



## METRO HOLDINGS LIMITED

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

### UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2004

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

	Group		% Change
	1st Qtr ended 30-June-2004 \$'000	1st Qtr ended 30-June-2003 \$'000	
Revenue	44,123	53,482	(17.50)
Cost of Revenue	<u>(39,349)</u>	<u>(43,315)</u>	(9.16)
Gross Profit	4,774	10,167	(53.04)
Other income including interest income	5,311	1,680	216.13
General and administrative expenses	<u>(3,801)</u>	<u>(3,196)</u>	18.93
Profit from operating activities	6,284	8,651	(27.36)
Finance costs	(678)	(1,439)	(52.88)
Share of associated companies' results	434	(247)	(275.71)
Profit from operating activities before taxation	6,040	6,965	(13.28)
Taxation	<u>(1,180)</u>	<u>(2,434)</u>	(51.52)
Profit from operating activities after taxation	4,860	4,531	7.26
Minority interests	<u>(112)</u>	<u>254</u>	(144.09)
Profit attributable to shareholders	<u><u>4,748</u></u>	<u><u>4,785</u></u>	(0.77)

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

	Group		% Change
	1st Qtr ended	1st Qtr ended	
	30-June-2004 \$'000	30-June-2003 \$'000	
Cost of sales and general and administrative expenses includes:-			
Depreciation	(2,110)	(2,190)	(3.65)
Foreign exchange gain / (loss)	83	(117)	(170.94)
Provision for obsolete inventory	(12)	(15)	(20.00)
Profit on disposal of property, plant and equipment	54	1	5,300.00
Other income including interest income includes:-			
Dividend from unquoted investment	417	-	n.m.
Interest income	1,634	110	1,385.45
Profit on disposal of short term investment	-	61	n.m.
Amortisation of discount on consolidation	217	217	-
Management and advisory fees	1,218	831	46.57
Other fee income from unquoted investment	889	-	n.m.

1a) ii) Taxation

	1st Qtr ended		% Change
	30-June-04	30-June-03	
Current Year Tax	1,994	1,591	25.33
Deferred Tax	(825)	779	(205.91)
Over provision in prior years	-	(91)	n.m.
Withholding tax	24	29	(17.24)
Share of associated companies tax	(13)	126	(110.32)
	<u>1,180</u>	<u>2,434</u>	(51.52)

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

Balance Sheets as at

	Group		Company	
	30-June-2004 \$'000	31-Mar-2004 \$'000	30-June-2004 \$'000	31-Mar-2004 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	131,527	135,004	7,813	7,856
Investment property	91,934	89,582	-	-
Subsidiary companies	-	-	361,880	358,239
Associated companies	104,243	102,587	24,857	24,048
Investments	43,006	6	-	-
Negative goodwill	(145)	(363)	-	-
	<u>370,565</u>	<u>326,816</u>	<u>394,550</u>	<u>390,143</u>
<b>Current assets</b>				
Development property	54,500	53,100	-	-
Inventories	16,383	15,213	-	-
Accounts receivable	41,689	41,724	421,149	380,136
Tax recoverable	762	762	761	761
Short term investments	30,004	29,239	-	-
Cash and bank balances	207,787	229,877	4,468	4,302
	<u>351,125</u>	<u>369,915</u>	<u>426,378</u>	<u>385,199</u>
<b>Current liabilities</b>				
Bank borrowings	30,379	32,550	-	-
Accounts payable	76,340	77,698	292,461	253,938
Provision for taxation	8,525	6,499	-	-
	<u>115,244</u>	<u>116,747</u>	<u>292,461</u>	<u>253,938</u>
<b>Net current assets</b>	235,881	253,168	133,917	131,261
<b>Non-current liabilities</b>				
Long-term bank borrowings	64,616	47,182	-	-
Other liabilities	-	-	-	-
Deferred taxation	9,664	10,351	1,271	1,247
	<u>(74,280)</u>	<u>(57,533)</u>	<u>(1,271)</u>	<u>(1,247)</u>
	<u>532,166</u>	<u>522,451</u>	<u>527,196</u>	<u>520,157</u>
<b>Shareholders' equity</b>				
Share capital	126,155	126,155	126,155	126,155
Reserves	401,041	394,002	401,041	394,002
	<u>527,196</u>	<u>520,157</u>	<u>527,196</u>	<u>520,157</u>
<b>Minority interests</b>	4,970	2,294	-	-
	<u>532,166</u>	<u>522,451</u>	<u>527,196</u>	<u>520,157</u>

