



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 2007

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

	Group		% Change
	1st Qtr ended 30-June-2007 \$'000	1st Qtr ended 30-June-2006 \$'000	
Continuing operations			
Revenue	55,037	51,553	6.76
Cost of Revenue	(46,454)	(44,250)	4.98
Gross Profit	8,583	7,303	17.53
Other income including interest income	15,130	7,685	96.88
General and administrative expenses	(5,010)	(6,550)	(23.51)
Profit from operating activities	18,703	8,438	121.65
Finance costs	(2,443)	(1,811)	34.90
Share of associated companies' results (net of tax)	1,782	680	162.06
Profit from operating activities before taxation	18,042	7,307	146.91
Taxation	(4,274)	(1,824)	134.32
Profit after taxation	13,768	5,483	151.10
Attributable to:			
Shareholders of the Company	13,673	5,294	158.27
Minority interests	95	189	(49.74)
	13,768	5,483	151.10

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

	Group		% Change
	1st Qtr ended 30-June-2007 \$'000	1st Qtr ended 30-June-2006 \$'000	
Cost of sales and general and administrative expenses includes:-			
Depreciation	(815)	(1,697)	(51.97)
Provision for obsolete inventory	(12)	(2)	n.m.
Write off of inventory	(564)	(559)	0.89
Write off of fixed assets	(37)	-	n.m.
Foreign exchange loss	-	(2,417)	(100.00)
Other income including interest income includes:-			
Changes in fair value of short term investments	5,980	(2,824)	(311.76)
Dividend from quoted investments	1,424	475	199.79
Dividend from unquoted investments	-	2,360	(100.00)
Profit on disposal of short term investments	502	23	n.m.
Interest income	4,529	4,418	2.51
Amortisation of discount on unquoted bonds	235	220	6.82
Management and advisory fees	811	1,173	(30.86)
Foreign exchange gain	1,463	687	112.95

1(a) (ii) Taxation

	1st Quarter ended		% Change
	30-June-07 \$'000	30-June-06 \$'000	
Current Year Tax	2,422	2,003	20.92
Over provision in prior years	(71)	-	n.m.
Deferred Tax	1,876	(293)	(740.27)
Withholding tax	47	114	(58.77)
	<u>4,274</u>	<u>1,824</u>	134.32

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-Jun-2007 \$'000	31-Mar-2007 \$'000	30-Jun-2007 \$'000	31-Mar-2007 \$'000
Non-current assets				
Property, plant and equipment	12,165	109,980	5,072	4,800
Investment properties	487,907	356,759	-	-
Subsidiary companies	-	-	497,582	393,425
Associated companies	100,616	49,455	500	500
Amount owing by associated companies	142,110	27,158	25,548	25,548
Investments	199,746	189,595	-	-
	<u>942,544</u>	<u>732,947</u>	<u>528,702</u>	<u>424,273</u>
Current assets				
Inventories	12,045	13,190	-	-
Accounts receivable	16,307	16,788	21,907	27,523
Tax recoverable	1,357	1,332	1,357	1,332
Short term investments	109,737	110,621	-	-
Cash and bank balances	169,949	236,679	527	31,227
	<u>309,395</u>	<u>378,610</u>	<u>23,791</u>	<u>60,082</u>
Current liabilities				
Bank borrowings	63,350	82,900	20,301	10,695
Accounts payable	97,020	110,053	30,517	33,847
Provision for taxation	10,657	10,670	-	-
	<u>171,027</u>	<u>203,623</u>	<u>50,818</u>	<u>44,542</u>
Net current assets/(liabilities)	138,368	174,987	(27,027)	15,540
Non-current liabilities				
Long-term bank borrowings	124,307	55,651	-	-
Amount owing to subsidiaries	-	-	323,518	270,161
Deferred taxation	60,533	52,020	597	479
	<u>(184,840)</u>	<u>(107,671)</u>	<u>(324,115)</u>	<u>(270,640)</u>
	<u>896,072</u>	<u>800,263</u>	<u>177,560</u>	<u>169,173</u>
Shareholders' equity				
Share capital	126,155	126,155	126,155	126,155
Reserves	760,710	665,552	51,405	43,018
	<u>886,865</u>	<u>791,707</u>	<u>177,560</u>	<u>169,173</u>
Minority interests	9,207	8,556	-	-
Total Equity	<u>896,072</u>	<u>800,263</u>	<u>177,560</u>	<u>169,173</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-2007		As at 31-Mar-2007	
Secured	Unsecured	Secured	Unsecured
27,517,338	35,832,600	70,688,157	12,211,850

