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**First Quarter \* Financial Statement And Dividend Announcement**  
 \* 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	13-Aug-2008 18:55:51
Announcement No.	00200

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 The details of the announcement start here ...

For the Financial Period Ended *	30-06-2008
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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 2008

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-2008 \$'000	1st Qtr ended 30-June-2007 \$'000	
Revenue	46,692	55,037	(15.16)
Cost of Revenue	(36,479)	(46,454)	(21.47)
Gross Profit	<u>10,213</u>	<u>8,583</u>	18.99
Other income including interest income	8,158	14,744	(44.67)
General and administrative expenses	(4,366)	(5,010)	(12.85)
Profit from operating activities	<u>14,005</u>	<u>18,317</u>	(23.54)
Finance costs	(2,647)	(2,443)	8.35
Share of associated companies' results (net of tax)	(3,654)	2,168	(268.54)
Profit from operating activities before taxation	<u>7,704</u>	<u>18,042</u>	(57.30)
Taxation	(2,006)	(4,274)	(53.07)
Profit after taxation	<u><u>5,698</u></u>	<u><u>13,768</u></u>	(58.61)
Attributable to:			
Shareholders of the Company	5,566	13,673	(59.29)
Minority interests	132	95	38.95
	<u><u>5,698</u></u>	<u><u>13,768</u></u>	(58.61)

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

	Group		%
	1st Qtr ended	1st Qtr ended	
	30-June-2008 \$'000	30-June-2007 \$'000	
Cost of sales and general and administrative expenses includes:-			
Depreciation	(501)	(815)	(38.53)
Provision for obsolete inventory	(11)	(12)	(8.33)
Write off of inventory	(617)	(564)	9.40
Write off of fixed assets	-	(37)	(100.00)
Provision for doubtful debts	(15)	(187)	(91.98)
Foreign exchange gain/ (loss)	649	1,463	(55.64)
Other income including interest income includes:-			
Changes in fair value of short term investments	(3,516)	5,980	(158.80)
Dividend from quoted investments	2,170	1,424	52.39
Profit on disposal of short term investments	-	502	(100.00)
Interest income	7,461	4,529	64.74
Amortisation of discount on unquoted bonds	233	235	(0.85)
Management and advisory fees	416	449	(7.35)
Foreign exchange gain	298	-	n.m.

1(a) (ii) Taxation

	1st Quarter ended		%
	30-June-08 \$'000	30-June-07 \$'000	
Current Year Tax	2,322	2,422	(4.13)
Over provision in prior years	-	(71)	(100.00)
Deferred Tax	(349)	1,876	(118.60)
Withholding tax	33	47	(29.79)
	<u>2,006</u>	<u>4,274</u>	(53.07)

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-2008 \$'000	31-Mar-2008 \$'000	30-Jun-2008 \$'000	31-Mar-2008 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	11,697	11,874	8,930	9,162
Investment properties	511,110	498,568	-	-
Subsidiaries	-	-	17,174	17,174
Amounts due from subsidiaries	-	-	544,967	530,903
Associated companies	43,182	47,917	500	500
Amounts due from associated companies	233,479	203,975	-	-
Investments	154,800	165,517	-	-
	<u>954,268</u>	<u>927,851</u>	<u>571,571</u>	<u>557,739</u>
<b>Current assets</b>				
Inventories	11,698	11,303	-	-
Accounts receivable	14,631	14,780	17,324	17,660
Deposits and prepayments	3,139	3,272	232	158
Tax recoverable	1,394	1,426	1,394	1,426
Short term investments	97,707	101,549	-	-
Cash and bank balances	162,172	173,743	37,319	39,391
	<u>290,741</u>	<u>306,073</u>	<u>56,269</u>	<u>58,635</u>
<b>Current liabilities</b>				
Bank borrowings	109,715	108,039	45,424	46,125
Accounts payable	81,735	77,697	30,962	43,501
Provision for taxation	12,566	13,497	-	-
	<u>204,016</u>	<u>199,233</u>	<u>76,386</u>	<u>89,626</u>
<b>Net current assets / (liabilities)</b>	86,725	106,840	(20,117)	(30,991)
<b>Non-current liabilities</b>				
Bank borrowings	79,790	80,770	-	-
Amounts owing to subsidiaries	-	-	326,466	300,273
Deferred taxation	66,842	65,702	516	424
	<u>(146,632)</u>	<u>(146,472)</u>	<u>(326,982)</u>	<u>(300,697)</u>
<b>Net assets</b>	<u>894,361</u>	<u>888,219</u>	<u>224,472</u>	<u>226,051</u>
<b>Shareholders' equity</b>				
Share capital	126,155	126,155	126,155	126,155
Reserves	760,146	753,421	98,317	99,896
	<u>886,301</u>	<u>879,576</u>	<u>224,472</u>	<u>226,051</u>
Minority interests	8,060	8,643	-	-
Total Equity	<u>894,361</u>	<u>888,219</u>	<u>224,472</u>	<u>226,051</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-2008		As at 31-Mar-2008	
Secured	Unsecured	Secured	Unsecured
57,881,187	51,834,000	55,607,519	52,431,400