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

Amount repayable in one year or less, or on demand

As at 30-June-2004		As at 31-Mar-2004	
Secured	Unsecured	Secured	Unsecured
29,192,217	1,187,000	29,257,390	3,293,000

Amount repayable after one year

As at 30-June-2004		As at 31-Mar-2004	
Secured	Unsecured	Secured	Unsecured
55,784,220	8,831,280	37,711,041	9,471,120

Details of any collateral

Leasehold property and development property with a net book value as at 30 June 2004 totalling \$121.123 million have been mortgaged to banks for banking facilities granted to subsidiaries and jointly controlled entities. Total loans drawn on such facilities as at 30 June 2004 amounted to \$29,670,241. A term loan is secured by the assignment of all revenues, rental and bank balances of a subsidiary company, subject to a limit of \$13,128,220 (equivalent to A\$11,060,000). Short term loan of HK\$93.5million (equivalent to S\$20,677,976) and long term loan of US\$12.5million (equivalent to S\$21,500,000) granted to subsidiaries were secured by S\$ equivalent fixed deposits.

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

Consolidated Cash Flow Statement for the period ended

	Group	
	1st Qtr ended 30-June-2004 \$'000	1st Qtr ended 30-June-2003 \$'000
<b>Cash flows from operating activities</b>		
Operating profit before reinvestment in working capital	6,458	8,713
Increase in inventories	(1,170)	(1,606)
Decrease in accounts receivable	1,733	47
Increase in short term investments	(765)	(490)
Decrease in accounts payable	(1,358)	(1,299)
Cash generated from operations	<u>4,898</u>	<u>5,365</u>
Interest expense paid	(678)	(1,439)
Interest and investment income received	368	110
Income taxes paid	(36)	(1,434)
Net cash provided by operating activities	<u>4,552</u>	<u>2,602</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(345)	(506)
Proceeds from sale of property, plant & equipment	54	3
(Increase)/decrease in amount owing by associated companies	(1,442)	194
Investment in long term investments - Shui On Land	(43,000)	-
Net cash used in investing activities	<u>(44,733)</u>	<u>(309)</u>
<b>Cash flows from financing activities</b>		
Draw down /(repayment ) of bank borrowings (net)	15,218	(11,312)
Receipt of minority interests' loans to subsidiary companies	2,829	162
Net cash provided by / (used in) financing activities	<u>18,047</u>	<u>(11,150)</u>
<b>Net decrease in cash and cash equivalents</b>	(22,134)	(8,857)
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>229,810</u>	<u>44,704</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u>207,676</u>	<u>35,847</u>

	Group	
	1st Qtr ended 30-June-2004 \$'000	1st Qtr ended 30-June-2003 \$'000
Reconciliation between profit from operating activities before taxation and exceptional items and operating profit before reinvestment in working capital:		
Profit from operating activities before taxation and exceptional items	6,040	6,965
Adjustments for:		
Interest expense	678	1,439
Depreciation of property, plant and equipment	2,110	2,190
Share of results of associated companies	(434)	247
Fixed assets written off	108	-
Profit on disposal of property, plant and equipment	(54)	(1)
Interest income	(1,634)	(110)
Investment income	(432)	-
Amortisation of discount on consolidation	(217)	(217)
Foreign exchange adjustments	293	(1,800)
Operating profit before reinvestment in working capital	<u>6,458</u>	<u>8,713</u>

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

Statement of Changes in Shareholders' Equity

	Group		Company	
	1st Quarter ended 30-June-2004 \$'000	1st Quarter ended 30-June-2003 \$'000	1st Quarter ended 30-June-2004 \$'000	1st Quarter ended 30-June-2003 \$'000
<b>Share Capital</b>				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
<b>Capital Reserve</b>				
Balance at 1 April				
- As previously stated	105,469	311,744	17,227	311,030
-Effect of adopting FRS 27 and FRS 28	-	-	-	21,381
-As restated and at end of financial period	105,469	311,744	17,227	332,411
<b>Foreign Currency Translation Reserve</b>				
Balance at 1 April				
-As previously stated	2,744	6,306	2,744	(1,620)
-Effect of adopting FRS 27 and FRS 28	-	-	-	7,926
-As restated	2,744	6,306	2,744	6,306
Foreign currency translation for the financial period	2,291	2,454	2,291	2,454
Balance at end of financial period	5,035	8,760	5,035	8,760
<b>Revenue Reserve</b>				
Balance at 1 April				
-As previously stated	285,789	146,855	374,031	154,521
-Effect of adopting FRS 27 and FRS 28	-	-	-	(28,333)
-As restated	285,789	146,855	374,031	126,188
Profit attributable to shareholders for the financial period	4,748	4,785	4,748	4,785
Balance at end of financial period	290,537	151,640	378,779	130,973
<b>Total shareholders' equity</b>	<b>527,196</b>	<b>598,299</b>	<b>527,196</b>	<b>598,299</b>

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

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

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

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

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

Not applicable.

