence Metro’s operations and decision-making.</p>	<ul style="list-style-type: none"> Economic performance Growth strategy and future outlook 	<ul style="list-style-type: none"> Timely and transparent disclosure on a dedicated Investor Relations website Strategies to achieve sustainable returns for investors and shareholders 	<ul style="list-style-type: none"> Annual Report and Sustainability Report Annual General Meeting (“AGM”) SGXNet announcements and press releases Analysts’ and media briefing Correspondence through calls and emails 	<ul style="list-style-type: none"> Annually Annually As appropriate Annually As appropriate
<p>Regulators Understanding and staying in compliance with all applicable laws and regulations ensures Metro is licensed to operate.</p>	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Uphold highest levels of corporate governance Compliance with all relevant laws and regulations Promote communication with authorities 	<ul style="list-style-type: none"> Meetings with authorities Attendance at seminars and workshops organised by regulatory bodies Pledge to support Securities Investors Association (Singapore) Corporate Governance Week 	<ul style="list-style-type: none"> As appropriate As appropriate As appropriate
<p>The Community Through the spaces we own or manage, we interact and endeavour to contribute and guide our communities in a sustainable manner.</p>	<ul style="list-style-type: none"> Responsible management of impacts on the community Provision of assistance to the community 	<ul style="list-style-type: none"> Involvement in and contributions to Corporate Social Responsibility initiatives 	<ul style="list-style-type: none"> Community outreach programmes Sponsorships (monetary and in-kind) 	<ul style="list-style-type: none"> Ongoing As appropriate

Source: Metro

Materiality assessment:

Metro noted that it re-assessed its material Economic, Environmental, Social, and Governance (“EESG”) matters in FY2025 and plotted its materiality matrix as shown in **Exhibit 104**.

Exhibit 104: Materiality Assessment

Figure 1: Materiality Assessment Process

1	<p>Identification</p> <p>A list of potential EESG matters was consolidated by external consultants through interviews with key management personnel across various departments and a desktop analysis of sustainability matters reported by peers in both the retail and property industries.</p>
2	<p>Prioritisation</p> <p>The identified EESG matters were evaluated and prioritised by representatives from both Property and Retail Divisions, taking into consideration both internal and external stakeholders’ perspectives. Subsequently, they were aligned at the Corporate level for consistency across the Group and validated by Management.</p>
3	<p>Validation</p> <p>The final list of material matters for the FY2025 Sustainability Report was presented to the Board for their validation and approval.</p>

Figure 2: Metro's Materiality Matrix



* Emerging Topics include: Green Building Certification; Responsible Supply Chain; Waste; and Water

Source: Metro

Metro identified its list of material EEG matters as shown in **Exhibit 105**. Economic performance is covered in our financial review & financial projections sections.

Exhibit 105: Material Matters

Table 4: Mapping of Material Matters to GRI Standards Disclosures

	Material EESG Matter	Category	Relevant GRI TOPIC Disclosure(s)	UN SDGS	Relevant section(s) in this report
1	Economic Performance	Economic	<ul style="list-style-type: none"> 3-3 Management of material topics 201 Economic Performance 		3.0
2	Energy Usage and Associated Greenhouse Gas ("GHG") Emissions	Environment	<ul style="list-style-type: none"> 3-3 Management of material topics 302 Energy 2016 305 Emissions 2016 		4.2
3	Talent Management and Development	Social	<ul style="list-style-type: none"> 2-7 Employees 2-8 Workers who are not employees 3-3 Management of material topics 401 Employment 2016 404 Training and Education 2016 	   	5.1
4	Customer Satisfaction	Social	<ul style="list-style-type: none"> 3-3 Management of material topics 	 	5.2
5	Health and Safety of Stakeholders ⁴	Social	<ul style="list-style-type: none"> 3-3 Management of material topics 403 Occupational Health and Safety 2018 416 Customer Health and Safety 2016 	  	5.4
6	Corporate Governance	Governance	<ul style="list-style-type: none"> 2-12 Role of the highest governance body in overseeing the management of impacts 2-16 Communication of critical concerns 2-23 Policy commitments 2-24 Embedding policy commitments 2-25 Processes to remediate negative impacts 2-26 Mechanisms for seeking advice and raising concerns 2-27 Compliance with laws and regulations 3-3 Management of material topics 205 Anti-corruption 2016 	  	2.4, 6.0
7	Cyber Readiness and Data Privacy	Governance	<ul style="list-style-type: none"> 3-3 Management of material topics 418 Customer Privacy 2016 		6.2