Amount repayable after one year

As at 30-June-2008		As at 31-Mar-2008	
Secured	Unsecured	Secured	Unsecured
79,790,000	-	80,770,000	-

Details of any collateral

An investment property with a net book value as at 30 June 2008 totalling \$177.2 million has been mortgaged to a bank for banking facilities granted to a jointly controlled entity. Total loans drawn on such facilities as at 30 June 2008 amounted to \$85.8 million. Short term loans of HK\$99.4 million (equivalent to \$17.3 million) and US\$25.4 million (equivalent to \$34.5 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-2008 \$'000	1st Qtr ended 30-June-2007 \$'000
<b>Cash flows from operating activities</b>		
Operating profit before reinvestment in working capital	10,502	2,899
(Increase) / decrease in inventories	(1,023)	569
Decrease in accounts receivable	1,888	3,590
Decrease in deposits and prepayments	133	39
Decrease in short term investments	-	7,322
Increase / (decrease) in accounts payable	4,037	(13,034)
Cash generated from operations	<u>15,537</u>	<u>1,385</u>
Interest expense paid	(2,647)	(2,443)
Interest income received	1,471	2,102
Income taxes paid	(3,364)	(2,510)
Net cash provided by / (used in) operating activities	<u>10,997</u>	<u>(1,466)</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(359)	(624)
Proceeds from sale of property, plant & equipment	193	311
Increase in amounts owing by associated companies	(25,268)	(114,573)
Dividend income received	2,170	516
Changes in fixed deposits held as security	873	3,627
Net cash used in investing activities	<u>(22,391)</u>	<u>(110,743)</u>
<b>Cash flows from financing activities</b>		
Draw down of bank borrowings (net)	696	49,106
Net cash provided by financing activities	<u>696</u>	<u>49,106</u>
<b>Net decrease in cash and cash equivalents</b>	(10,698)	(63,103)
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>118,458</u>	<u>167,676</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u><u>107,760</u></u>	<u><u>104,573</u></u>

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

	Group	
	1st Qtr ended 30-June-2008 \$'000	1st Qtr ended 30-June-2007 \$'000
Reconciliation between profit before taxation and operating profit before reinvestment in working capital:		
Profit before taxation	7,704	18,042
Adjustments for:		
Interest expense	2,647	2,443
Depreciation of property, plant and equipment	501	815
Share of results of associated companies	3,654	(2,168)
Inventory written off	617	564
Fixed Assets written off	-	37
Provision for obsolete stock	11	12
Provision for doubtful debts	15	187
Profit on disposal of property, plant and equipment	(138)	(81)
Interest income	(7,461)	(4,529)
Investment income	(2,170)	(1,424)
Amortisation of discount on unquoted bonds	(233)	(235)
Foreign exchange adjustments	1,839	(4,784)
Changes in fair value adjustment	3,516	(5,980)
Operating profit before reinvestment in working capital	10,502	2,899

Note A : Cash and cash equivalents

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents at the end of the financial period comprised the following:

	Group	
	1st Qtr ended 30-June-2008 \$'000	1st Qtr ended 30-June-2007 \$'000
Cash and deposits	162,172	169,949
Less: Fixed deposits pledged as security for credit facilities granted to subsidiary companies	(54,412)	(65,376)
	107,760	104,573

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-2008 \$'000	1st Quarter ended 30-June-2007 \$'000	1st Quarter ended 30-June-2008 \$'000	1st Quarter ended 30-June-2007 \$'000
<b>Share Capital</b>				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
<b>Revaluation Reserve</b>				
Balance at 1 April				
- As previously stated	8,740	138,028	6,301	2,017
-Effect of adopting FRS 40	-	(136,011)	-	-
-As restated and end of financial period	8,740	2,017	6,301	2,017
<b>Fair Value Reserve</b>				
Balance at 1 April	58,194	49,378	-	-
Fair value adjustment on investments	(9,146)	7,371	-	-
Balance at end of financial period	49,048	56,749	-	-
<b>Foreign Currency Translation Reserve</b>				
Balance at 1 April	(27,599)	(15,988)	-	-
Currency translation for the period	10,305	9,591	-	-
Balance at end of financial period	(17,294)	(6,397)	-	-