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

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

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

Not applicable.



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

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	0.75 cents	0.76 cents
(b) On a fully diluted basis	N.A.	N.A.

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

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period	83.6 cents	83.6 cents
(b) 31 March 2004	82.5 cents	82.5 cents

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

8a) Segmental Results for 1st Quarter ended 30 June

Business segment

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2004					
Sales to external customers	8,886	34,401	836	-	44,123
Inter-segment sales	217	-	-	(217)	-
Segment revenue	<u>9,103</u>	<u>34,401</u>	<u>836</u>	<u>(217)</u>	<u>44,123</u>
Segment results	5,845	333	106	-	6,284
Finance costs					(678)
Share of results of associated companies					434
Profit before taxation					6,040
Taxation					(1,180)
Minority interests					(112)
Profit attributable to shareholders					<u>4,748</u>

Business segment

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2003					
Sales to external customers	17,405	35,647	430	-	53,482
Inter-segment sales	455	-	-	(455)	-
Segment revenue	<u>17,860</u>	<u>35,647</u>	<u>430</u>	<u>(455)</u>	<u>53,482</u>
Segment results	10,104	(1,055)	(394)	(4)	8,651
Finance costs					(1,439)
Share of results of associated companies					<u>(247)</u>
Profit before taxation					6,965
Taxation					(2,434)
Minority interests					254
Profit attributable to shareholders					<u>4,785</u>

Geographical segments

	Asean \$'000	Hong Kong and China \$'000	Australia \$'000	Group \$'000
2004				
Segment revenue	<u>35,323</u>	<u>5,769</u>	<u>3,031</u>	<u>44,123</u>
2003				
Segment revenue	<u>45,509</u>	<u>5,412</u>	<u>2,561</u>	<u>53,482</u>

## 8b) Review

Group turnover for the three months to 30 June 2004 declined from \$53.5 million to \$44.1 million mainly due to the cessation of rental income from the Group's 27% interest in Ngee Ann City (the "Property") arising from the divestment in August 2003.

The cessation of rental income from the Property accounted for the decline in the property division's revenue for the quarter from \$17.9 million to \$9.1million. However, the impact of the loss of the rental income was partly offset by interest income receivable for the quarter of \$1.3 million arising from the investment in junior bonds, pursuant to the asset securitisation as well as dividend and other fee income from other investments including the unquoted investment in Shui On Land Limited. The other properties in the Group's property division reported a small improvement in operating results. The net outcome was a decline in the property division's results from \$10.1 million to \$5.8 million.

The retail division operated with four stores during the quarter. Higher sales as compared with the SARS affected corresponding period of the previous financial year, helped the retail division to recover most of the decline in sales turnover due to the closure of the Metro Marina store. As a result, turnover fell only 3.5% to \$34.4 million for the first quarter. Being able to maintain most of the sales level without the costs associated with operating the Metro Marina store meant that the retail division was able to report a profit of \$0.3 million against a loss of \$1.1 million in the previous corresponding quarter.

Other than the investment of \$43 million in Shui On Land Ltd during the quarter, there were no material factors that affected the cashflow, working capital, assets and liabilities of the Group during the current financial quarter reported on.

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

The results for the quarter ended 30 June 2004 are largely in line with the comments made under paragraph 10 of the Results for the Fourth Quarter announcement dated 26 May 2004, in particular, that the Group's results would be subject to the financial effects arising from the divestment of the Group's 27% interest in Ngee Ann City.

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

The financial effects of the cessation in rental income from the Property, mitigated by income arising from the investment in the junior bonds pursuant to the asset securitisation and other investments will continue to affect the next quarter. Performance of the other properties are expected to remain stable.

The retail division will continue to explore opportunities to augment sales performance to make up for the shortfall in turnover due to the consolidation to a four-store operation. The improving economic climate will assist in this respect. However, competition remains keen amidst a discount orientated trading environment.

11. Dividends

(a) Current Financial Period Reported On

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

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

(c) Date payable

Not applicable

(d) Book closure date

Not Applicable

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

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

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin  
Joint Company Secretaries  
Date 13 August 2004