Source: Metro

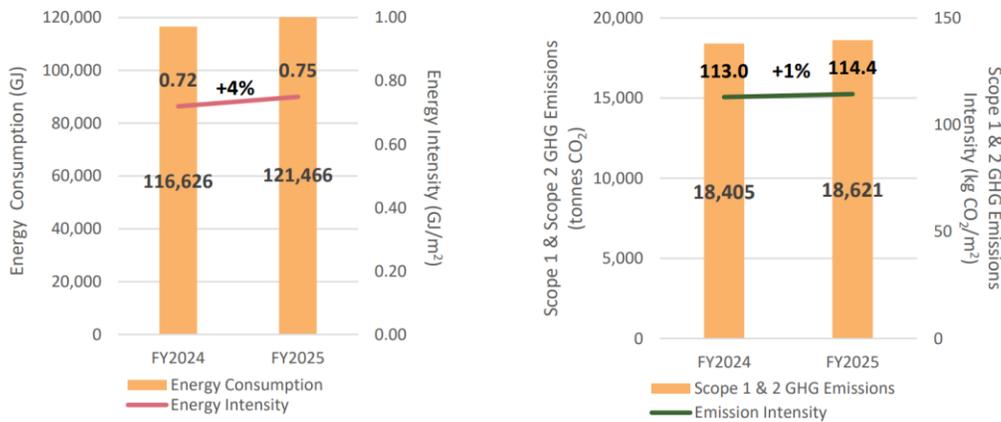
(I) ENVIRONMENTAL

(a) Energy Usage & Associated Greenhouse Gas (“GHG”) Emissions

Metro noted that the total energy consumption (intensity) for GIE Tower, Metro City, and Metro Tower rose by 4.2% from 116,626 GJ (0.72 GJ/m²) in FY2024 to 121,466 GJ (0.75 GJ/m²) in FY2025, as shown in **Exhibit 106**, “mainly due to higher tenant consumption.” However, as there was “lower amount of refrigerant used in the top-up of air-conditioning systems” in FY2025, emissions (& emission intensity) rose less-than-proportionally by 1.2% from 18,405 tonnes CO₂ (113.0 kg CO₂/m²) in FY2024 to 18,621 tonnes CO₂ (114.4 kg CO₂/m²) in FY2025.

Exhibit 106: Energy & Emissions Intensities for China Properties (FY2024 & FY2025)

Figure 4: Energy Consumption & intensity and Scope 1 and Scope 2 GHG Emissions¹⁰ & intensity for China Properties

