



## METRO HOLDINGS LIMITED

The Board of Directors of Metro Holdings Limited is pleased to announce the following:-

### UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2004

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	Group		% Change
	3rd Qtr ended 31-Dec-2004 \$'000	3rd Qtr ended 31-Dec-2003 \$'000		9 Months ended 31-Dec-2004 \$'000	9 Months ended 31-Dec-2003 \$'000	
Revenue	59,411	64,133	(7.36)	150,169	172,290	(12.84)
Cost of Revenue	(51,931)	(55,198)	(5.92)	(132,231)	(154,715)	(14.53)
Gross Profit	7,480	8,935	(16.28)	17,938	17,575	2.07
Other income including interest income	7,416	5,013	47.94	19,493	10,190	91.30
General and administrative expenses	(4,857)	(3,551)	36.78	(13,076)	(11,419)	14.51
Profit from operating activities	10,039	10,397	(3.44)	24,355	16,346	49.00
Finance costs	(802)	(800)	0.25	(2,266)	(3,480)	(34.89)
Share of associated companies' results	(188)	(126)	49.21	663	361	83.66
Exceptional items	-	-	-	-	208,582	n.m
Profit from operating activities before taxation	9,049	9,471	(4.46)	22,752	221,809	(89.74)
Taxation	(1,380)	(2,031)	(32.05)	(4,099)	(5,126)	(20.04)
Profit from operating activities after taxation	7,669	7,440	3.08	18,653	216,683	(91.39)
Minority interests	(64)	(64)	-	(334)	143	(333.57)
Profit attributable to shareholders	7,605	7,376	3.10	18,319	216,826	(91.55)

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

	Group			Group		
	3rd Qtr ended 31-Dec-2004 \$'000	3rd Qtr ended 31-Dec-2003 \$'000	% Change	9 Months ended 31-Dec-2004 \$'000	9 Months ended 31-Dec-2003 \$'000	% Change
Cost of revenue and general and administrative expenses includes:-						
Depreciation	(2,007)	(2,214)	(9.35)	(6,153)	(6,577)	(6.45)
Foreign exchange loss	(575)	(334)	72.16	(591)	(557)	6.10
Provision for obsolete inventory	(12)	(15)	(20.00)	(375)	(295)	27.12
Profit on disposal of property, plant and equipment	10	146	(93.15)	64	157	(59.24)
Other income including interest income includes:-						
Dividend from unquoted investments	1,470	-	n.m.	3,166	-	n.m.
Dividend from quoted investments	6	-	n.m.	1,038	-	n.m.
Interest income	1,847	1,785	3.47	5,190	2,623	97.87
Profit on disposal of short term investments	1,044	983	6.21	1,063	1,044	1.82
Amortisation of discount on consolidation	-	217	n.m.	363	651	(44.24)
Management and advisory fees	1,664	1,448	14.92	4,225	4,273	(1.12)
Other fee income from unquoted investment	90	-	n.m.	1,114	-	n.m.

1a) ii) Exceptional Items comprise of :-

	3 <sup>rd</sup> Quarter ended		9 Months ended	
	31-Dec-04	31-Dec-03	31-Dec-04	31-Dec-03
	\$'000	\$'000	\$'000	\$'000
Realised gain on disposal of an investment property	-	-	-	230,123
Revaluation deficit of other investment property previously set off against revaluation surplus of investment property disposed of, now charged to profit and loss account	-	-	-	(21,541)
	-	-	-	208,582

1a) iii) Taxation

	3rd Qtr ended		% Change	9 months ended		% Change
	31-Dec-04 \$'000	31-Dec-03 \$'000		31-Dec-04 \$'000	31-Dec-03 \$'000	
Current Year Tax	908	1,255	(27.65)	3,344	1,260	165.40
Deferred Tax	654	769	(14.95)	756	3,493	(78.36)
Over provision in prior years	-	(134)	n.m.	-	(225)	n.m.
Withholding tax	103	1	n.m.	127	58	118.97
Share of associated companies tax	(285)	140	(303.57)	(128)	540	(123.70)
	<u>1,380</u>	<u>2,031</u>	(32.05)	<u>4,099</u>	<u>5,126</u>	(20.04)

