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<b>First Quarter * Financial Statement And Dividend Announcement</b>	
* Asterisks denote mandatory information	
Name of Announcer *	METRO HOLDINGS LIMITED
Company Registration No.	197301792W
Announcement submitted on behalf of	METRO HOLDINGS LIMITED
Announcement is submitted with respect to *	METRO HOLDINGS LIMITED
Announcement is submitted by *	Tan Ching Chek and Lee Chin Yin
Designation *	Joint Company Secretaries
Date & Time of Broadcast	14-Aug-2006 17:22:40
Announcement No.	00079
<b>&gt;&gt; Announcement Details</b>	
The details of the announcement start here ...	
For the Financial Period Ended *	30-06-2006

**Attachments:**

 mhlfirstqtr.pdf Total size = <b>228K</b> (2048K size limit recommended)
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## 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 2006

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

	Group		
	1st Qtr ended 30-June-2006 \$'000	1st Qtr ended 30-June-2005 \$'000	% Change
Continuing operations			
Revenue	50,727	46,177	9.85
Cost of Revenue	(44,714)	(41,578)	7.54
Gross Profit	6,013	4,599	30.75
Other income including interest income	8,975	8,023	11.87
General and administrative expenses	(6,550)	(3,870)	69.25
Profit from operating activities	8,438	8,752	(3.59)
Finance costs	(1,811)	(742)	144.07
Share of associated companies' results	1,247	871	43.17
Profit from operating activities before taxation	7,874	8,881	(11.34)
Taxation	(2,391)	(2,101)	13.80
Profit from continuing operations after taxation	5,483	6,780	(19.13)
Profit from discontinued operations	-	5,104	(100.00)
Profit for the period	5,483	11,884	(53.86)
Attributable to:			
Shareholders of the Company	5,294	11,018	(51.95)
Minority interests	189	866	(78.18)
	5,483	11,884	(53.86)

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

	Group		% Change
	1st Qtr ended 30-June-2006 \$'000	1st Qtr ended 30-June-2005 \$'000	
Cost of sales and general and administrative expenses includes:-			
Depreciation	(1,697)	(2,232)	(23.97)
Provision for obsolete inventory	(2)	-	n.m.
Write off of inventory	(559)	(667)	(16.19)
Foreign exchange loss	(2,417)	-	n.m.
Other income including interest income includes:-			
Changes in fair value of short term investments	(2,824)	130	(2,272.31)
Dividend from quoted investments	475	408	16.42
Dividend from unquoted investments	2,360	1,965	20.10
Profit on disposal of short term investments	23	-	n.m.
Interest income	4,418	2,495	77.07
Amortisation of discount on unquoted bonds	220	-	n.m.
Management and advisory fees	1,173	1,216	(3.54)
Other fee income from unquoted investment	-	122	(100.00)
Foreign exchange gain	687	696	(1.29)

1(a) (ii) Taxation

	1st Quarter ended		% Change
	30-June-06 \$'000	30-June-05 \$'000	
Current Year Tax	2,003	1,342	49.25
Deferred Tax	(293)	366	(180.05)
Withholding tax	114	-	n.m.
Share of associated companies tax	567	393	44.27
	<u>2,391</u>	<u>2,101</u>	13.80

1(a)(iii) Discontinued Operations

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

	Group		
	1st Qtr ended 30-June-2006 \$'000	1st Qtr ended 30-June-2005 \$'000	%
			Change
Revenue	-	3,049	(100.00)
Cost of Revenue	-	(2,320)	(100.00)
Gross Profit	-	729	(100.00)
Other income including interest income	-	4,750	(100.00)
General and administrative expenses	-	(340)	(100.00)
Profit from operating activities	-	5,139	(100.00)
Finance costs	-	(388)	(100.00)
Exceptional Items	-	353	(100.00)
Profit from operating activities before taxation	-	5,104	(100.00)
Cash generated from / (used in):			
- operating activities	-	279	(100.00)
- investing activities	-	52,108	(100.00)
- financing activities	-	(45,756)	(100.00)
Net cash flow	-	6,631	(100.00)