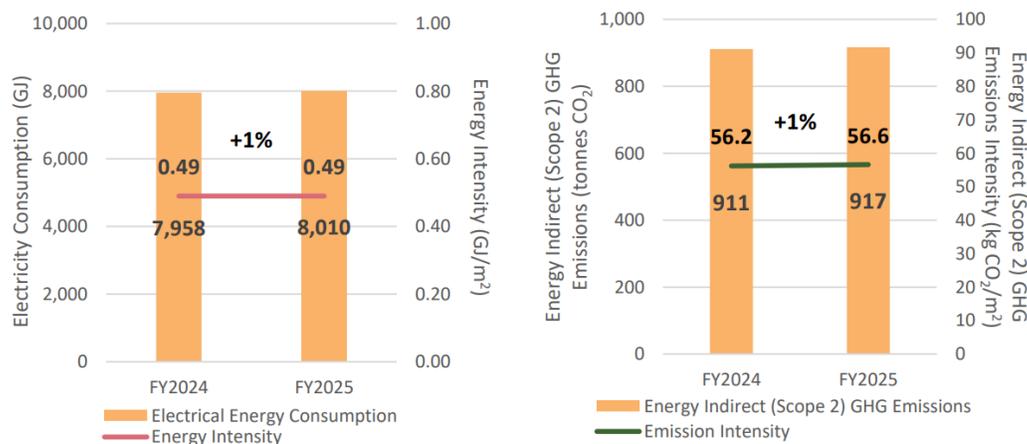


Source: Metro

Meanwhile, the total energy consumption (intensity) of Metro’s Corporate Office & Retail Division rose by 0.7% from 7,958 GJ (0.49 GJ/m²) in FY2024 to 8,010 GJ (0.49 GJ/m²) in FY2025, as shown in **Exhibit 107**, “mainly due to higher consumption at Metro Causeway Point.” Accordingly, emissions (& emission intensity) rose by 0.7% from 911 tonnes CO₂ (56.2 kg CO₂/m²) in FY2024 to 917 tonnes CO₂ (56.6 kg CO₂/m²) in FY2025.

Exhibit 107: Energy & Emissions Intensities for Singapore Corporate Office & Retail Division (FY2024 & FY2025)

Figure 5: Total Energy Consumption & Intensity and Energy Indirect (Scope 2) GHG Emissions & Intensity for Singapore Corporate Office and Retail Division



Source: Metro

(II) SOCIAL

(a) Talent Management & Development

Metro's headcount fell by 1.3% from 467 employees in FY2024 to 461 employees in FY2025. Most of Metro's employees are hired on a full-time basis, as shown in **Exhibit 108** (third chart). Metro also noted that a "significant portion of the Chinese employees are hired on a fixed-term contract, which is a common employment practice in China." Metro added that "all employee" (i.e., including fixed-term contract workers) "are still provided with the same benefits as mandated by the Social Insurance Law of the People's Republic of China, regardless of their employment type."

Exhibit 108: Breakdown of Metro's Workforce (FY2024 & FY2025)

Figure 6: Breakdown of Employees by Gender and Region

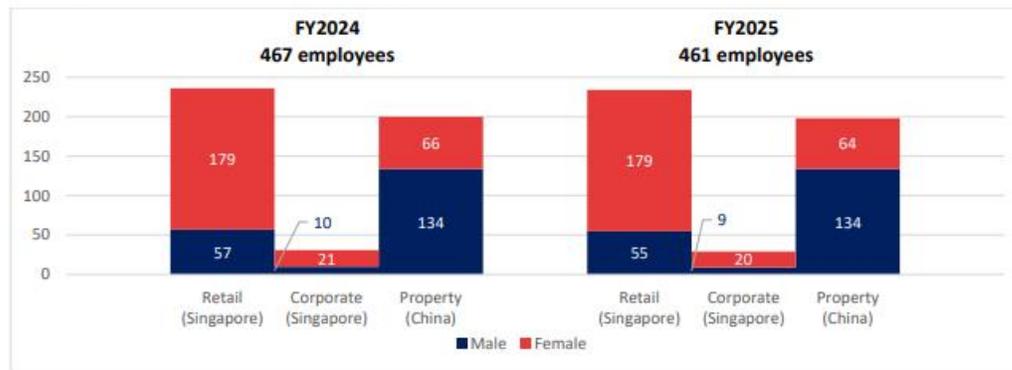


Figure 7: Breakdown of Employees by Employment Contract¹³ and Region

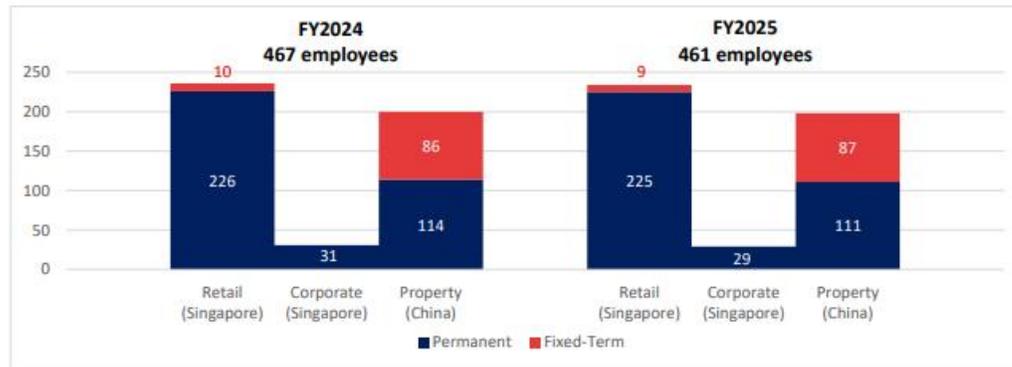


Figure 8: Breakdown of Employees by Employment type¹³ and Region



Source: Metro

To engage and motivate its workforce, Metro noted that it “continuously invest in training and development.” The internal & external trainings provided for the China Property Division Employees are shown in **Exhibit 109**.

