

**Miscellaneous**

\* Asterisks denote mandatory information

|   |                        |
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**>> Announcement Details**

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Announcement Title \*

Description

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## NEWS RELEASE

### **METRO REPORTS 17.2% INCREASE IN REVENUE TO S\$39.2 MILLION IN 1QFY2011**

- *Higher revenue for both Property and Retail Divisions*
- *Strong balance sheet with cash and cash equivalents of S\$184.3 million*
- *Shareholders' equity increases to S\$992.1 million*
- *Maintains low net gearing of 0.09 times as at June 30, 2010*

**Singapore, August 13, 2010** – Mainboard-listed Metro Holdings Limited (“Metro” or the “Group”) (“美罗控股有限公司”), a growing property development and investment group backed by established retail operations in the region, today reported a 17.2% increase in revenue to S\$39.2 million for the first financial quarter ended June 30, 2010 (“1QFY2011”), from S\$33.4 million in the previous corresponding quarter (“1QFY2010”).

The increase in revenue is attributed to the higher sales of the Retail Division as well as higher rental from the Property Division.

The Group’s profit before tax declined from S\$17.2 million in 1QFY2010 to S\$9.2 million in 1QFY2011, mainly because the previous corresponding quarter included a gain of S\$7.3 million on the increase in fair value of the Group’s portfolio of short-term investments. Corresponding, net profit attributable to shareholders decreased to S\$6.9 million in 1QFY2011, from S\$13.1 million in the previous corresponding quarter.

Lt Gen (Rtd) Winston Choo (朱维良), Metro’s Chairman commented: “We are pleased to report that both our property and retail divisions have performed well and

delivered higher revenue. Quarter-on-quarter, our entire portfolio of completed properties enjoyed higher occupancies and, consequently, higher rentals.

“We continue to take a long term view in our investment properties in China and the Asia Pacific, and will continue to develop our portfolio in this region.”

### **Sectoral Performance**

Revenue for the Group’s core Property Division rose from S\$13.0 million in 1QFY2010 to S\$14.2 million in 1QFY2011. The increase was largely due to improving occupancies and correspondingly higher income rental, especially from EC Mall and Metropolis Tower, both in Beijing. The newly acquired Frontier Koishikawa Building in Tokyo, Japan made its maiden contribution to revenue.

The Group’s Retail Division achieved a 22.2% increase in sales to S\$25.0 million for 1QFY2011. This was largely due to the higher sales contributed by the Metro City Square department store in Singapore. Sales and profitability of the Retail Division’s associated company in Indonesia also improved on the back of economic growth and promotional efforts by the Group.

Profit before tax for the Property Division was lower at S\$9.2 million in 1QFY2011, as compared to S\$17.7 million in 1QFY2010 as the prior period included an increase of S\$7.3 million in fair value of the Group’s portfolio of short-term investments. The Group narrowed losses in the Retail Division, with a loss of S\$41,000 in 1QFY2011 as compared to a loss of S\$517,000 in 1QFY2010.

### **Strong Balance Sheet**

The Group’s balance sheet remains strong with cash and cash equivalents of S\$184.3 million. Net gearing remained low at 0.09 as at June 30, 2010. Shareholders’ equity increased further to S\$992.1 million.

## **Outlook**

Overall, rental income of the Group's investment properties is expected to grow steadily with improved occupancies at EC Mall and Metropolis Tower.

Conditions precedent relating to the disposal of 1 Financial Street, which was announced on March 8, 2010, are targeted to be fulfilled by the second financial quarter ended September 30, 2010 ("2QFY2011").

Whilst the economies in Singapore and Indonesia continue to grow, the retail landscape in Singapore and Indonesia remains competitive. The Group's Metro City Square department store in Singapore will continue to assist the Retail Division in improving its topline sales performance.

Lt Gen (Rtd) Winston Choo concluded, "I am heartened by the progress we have made in developing our investment portfolio in China. We will continue to maintain our focus on developing our portfolio in both China's first-tier cities as well as other fast growing regions in China. As such, we have taken minority stakes in Tesco projects located in QinHuangDao, Fushun and Anshan. We believe that there is large untapped potential for growth in these projects located in China's third-tier cities.

"Taking a long-term view, we plan to leverage on the Group's strong balance sheet to expand our footprint in the Asia-Pacific region. As such, we will continue to look out for viable investment opportunities that complement our portfolio and contribute to our growing commercial and retail property businesses."

## **About Metro Holdings Limited**

Listed on the Main Board of the SGX-ST in 1973, Metro Holdings started out in 1957 as a textile store on 72 High Street. Over the years, Metro has grown to become a property and retail group with operations and investments in the region.

Today, the Group operates two core business divisions – property development and investment, and retail – and is focused on key markets in the region such as China, Indonesia and Singapore.

### **Property Development and Investment**

The Group's property arm owns and manages several prime retail and office properties in first-tier cities in China, such as Beijing, Shanghai and Guangzhou, it also holds significant investments in certain property businesses in China.

### **Retail**

Metro's retail arm serves customers through a chain of four Metro department stores in Singapore, and another five department stores in Jakarta and Bandung, Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 879,000 square feet of downtown and suburban retail space.

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ISSUED ON BEHALF OF : Metro Holdings Limited  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
1 Raffles Place  
#26-02 OUB Centre  
SINGAPORE 048616  
CONTACT : Ms Dolores Phua / Ms Andrea Low  
at telephone  
DURING OFFICE HOURS : 6534-5122 (Office)  
AFTER OFFICE HOURS : 9750-8237 / 9667-5837 (Handphone)  
EMAIL : [dolores.phua@citigatedrimage.com](mailto:dolores.phua@citigatedrimage.com)  
[andrea.low@citigatedrimage.com](mailto:andrea.low@citigatedrimage.com)

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