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NEWS RELEASE

METRO'S 3QFY2014 NET PROFIT UP 91.2% TO S\$29.3 MILLION

- **Revenue increases 7.7% to S\$54.5 million**
- **Net profit increase mainly attributable to one-off gain of S\$19.1 million in negative goodwill on acquisition of an additional interest in the jointly controlled entities owning EC Mall in Beijing**
- **Maintains strong balance sheet with cash of S\$281.6 million**
- **Shareholders' equity of approximately S\$1.2 billion as at 31 December 2013**

Singapore, 10 February 2014 – Mainboard-listed Metro Holdings Limited (“Metro” or the “Group”) (“美罗控股有限公司”), a property development and investment group backed by established retail operations in the region, reported a 91.2% increase in net profit to S\$29.3 million for the three months ended 31 December 2013 (“3QFY2014”), compared to S\$15.3 million in the previous corresponding period (“3QFY2013”).

This was achieved on the back of a 7.7% increase in revenue to S\$54.5 million in 3QFY2014, from S\$50.6 million in 3QFY2013. The improvement was mainly due to higher rental income earned by the Group's Property Division. Accordingly, gross profit for 3QFY2014 rose 15.6% to S\$13.9 million from S\$12.0 million for 3QFY2013. This was despite a year-on-year increase of S\$0.8 million in refurbishment costs incurred for the Property Division's Metro City Shanghai in 3QFY2014.

Profit before tax rose 78.8% to S\$32.6 million in 3QFY2014, from S\$18.2 million in 3QFY2013. This was mainly attributable to a one-off gain of S\$19.1 million which represent negative goodwill on acquisition of an additional interest in the jointly controlled entities owning EC Mall in Beijing. Net profit for the quarter was S\$29.3 million.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱維良) said, "Despite the current backdrop of a volatile macro economy amid a challenging competitive landscape, Metro delivered a satisfactory set of results for the quarter. We are pleased that occupancies continue to hold up at our investment properties and our development projects are proceeding as planned.

"Our Property Division continues to bear exciting prospects for the Group with the upcoming sales launch of our residential condominium, "The Crest", at Prince Charles Crescent in Singapore. Our project in Nanchang, China, which is an upscale urban community development project, has concluded its initial sales phase consisting of low-rise residential development and buyer response has been promising, with all units presold at this launch.

"Moving forward, we will continue to co-invest with experienced local partners to further strengthen Metro's presence in China and the region with a view to broadening our revenue stream and building sustained profitability. In this regard, we have recently increased our strategic stake in Top Spring, our partner in China, with a further stake of 13.66%, through our indirect wholly-owned subsidiary, Crown Investments Ltd. With this S\$85.7 million investment, our effective interest in Top Spring is now at 19.77%. At the same time, we are on a lookout for value-accretive projects in our key markets to expand our business."

Review of Sectoral Performance

Revenue for the Group's Property Division grew 26.4% from S\$14.0 million in 3QFY2013 to S\$17.7 million in 3QFY2014. This was due to higher rent on the completion of a significant part of the reconfiguration exercise at Metro City Shanghai, as well as higher rent derived from an additional 18.4% share in EC Mall in Beijing. In addition, the Renminbi ("RMB") had strengthened by 5.1% for the period. The average occupancy at the Group's five investment properties as at 31 December 2013 remained high at 93.4%. The Group's Retail Division reported a 0.5% increase in revenue from S\$36.6 million in 3QFY2013 to S\$36.8 million in 3QFY2014 notwithstanding keen competition. The Retail Division's associated company in Indonesia also reported increased sales, particularly for the newer stores. Profitability in Indonesia was however affected by the Rupiah depreciation and higher operating expenses.

Strong Balance Sheet

The Group continued to maintain a strong balance sheet, with a healthy cash position of S\$281.6 million and shareholders' equity of approximately S\$1.2 billion as at 31 December 2013.

Outlook

The Group expects rental income for its Property Division to improve with the completion of a major part of the asset enhancement refurbishment exercise at Metro City Shanghai. In addition, marketing of the Prince Charles Crescent residential project in Singapore will commence in the next few months. In China, initial sales of the Nanchang residential property project took place in 3QFY2014 and 20,519 square metres of gross floor area was presold for HK\$575.1 million (approximately S\$93.7 million). In accordance with the Financial Reporting Standards, the Group expects to account for sales revenue from the Prince Charles Crescent project on percentage of completion method and for the Nanchang project on a completion of contract method.

Volatile market conditions dictate that the Group's portfolio of quoted equity investments will continue to see changes in their fair value. In addition, the Group remains subject to significant currency translation adjustments on foreign operations due to foreign exchange volatilities, given that a large portion of its investment properties are located in China and denominated in RMB.

The Retail Division continues to experience keen competition in the retail trade and rising operational costs in Singapore and Indonesia. Nonetheless, the Group seeks to maintain the sales performance of the division.

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 eight department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise in almost 1,399,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

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