Exhibit 109: Internal & External Trainings for China Property Division Employees

Table 8: Types of Internal and External Trainings conducted for Employees

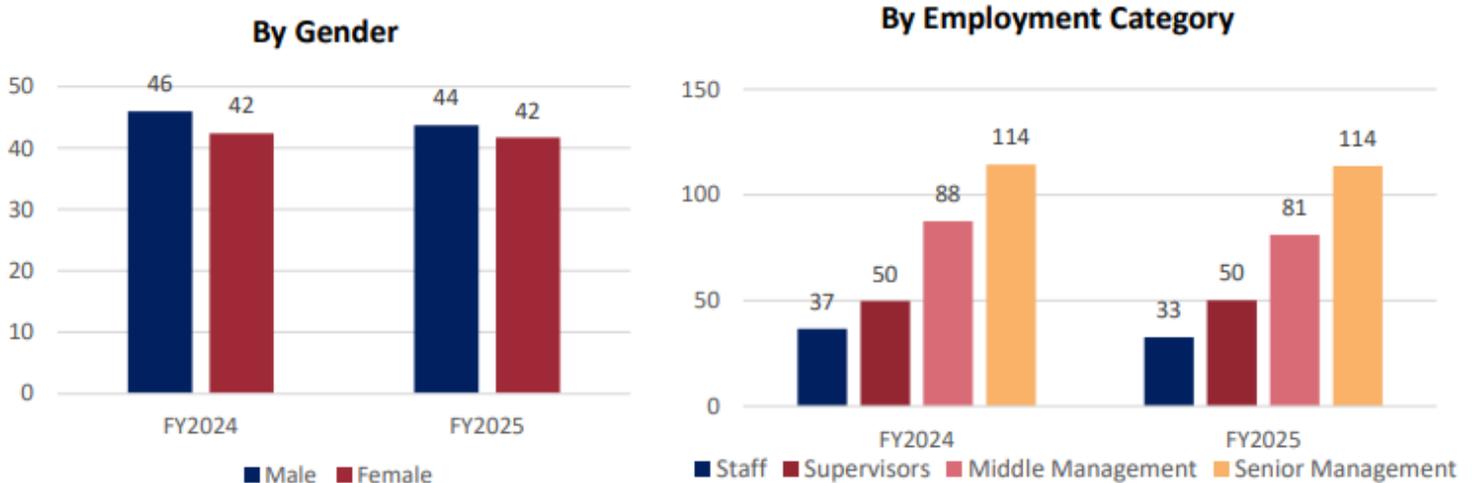
Internal	<ul style="list-style-type: none"> • Mandatory Induction Training <ul style="list-style-type: none"> ○ A general company-wide training will be held for all new hires ○ Department-specific trainings will be held thereafter
	<ul style="list-style-type: none"> • Specialised/Focused Training <ul style="list-style-type: none"> ○ Various topics covering safe management measures, energy management and social aspects are held for employees ○ Topics will be updated annually
	<ul style="list-style-type: none"> • Occupational Health and Safety Training <ul style="list-style-type: none"> ○ Various activities organised to create employee awareness on health and safety
External	<ul style="list-style-type: none"> • Technical Skills Training <ul style="list-style-type: none"> ○ External training vendors will be engaged to conduct specialised training in areas such as security, equipment maintenance, mall and property management as well as organisational- and managerial-capability building when required

Source: Metro

The average training hours per male Shanghai employee fell by 4.3% from 46 hours in FY2024 to 44 hours in FY2025, as shown in **Exhibit 110**, while the average training hours per female Shanghai employee remained at 42 hours from FY2024 to FY2025.