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

Balance Sheets as at

	Group		Company	
	30-June-2006 \$'000	31-Mar-2006 \$'000	30-June-2006 \$'000	31-Mar-2006 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	110,473	112,962	3,685	3,736
Investment property	86,328	88,003	-	-
Subsidiary companies	-	-	420,457	427,000
Associated companies	53,224	53,655	500	500
Amounts due from associated companies	27,790	27,512	25,668	25,668
Investments	205,878	208,773	-	-
	<u>483,693</u>	<u>490,905</u>	<u>450,310</u>	<u>456,904</u>
<b>Current assets</b>				
Property held for sale	52,508	53,568	-	-
Inventories	14,476	13,923	-	-
Accounts receivable	33,826	17,721	29,110	29,796
Tax recoverable	1,261	1,327	1,261	1,327
Investments	59,830	60,755	-	-
Cash and bank balances	273,595	268,689	40,151	37,369
	<u>435,496</u>	<u>415,983</u>	<u>70,522</u>	<u>68,492</u>
<b>Current liabilities</b>				
Bank borrowings	65,963	47,604	11,188	11,407
Accounts payable	72,505	69,270	40,824	40,936
Provision for taxation	11,388	11,161	-	-
	<u>149,856</u>	<u>128,035</u>	<u>52,012</u>	<u>52,343</u>
<b>Net current assets</b>	285,640	287,948	18,510	16,149
<b>Non-current liabilities</b>				
Bank borrowings	78,088	86,894	-	-
Amounts owing to subsidiary companies	-	-	310,281	311,913
Deferred taxation	29,933	30,708	663	643
	<u>(108,021)</u>	<u>(117,602)</u>	<u>(310,944)</u>	<u>(312,556)</u>
	<u>661,312</u>	<u>661,251</u>	<u>157,876</u>	<u>160,497</u>
<b>Shareholders' equity</b>				
Share capital	126,155	126,155	126,155	126,155
Reserves	526,634	526,601	31,721	34,342
	<u>652,789</u>	<u>652,756</u>	<u>157,876</u>	<u>160,497</u>
Minority interests	8,523	8,495	-	-
	<u>661,312</u>	<u>661,251</u>	<u>157,876</u>	<u>160,497</u>

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-June-2006		As at 31-Mar-2006	
Secured	Unsecured	Secured	Unsecured
51,600,762	14,362,350	32,961,215	14,642,900

Amount repayable after one year

As at 30-June-2006		As at 31-Mar-2006	
Secured	Unsecured	Secured	Unsecured
78,088,335	-	86,894,690	-

Details of any collateral

Leasehold property and property held for sale with a net book value as at 30 June 2006 totalling \$154.27 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 2006 amounted to \$11.4 million. Short term loans of HK\$140.3million (equivalent to S\$28.6 million) and RMB80 million (equivalent to S\$15.8 million) and a long term loan of US\$46.5 million (equivalent to S\$73.8 million) granted to subsidiaries were secured by S\$ equivalent fixed deposits.

1(c) 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-2006 \$'000	1st Qtr ended 30-June-2005 \$'000
<b>Cash flows from operating activities</b>		
Operating profit before reinvestment in working capital	12,645	6,189
Increase in inventories	(1,114)	(1,115)
(Increase) / decrease in accounts receivable	(15,739)	30,039
Increase in short term investments	(4,723)	(16,690)
Increase in accounts payable	3,235	1,045
Cash (applied in)/generated from operations	<u>(5,696)</u>	<u>19,468</u>
Interest expense paid	(1,811)	(1,130)
Interest income received	3,852	1,263
Income taxes paid	(1,785)	(843)
Net cash (used in)/ provided by operating activities	<u>(5,440)</u>	<u>18,758</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(1,304)	(272)
Proceeds from sale of property, plant & equipment	-	52,177
(Increase) /decrease in amount owing by associated companies	(278)	1,056
Dividend income received	2,375	1,881
Investment in long term investments	-	(32,768)
Net cash provided by investing activities	<u>793</u>	<u>22,074</u>
<b>Cash flows from financing activities</b>		
Draw down of bank borrowings (net)	9,553	6,268
Receipt of minority interests' loans to subsidiary companies	-	156
Net cash provided by financing activities	<u>9,553</u>	<u>6,424</u>
<b>Net increase in cash and cash equivalents</b>	4,906	47,256
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>268,689</u>	<u>144,341</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u><u>273,595</u></u>	<u><u>191,597</u></u>

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

	Group	
	1st Qtr ended 30-June-2006 \$'000	1st Qtr ended 30-June-2005 \$'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:		
- continuing operations	7,874	8,881
- discontinued operations	-	4,751
	<u>7,874</u>	<u>13,632</u>
Profit from operating activities before taxation and exceptional items	7,874	13,632
Adjustments for:		
Interest expense	1,811	1,130
Depreciation of property, plant and equipment	1,697	2,422
Share of results of associated companies	(1,247)	(871)
Inventory written off	559	667
Provision for obsolete stock	2	-
Profit on disposal of property, plant and equipment	1	-
Interest income	(4,638)	(2,544)
Investment income	(34)	(2,373)
Amortisation of discount on unquoted bonds	(220)	-
Foreign exchange adjustments	4,016	(5,744)
Changes in fair value adjustment	2,824	(130)
	<u>12,645</u>	<u>6,189</u>
Operating profit before reinvestment in working capital	<u><u>12,645</u></u>	<u><u>6,189</u></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-2006 \$'000	1st Quarter ended 30-June-2005 \$'000	1st Quarter ended 30-June-2006 \$'000	1st Quarter ended 30-June-2005 \$'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	84,603	178,431	2,001	90,189
-Effect of adopting FRS 27 and FRS 28	-	-	-	(88,188)
-As restated	84,603	178,431	2,001	2,001
Realised revaluation surplus on disposal of freehold land and building transferred to profit and loss	-	(388)	-	-
Balance at end of financial period	84,603	178,043	2,001	2,001
<b>Foreign Currency Translation Reserve</b>				
Balance at 1 April				
-As previously stated	(8,684)	(2,289)	-	(2,289)
-Effect of adopting FRS 27 and FRS 28	-	-	-	(5,555)
-Effect of adopting FRS 21	-	-	-	7,844
-As restated	(8,684)	(2,289)	-	-
Foreign currency translation for the financial period	(5,261)	1,398	-	-
Balance at end of financial period	(13,945)	(891)	-	-