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

	Group		Company	
	1st Quarter ended 30-June-2008 \$'000	1st Quarter ended 30-June-2007 \$'000	1st Quarter ended 30-June-2008 \$'000	1st Quarter ended 30-June-2007 \$'000
<b>Revenue Reserve</b>				
Balance at 1 April				
- As previously stated	714,086	494,133	93,595	41,001
-Effect of adopting FRS40	-	200,535	-	-
- As restated	<u>714,086</u>	<u>694,668</u>	<u>93,595</u>	<u>41,001</u>
Profit attributable for the financial period	<u>5,566</u>	<u>13,673</u>	<u>(1,579)</u>	<u>8,387</u>
Balance at end of financial period	<u>719,652</u>	<u>708,341</u>	<u>92,016</u>	<u>49,388</u>
<b>Total Shareholders' equity</b>	<b><u>886,301</u></b>	<b><u>886,865</u></b>	<b><u>224,472</u></b>	<b><u>177,560</u></b>
<b>Minority Interest</b>				
Balance at 1 April	8,643	8,556	-	-
Net profit for the period	132	95	-	-
Foreign currency translation for the period	(131)	85	-	-
Fair value adjustment on investments	<u>(584)</u>	<u>471</u>	<u>-</u>	<u>-</u>
Balance at end of financial period	<u>8,060</u>	<u>9,207</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<b><u>894,361</u></b>	<b><u>896,072</u></b>	<b><u>224,472</u></b>	<b><u>177,560</u></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.

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2008 (end of current financial period)	As at 31 March 2008 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	630,776,676	630,776,676

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 2008.

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	0.88 cents	2.17 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	140.5 cents	35.6 cents
(b) 31 March 2008	139.4 cents	35.8 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
2008				
Sales to external customers	11,757	34,935	-	46,692
Inter-segment sales	217	-	(217)	-
Segment revenue	<u>11,974</u>	<u>34,935</u>	<u>(217)</u>	<u>46,692</u>
Segment results	13,925	80	-	14,005
Finance costs	(2,647)	-	-	(2,647)
Share of results of associated companies	<u>(3,523)</u>	<u>(131)</u>	-	<u>(3,654)</u>
Profit before taxation	7,755	(51)	-	7,704
Taxation				<u>(2,006)</u>
Profit after taxation				<u>5,698</u>
Attributable to:				
Shareholders of the Company				5,566
Minority interests				<u>132</u>
				<u>5,698</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
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	1,644	-	18,317
Finance costs	(2,443)	-	-	(2,443)
Share of results of associated companies	1,352	816	-	2,168
Profit before taxation	15,582	2,460	-	18,042
Taxation				(4,274)
Profit after taxation				<u>13,768</u>
Attributable to:				
Shareholders of the Company				13,673
Minority interests				95
				<u>13,768</u>

	Asean \$'000	Hong Kong and China \$'000	Group \$'000
2008			
Segment revenue	<u>34,935</u>	<u>11,757</u>	<u>46,692</u>
2007			
Segment revenue	<u>45,279</u>	<u>9,758</u>	<u>55,037</u>

## 8(b) Review

Group turnover for the three months to 30 June 2008 was \$46.7 million. Compared to the corresponding quarter last year, Group turnover reflected a 15.2% decline mainly because last year included sales of the Metro Tampines department store which closed in August 2007.

The property division's revenue for the quarter was \$11.8 million as compared to the corresponding quarter's \$9.8 million. Higher rental income from Metro City Shanghai and Metro City Beijing accounted for the increase. However, the property division's profit before taxation was eroded from \$15.6 million to \$7.8 million, mainly due to a decrease of \$9.5 million (unrealised) in the fair value of the property division's portfolio of short term investments which mainly comprise of units in REITS.

The retail division contributed \$34.9 million to Group turnover for the first quarter without the Metro Tampines store. Profitability was also affected by cost pressures amidst a competitive retail trading environment as well as start up costs of the retail division's associated company's new store in Indonesia.

Other than an increase in amounts owing by associated companies arising from a shareholders' loan of \$22.3 million provided as funding for the EC Mall and Metropolis Tower projects, there were no material factors that affected the cashflow, working capital, assets and liabilities of the Group during the current financial quarter reported on.

Further to the announcement dated 21 July 2008, proceedings continue on the two law suits filed in the High Court of Malaya at Kuala Lumpur. There have been no material developments to date and the Company will make further announcements as and when there are any material developments.

### 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 2008 are largely in line with the comments made under paragraph 10 of the Results for the Fourth Quarter announcement dated 28 May 2008.

### 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 four properties located in China's first-tier cities continue to enjoy healthy occupancy rates and are expected to continue to provide a steady flow of rental. The Group's four new properties under development, held by associates, are expected to be completed over the next 12 months. The 1 Financial Street project and the Gurney Plaza Extension are expected to be completed in the last quarter of 2008 and the other two properties sometime in mid 2009, with rental income flowing in for each project as it commences operations.

For retail, the uncertain economic outlook and inflationary pressures are expected to continue to dampen consumer spending.

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 2008

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 13 August 2008