Exhibit 110: Average Training Hours per Shanghai Employee (FY2024 & FY2025)

Figure 9: Average Training Hours Per Employee by Gender and Employment Category for Employees in Shanghai

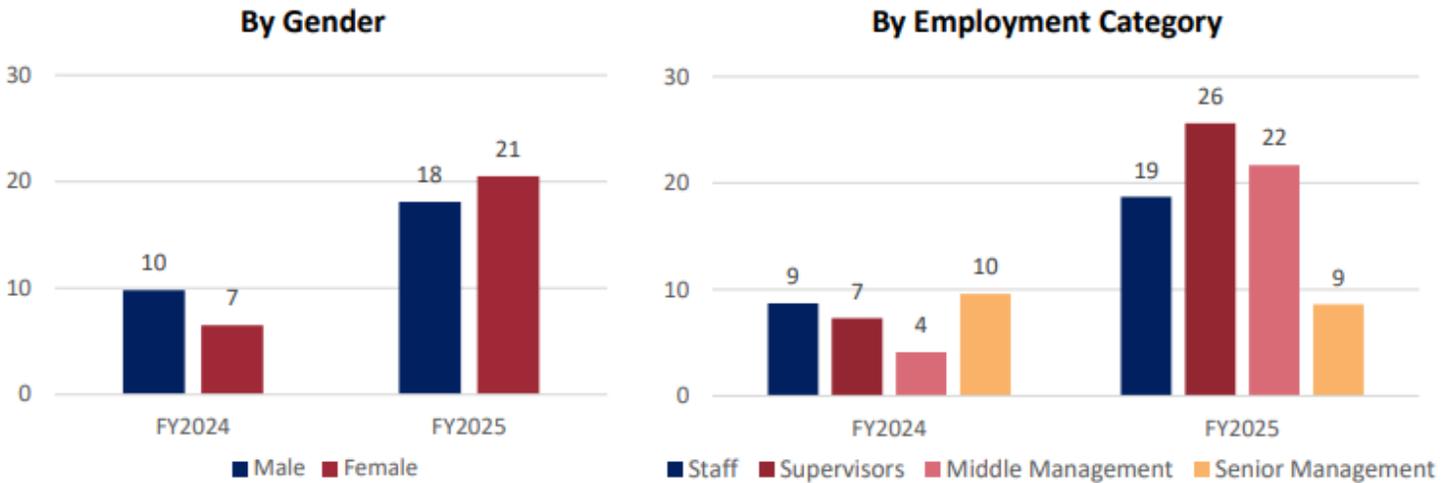


Source: Metro

However, the average training hours per Singapore male (female) employee rose by 80.0% (200.0%) from 10 hours (7 hours) in FY2024 to 18 hours (21 hours) in FY2025, as shown in **Exhibit 111**. Metro noted that its Retail Division employees “attended in-house and external training that included: transforming customer experience and elevating service standards; retail management; merchandising; cybersecurity; and HR policies on grievance mechanisms and workplace harassment.”

Exhibit 111: Average Training Hours per Singapore Employee (FY2024 & FY2025)

Figure 10: Average Training Hours per Employee by Gender and Employment Category for Singapore (Corporate and Retail Division)



Source: Metro

(b) Customer Satisfaction

Metro noted that, in FY2025, it “managed to surpass the customer satisfaction survey targets for Metro City, Metro Tower and GIE Tower” as shown in **Exhibit 112**.

Exhibit 112: Customer Satisfaction Survey Results for China Properties

Table 9: FY2025 Customer Satisfaction Survey Performance

Survey Group	Perpetual Target	Results for FY2025	Actions Taken in the Reporting Year
Shanghai			
Tenants in Metro Tower	98%	99.5%	<ul style="list-style-type: none"> ▪ Completed rectification of window-related water leakages ▪ Revamped amenities in pantries ▪ Rectified elevator issues
Tenants in Metro City	98%	99.9%	<ul style="list-style-type: none"> ▪ Enhancement of brand linkage and membership activities to improve customer traffic and publicity
Consumers	88%	93.6%	<ul style="list-style-type: none"> ▪ Improve vehicle parking system ▪ Improve hygiene standards for toilets ▪ Enhance tenant mix to offer greater variety and attract younger shopper demographics ▪ Provision of self-service lockers and mobile phone charging points
Guangzhou			
Tenants in GIE Tower	90%	99.2%	<ul style="list-style-type: none"> ▪ Identified and reviewed issues with customer satisfaction based on tenant feedback so that such issues could be promptly addressed

Source: Metro

Meanwhile, for its retail division, Metro noted its customer engagement efforts as shown in **Exhibit 113**.