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

	Group		Company	
	1st Quarter ended 30-June-2006 \$'000	1st Quarter ended 30-June-2005 \$'000	1st Quarter ended 30-June-2006 \$'000	1st Quarter ended 30-June-2005 \$'000
<b>Revenue Reserve</b>				
Balance at 1 April				
- As previously stated	450,682	306,746	32,341	394,988
-Effect of adopting FRS27 and FRS28	-	-	-	(347,349)
-Effect of adopting FRS21	-	-	-	(7,844)
-Effect of adopting FRS39	-	11,549	-	-
- As restated	450,682	318,295	32,341	39,795
Profit attributable for the financial period	5,294	11,018	(2,621)	3,280
Balance at end of financial period	455,976	329,313	29,720	43,075
<b>Total Shareholders' equity</b>	<b>652,789</b>	<b>632,620</b>	<b>157,876</b>	<b>171,231</b>
<b>Minority Interest</b>				
Balance at 1 April	8,495	8,449	-	-
Net profit for the period	189	866	-	-
Foreign currency translation for the period	(161)	(660)	-	-
Loan	-	156	-	-
Balance at end of financial period	8,523	8,811	-	-
<b>Total equity</b>	<b>661,312</b>	<b>641,431</b>	<b>157,876</b>	<b>171,231</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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the most recently audited financial statements as at 31 March 2006.

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	0.84 cents	1.75 cents
- Continuing operation	0.84 cents	1.05 cents
- Discontinued operation	-	0.70 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	103.5 cents	25.03 cents
(b) 31 March 2006	103.5 cents	25.44 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

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

Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2006				
Sales to external customers	7,735	42,992	-	50,727
Inter-segment sales	292	-	(292)	-
Segment revenue	<u>8,027</u>	<u>42,992</u>	<u>(292)</u>	<u>50,727</u>
Segment results	6,471	1,967	-	8,438
Finance costs	(1,811)	-	-	(1,811)
Share of results of associated companies	<u>905</u>	<u>342</u>	<u>-</u>	<u>1,247</u>
Profit before taxation	5,565	2,309	-	7,874
Taxation				<u>(2,391)</u>
Profit after taxation				<u>5,483</u>
Attributable to:				
Shareholders of the Company				5,294
Minority interests				<u>189</u>
				<u>5,483</u>

8(a) Segmental Results for 1st Quarter ended 30 June (Cont'd)

Business segment

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2005					
Sales to external customers	7,050	38,204	923	-	46,177
Inter-segment sales	217	-	-	(217)	-
Segment revenue	<u>7,267</u>	<u>38,204</u>	<u>923</u>	<u>(217)</u>	<u>46,177</u>
Segment results	8,220	507	25	-	8,752
Finance costs	(739)	-	(3)	-	(742)
Share of results of associated companies	477	394	-	-	871
Profit before taxation	<u>7,958</u>	<u>901</u>	<u>22</u>	<u>-</u>	<u>8,881</u>
Taxation					<u>(2,101)</u>
Profit from continuing operations after taxation					6,780
Profit from discontinued operations					5,104
Profit for the period					<u>11,884</u>
Attributable to:					
Shareholders of the Company					11,018
Minority interests					866
					<u>11,884</u>

	Asean \$'000	Hong Kong and China \$'000	Group \$'000
2006			
Segment revenue	<u>43,078</u>	<u>7,649</u>	<u>50,727</u>
2005			
Segment revenue	<u>39,212</u>	<u>6,965</u>	<u>46,177</u>

## 8(b) Review

Group turnover for the three months to 30 June 2006 rose 9.8% from \$46.2 million to \$50.7 million mainly due to higher sales reported by the retail division.

Higher rental income from Metro City, arising from an improvement in rental rates, accounted for the increase in the property division's revenue for the quarter from \$7.3 million to \$8 million. Higher dividend and interest income from investments in the property sector in China helped to offset the impact of foreign exchange losses and a decrease in the fair value of the Group's portfolio of short term investments. The net impact was a decrease in the property division's operating results from \$8 million to \$5.6 million

Higher sales from the Metro Anniversary Sales as compared with the corresponding period of the previous financial year, helped the retail division to improve on sales turnover which rose 12.5% to \$43 million for the first quarter with a consequential increase in operating profit.

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 2006 are largely in line with the comments made under paragraph 10 of the Results for the Fourth Quarter announcement dated 19 May 2006.

### 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.

Performance of the Group's properties and income from other investments is expected to remain stable in the next financial quarter. However, as compared to the corresponding period of the previous financial year, profit from operating activities before taxation will decline as the corresponding period included the financial effects, including the exceptional items, of the disposal of the junior bonds and preference shares of Orchard Square Capital Assets Ltd.

Consumer spending should continue to allow for incremental improvement for the retail division.

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 2006

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin  
Joint Company Secretaries  
Date 14 August 2006