Amount repayable after one year

As at 30-June-2007		As at 31-Mar-2007	
Secured	Unsecured	Secured	Unsecured
124,307,160	-	55,651,460	-

Details of any collateral

Investment properties with a net book value as at 30 June 2007 totalling \$397.3 million have been mortgaged to banks for banking facilities granted to jointly controlled entities. Total loans drawn on such facilities as at 30 June 2007 amounted to \$89.6 million. Short term loans of HK\$119.3 million (equivalent to S\$23.4 million) and a long term loan of US\$25.4 million (equivalent to S\$38.9 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-2007 \$'000	1st Qtr ended 30-June-2006 \$'000
Cash flows from operating activities		
Operating profit before reinvestment in working capital	3,285	12,645
Decrease / (increase) in inventories	569	(1,114)
Decrease/ (increase) in accounts receivable	3,629	(15,739)
Decrease / (increase) in short term investments	7,322	(4,723)
(Decrease) / increase in accounts payable	(13,034)	3,235
Cash generated from / (applied in) operations	<u>1,771</u>	<u>(5,696)</u>
Interest expense paid	(2,443)	(1,811)
Interest income received	2,102	3,852
Income taxes paid	(2,510)	(1,785)
Net cash used in operating activities	<u>(1,080)</u>	<u>(5,440)</u>
Cash flows from investing activities		
Additions to property, plant & equipment	(624)	(1,304)
Proceeds from sale of property, plant & equipment	311	-
Increase in amount owing by associated companies	(114,959)	(278)
Dividend income received	516	2,375
Net cash (used in) / provided by investing activities	<u>(114,756)</u>	<u>793</u>
Cash flows from financing activities		
Draw down of bank borrowings (net)	<u>49,106</u>	<u>9,553</u>
Net cash provided by financing activities	<u>49,106</u>	<u>9,553</u>
Net (decrease) / increase in cash and cash equivalents	(66,730)	4,906
Cash & cash equivalents at beginning of financial period	<u>236,679</u>	<u>268,689</u>
Cash & cash equivalents at end of financial period	<u><u>169,949</u></u>	<u><u>273,595</u></u>

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

	Group	
	1st Qtr ended 30-June-2007 \$'000	1st Qtr ended 30-June-2006 \$'000
Reconciliation between profit from operating activities before taxation and exceptional items and operating profit before reinvestment in working capital:		
Profit from operating activities before taxation and exceptional items	18,042	7,307
Adjustments for:		
Interest expense	2,443	1,811
Depreciation of property, plant and equipment	815	1,697
Share of results of associated companies	(1,782)	(680)
Inventory written off	564	559
Fixed Assets written off	37	-
Provision for obsolete stock	12	2
Provision for doubtful debts	187	-
Profit on disposal of property, plant and equipment	(81)	1
Interest income	(4,529)	(4,638)
Investment income	(1,424)	(34)
Amortisation of discount on unquoted bonds	(235)	(220)
Foreign exchange adjustments	(4,784)	4,016
Changes in fair value adjustment	(5,980)	2,824
Operating profit before reinvestment in working capital	3,285	12,645

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-2007 \$'000	1st Quarter ended 30-June-2006 \$'000	1st Quarter ended 30-June-2007 \$'000	1st Quarter ended 30-June-2006 \$'000
Share Capital				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
Revaluation Reserve				
Balance at 1 April				
- As previously stated	138,028	84,603	2,017	2,001
-Effect of adopting FRS 40	(136,011)	-	-	-
-As restated and end of financial period	2,017	84,603	2,017	2,001
Fair Value Reserve				
Balance at 1 April	49,378	-	-	-
Fair value adjustment on investments	7,371			
Balance at end of financial period	56,749	-	-	-
Foreign Currency Translation Reserve				
Balance at 1 April	(15,988)	(8,684)	-	-
Currency translation for the period	9,591	(5,261)		
Balance at end of financial period	(6,397)	(13,945)	-	-

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

	Group		Company	
	1st Quarter ended 30-June-2007 \$'000	1st Quarter ended 30-June-2006 \$'000	1st Quarter ended 30-June-2007 \$'000	1st Quarter ended 30-June-2006 \$'000
Revenue Reserve				
Balance at 1 April				
- As previously stated	494,133	450,682	41,001	32,341
-Effect of adopting FRS40	200,535	-	-	-
- As restated	694,668	450,682	41,001	32,341
Profit attributable for the financial period	13,673	5,294	8,387	(2,621)
Balance at end of financial period	<u>708,341</u>	<u>455,976</u>	<u>49,388</u>	<u>29,720</u>
Total Shareholders' equity	<u>886,865</u>	<u>652,789</u>	<u>177,560</u>	<u>157,876</u>
Minority Interest				
Balance at 1 April	8,556	8,495	-	-
Net profit for the period	95	189	-	-
Foreign currency translation for the period	85	(161)	-	-
Fair value adjustment on investments	471	-	-	-
Balance at end of financial period	<u>9,207</u>	<u>8,523</u>	<u>-</u>	<u>-</u>
Total equity	<u>896,072</u>	<u>661,312</u>	<u>177,560</u>	<u>157,876</u>

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

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

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the most recently audited financial statements as at 31 March 2007.