Exhibit 113: Customer Engagement Efforts for Retail Division

Table 10: FY2025 Enhancements to Product and Service Offerings

New Product and Service Offerings	Description
New traveller series introduced under K/WOODS exclusive private label	<ul style="list-style-type: none"> K/WOODS introduced its new traveller series of products to cater to the growing demand for stylish, functional fashion driven by resurgence in travel and evolving customer lifestyles
Metro as a Preferred Destination for our Partners'/Brands' Product/Brand Awareness Events	<ul style="list-style-type: none"> Collaborated with international brands/partners on exclusive events in Singapore, including: <ul style="list-style-type: none"> Baifern (Thai actress and model) x SK-II event at Metro Paragon in August 2024 Sharon Chan (Hong Kong actress) x Lancôme event at Metro Paragon in October 2024 Estée Lauder Night Skin Science Center event at Metro Paragon in September 2024
New Payment Gateway	<ul style="list-style-type: none"> Partnership with dtcpay, a leading stablecoins payment solution in Singapore, enabling Metro's customers to pay with stablecoins like USDT (Tether) and USDC (USD Coin)

Source: Metro

Metro also noted that its Net Promoter Score ("NPS"; "an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others" according to Metro) rose by 9.5% from +74 points in FY2024 to +81 points in FY2025. Accordingly, Metro exceeded its target of +75 points in FY2025 as shown in **Exhibit 114**.

Exhibit 114: Net Promoter Score and Actions Taken

Table 11: FY2025 Performance and Actions Taken

Target for FY2025	Results for FY2025	Performance and Actions taken during the year	Summary of Customer/Shopper Feedback Received	Target for FY2026
NPS +75 points	NPS +81 points	<ul style="list-style-type: none"> Replaced password sign-ins for Metro Members with One-Time PIN ("OTP") sign-in via e-mail or SMS Commenced pilot of mobile point-of-sales ("POS") system at Metro Paragon since December 2024 Continued to be a destination for major product launches and partner events Continued to improve user experience at all our service touch points 	<ul style="list-style-type: none"> Positive feedback on service rendered by frontline store staff Areas highlighted for improvement include clarity on goods refund/exchange policy, terms and conditions of in-store promotions, and service staff availability 	Minimum of 4.5 stars on Google Reviews

Source: Metro

(c) Health & Safety of Stakeholders

Metro noted that, in FY2025, its China Property Division “maintained its perpetual target of zero fatalities and workplace injuries for our employees in China”, as shown in **Exhibit 115**.

Exhibit 115: Occupational Health & Safety Statistics for China Property Division**Table 12: Occupational Health and Safety Statistics for China (Property Division)**

	Employees	
	FY2024	FY2025
Number of Injuries	0	0
Injury Rate ¹⁵	0	0
Number of High-Consequence ¹⁶ Injuries	0	0
Rate of High-Consequence Injuries ¹⁶	0	0
Number of Fatalities	0	0
Fatality Rate	0	0
Incidence of Occupational Diseases	0	0
Occupational Disease Rate	0	0
Number of Hours Worked	416,032	426,976

Source: Metro

However, it recorded two injuries in FY2025, as shown in **Exhibit 116**. Metro noted that, for the two injuries recorded in FY2025, it has “promptly implemented corrective and preventive actions to prevent the recurrence of these incidents”.