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

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

FRS 40 Investment Property

The financial effect of adopting FRS40 is summarized as follows:

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

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

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

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	2.17 cents	0.84 cents
(b) On a fully diluted basis	N.A.	N.A.

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

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period	140.6 cents	28.2 cents
(b) 31 March 2007	125.5 cents	26.8 cents

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

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

Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2007				
Sales to external customers	9,760	45,277	-	55,037
Inter-segment sales	217	-	(217)	-
Segment revenue	<u>9,977</u>	<u>45,277</u>	<u>(217)</u>	<u>55,037</u>
Segment results	16,673	2,030	-	18,703
Finance costs	(2,443)	-	-	(2,443)
Share of results of associated companies	<u>1,352</u>	<u>430</u>	<u>-</u>	<u>1,782</u>
Profit before taxation	15,582	2,460	-	18,042
Taxation				<u>(4,274)</u>
Profit after taxation				<u>13,768</u>
Attributable to:				
Shareholders of the Company				13,673
Minority interests				<u>95</u>
				<u>13,768</u>

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

Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2006				
Sales to external customers	8,561	42,992	-	51,553
Inter-segment sales	292	-	(292)	-
Segment revenue	<u>8,853</u>	<u>42,992</u>	<u>(292)</u>	<u>51,553</u>
Segment results	6,471	1,967	-	8,438
Finance costs	(1,811)	-	-	(1,811)
Share of results of associated companies	444	236	-	680
Profit before taxation	<u>5,104</u>	<u>2,203</u>	<u>-</u>	<u>7,307</u>
Taxation				<u>(1,824)</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>

	Asean \$'000	Hong Kong and China \$'000	Group \$'000
2007			
Segment revenue	<u>45,279</u>	<u>9,758</u>	<u>55,037</u>
2006			
Segment revenue	<u>43,078</u>	<u>8,475</u>	<u>51,553</u>

8(b) Review

Group turnover for the three months to 30 June 2007, rose to \$55.0 million from \$51.6 million mainly due to higher sales reported by the retail division.

Higher rental income from Metro City Shanghai, arising from an improvement in rental rates, and the initial rental income from Metro City Beijing's soft opening accounted for the increase in the property division's revenue for the quarter from \$8.9 million to \$10 million. An increase in the fair value of the Group's portfolio of short term investments was the main contributor to the increase in the property division's operating results from \$6.5 million to \$16.7 million.

Higher sales from the Metro Tampines closing down sale which commenced in late June 2007, helped the retail division to improve on sales turnover which rose 5.3% to \$45.3 million for the first quarter.

As mentioned in paragraph 5, Metro City Shanghai was reclassified from Property, plant and equipment to Investment properties and revalued on 1 April 2007 in accordance with FRS 40. This accounted for the decline in Property, plant and equipment and the increase in Investment properties as at 30 June 2007 as compared to 31 March 2007. Gurney Plaza was similarly treated and the surplus on revaluation accounted for most of the increase in Associated companies of \$51.2 million. As announced on 15 June 2007, the Group acquired a 45% interest in China Infrastructure Group Ltd ("CIG") which became an Associated company. Shareholder loans made to CIG, to enable it to acquire a property under development in Beijing, accounted for the increase in Amount owing by associated companies for the quarter of \$115 million. The loans were funded by Cash and bank balances and Bank borrowings. Other than the foregoing, 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 2007 are largely in line with the comments made under paragraph 10 of the Results for the Fourth Quarter announcement dated 22 May 2007.

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

The Group's properties are expected to provide a steady flow of rental. The rental income is expected to rise steadily with the full launch of Metro City Beijing in September 2007.

Strong support for the Metro Tampines closing down sale up to the closure in early August 2007 is expected to result in higher sales for the retail division in the next financial quarter and this will assist to mitigate the loss of revenue arising from the closure thereafter.

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 2007

13. Negative assurance statement by directors

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

BY ORDER OF THE BOARD

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