Exhibit 116: Occupational Health & Safety Statistics for Singapore

Table 13: Occupational Health and Safety Statistics for Singapore (Corporate and Retail Division)

	Employees	
	FY2024	FY2025
Number of Injuries	3	2
Injury Rate (“IR”)	1.0	0.7
Number of High-Consequence Injuries	0	0
Rate of High-Consequence Injuries	0	0
Number of Fatalities	0	0
Fatality Rate	0	0
Incidence of Occupational Diseases	0	0
Occupational Disease Rate	0	0
Number of Hours Worked	577,022	606,579

Figure 12: Summary of Injury Cases for FY2025

FY2025		
Number of Injuries Sustained by Employees	Description of Injuries	Corrective Measures
2	A sales associate injured her arm while transporting a platform fixture with the use of a trolley inside the store. The associate had been holding on to the platform while moving it with the trolley but released her hands momentarily to open a door, which led to the platform falling and hitting her arm.	Employees were briefed and reminded that they should ensure that items transported using a trolley should first be stable and properly secured, e.g. tied or bound to prevent toppling.
	An associate accidentally slipped while trying to sit on a chair, which resulted in her losing her balance and falling to the ground.	Employees were briefed and reminded to hold onto the handrest of their chairs before sitting down.

Source: Metro

(III) GOVERNANCE**(a) Corporate governance**

Metro noted that “Strong corporate governance and business ethics are core to all successful enterprises.” Metro summarised its corporate governance policies as shown in **Exhibit 117**.

Metro noted that, for FY2025, “there were no cases of whistle blowing or fraud relating to the Metro Group“ received by the AC Chairman nor AC members. Metro also noted that there “were also no reported cases of internal theft under the Loss Control Incentive mechanism in the Retail Division, where we continue to emphasise on maintaining our track record of honesty and integrity to all employees during our morning briefings.”

Exhibit 117: Corporate Governance Policies

Table 14: Metro’s Policies

Policy	Description
Management Integrity Statement	This policy provides a guide on integrity at the workplace, covering topics such as conflicts of interest, especially for persons in a position of major responsibility ¹⁸ , so as to avoid situations of unintentional infringement of this policy. Management associates comprising of managers and executives are required to read and acknowledge his/her understanding of the Code of Conduct set forth herein; and acknowledgements are kept in their respective personnel files.
Whistle blowing Policy	This policy which is put in place by the Audit Committee allows staff and external parties to raise concerns about any possible improprieties in the organisations anonymously so that they will be protected from reprisals or victimisation. Arrangements are also put in place for independent investigations on cases to be conducted and for appropriate follow-up actions to be taken.
Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act or the “PSPM” Act	This policy provides a guide against money laundering and terrorism financing risk in compliance with the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 (“PSPM Act”).
Loss Control Incentive (Applicable to Retail Division only)	This policy provides cash incentives to staff and security personnel for reporting cases of internal theft.
Grievance Handling Policy	Metro is committed to a fair, efficient and equitable mechanism for employees to raise grievances arising in the workplace, with the aim of building an inclusive and harmonious workplace where employee voices are heard. This policy sets out the principles and grievance reporting and investigation procedures to provide for the prompt review and resolution of employee grievances (whether individual or group), either formally or informally at the lowest possible level.

Source: Metro

(b) Cybersecurity & data privacy

Metro summarised its policies on personal data protection & cybersecurity as shown in **Exhibit 118**.

Metro noted that, for FY2025, “there were no identified leaks, thefts or losses of customers data at our China Property Division, Retail Division or Corporate office.” Metro also noted that there “were also no substantiated complaints concerning breaches of customer privacy or loss of customer data received by our Retail Division or Corporate office.”

Exhibit 118: Policies on Personal Data Protection & Cybersecurity

Table 15: Metro’s Policies on Personal Data Protection and Cybersecurity

Policy	Description
Data Protection Policy	This policy ensures that our Retail Division has proper protocols and processes in place to safeguard the personal data of its customers in compliance with the applicable and relevant laws and regulations in Singapore, i.e. the Personal Data Protection Act 2012 (“PDPA”).
Privacy Policy	This policy ensures that there are proper protocols and processes in place to safeguard the personal data of individuals dealing with Metro Holdings Limited, in compliance with the PDPA.
Polices on Cybersecurity, Information Security and User Privacy	These policies ensure that our China Property Division has proper protocols and processes in place to safeguard cybersecurity, information security and the personal data of its customers in compliance with the applicable and relevant laws and regulations in China.

Source: Metro

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