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	
	31-Dec-2004 \$'000	31-Mar-2004 \$'000	31-Dec-2004 \$'000	31-Mar-2004 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	127,951	135,004	7,742	7,856
Investment property	87,337	89,582	-	-
Subsidiary companies	-	-	371,797	358,239
Associated companies	105,720	102,587	26,405	24,048
Investments	52,243	6	-	-
Negative goodwill	-	(363)	-	-
	<u>373,251</u>	<u>326,816</u>	<u>405,944</u>	<u>390,143</u>
<b>Current assets</b>				
Development property	51,764	53,100	-	-
Inventories	16,566	15,213	-	-
Accounts receivable	44,519	41,724	438,411	380,136
Tax recoverable	1,051	762	1,051	761
Short term investments	44,627	29,239	-	-
Cash and bank balances	181,224	229,877	2,420	4,302
	<u>339,751</u>	<u>369,915</u>	<u>441,882</u>	<u>385,199</u>
<b>Current liabilities</b>				
Bank borrowings	26,817	32,550	-	-
Accounts payable	73,900	77,698	324,370	253,938
Provision for taxation	6,854	6,499	-	-
	<u>107,571</u>	<u>116,747</u>	<u>324,370</u>	<u>253,938</u>
<b>Net current assets</b>	232,180	253,168	117,512	131,261
<b>Non-current liabilities</b>				
Long-term bank borrowings	65,112	47,182	-	-
Deferred taxation	10,977	10,351	1,322	1,247
	<u>(76,089)</u>	<u>(57,533)</u>	<u>(1,322)</u>	<u>(1,247)</u>
	<u>529,342</u>	<u>522,451</u>	<u>522,134</u>	<u>520,157</u>
<b>Shareholders' equity</b>				
Share capital	126,155	126,155	126,155	126,155
Reserves	395,979	394,002	395,979	394,002
	<u>522,134</u>	<u>520,157</u>	<u>522,134</u>	<u>520,157</u>
<b>Minority interests</b>	7,208	2,294	-	-
	<u>529,342</u>	<u>522,451</u>	<u>522,134</u>	<u>520,157</u>

1bii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31-Dec-2004		As at 31-Mar-2004	
Secured	Unsecured	Secured	Unsecured
25,544,346	1,273,000	29,257,390	3,293,000

Amount repayable after one year

As at 31-Dec-2004		As at 31-Mar-2004	
Secured	Unsecured	Secured	Unsecured
56,277,430	8,834,620	37,711,041	9,471,120

Details of any collateral

Leasehold property and development property with a net book value as at 31 December 2004 totalling \$113.8 million have been mortgaged to banks for banking facilities granted to subsidiaries and jointly controlled entities. Total loans drawn on such facilities as at 31 December 2004 amounted to \$22.6 million. A term loan is secured by the assignment of all revenues, rental and bank balances of a subsidiary company, subject to a limit of \$14.1 million (equivalent to A\$11.1 million). A short term loan of HK\$93.5million (equivalent to S\$19.6 million) and a long term loan of US\$15.6 million (equivalent to S\$25.5 million) granted to subsidiaries were secured by S\$ equivalent fixed deposits.

1c) 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	
	3rd Qtr ended 31-Dec-2004 \$'000	3rd Qtr ended 31-Dec-2003 \$'000
<b>Cash flows from operating activities</b>		
Operating profit before reinvestment in working capital	10,688	9,828
Increase in inventories	(911)	(3,134)
(Increase)/ decrease in accounts receivables	(2,315)	3,270
Increase in short term investments	(13,758)	(1,596)
Increase in accounts payable	12,258	10,539
Cash generated from operations	<u>5,962</u>	<u>18,907</u>
Interest expense paid	(802)	(800)
Interest income received	552	1,785
Income tax paid	(1,082)	(2,227)
Net cash provided by operating activities	<u>4,630</u>	<u>17,665</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(435)	(1,253)
Proceeds from sale of property, plant & equipment	10	143
Additional investment in long term investments	(10,212)	-
Increase in amount owing by associated companies	(1,306)	(8,988)
Dividend received from quoted and unquoted investments	1,616	-
Net cash used in investing activities	<u>(10,327)</u>	<u>(10,098)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings (net)	(373)	(5,277)
Dividends paid during the period	-	(73,801)
Receipt of minority interests' loans to subsidiary companies	1,815	190
Net cash provided by/(used in) financing activities	<u>1,442</u>	<u>(78,888)</u>
<b>Net decrease in cash and cash equivalents</b>	(4,255)	(71,321)
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>185,398</u>	<u>304,909</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u><u>181,143</u></u>	<u><u>233,588</u></u>

	Group	
	3rd Qtr ended 31-Dec-2004 \$'000	3rd Qtr ended 31-Dec-2003 \$'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	9,049	9,471
Adjustments for:		
Interest expense	802	800
Depreciation of property, plant and equipment	2,007	2,214
Share of results of associated companies	188	126
Profit on disposal of property, plant and equipment	(11)	(146)
Interest and investment income	(3,323)	(1,785)
Amortisation of discount on consolidation	-	(217)
Foreign exchange adjustments	1,441	(635)
Provision for impairment of investments	535	-
Operating profit before reinvestment in working capital	<u>10,688</u>	<u>9,828</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	
	3rd Quarter ended 31-Dec-2004 \$'000	3rd Quarter ended 31-Dec-2003 \$'000	3rd Quarter ended 31-Dec-2004 \$'000	3rd Quarter ended 31-Dec-2003 \$'000
<b>Share Capital</b>				
Balance at beginning and end of financial period	<b>126,155</b>	<b>126,155</b>	<b>126,155</b>	<b>126,155</b>
<b>Capital Reserve</b>				
Balance at beginning and end of financial period	<b>105,469</b>	<b>99,640</b>	<b>17,227</b>	<b>11,398</b>
<b>Foreign Currency Translation Reserve</b>				
Balance at beginning of financial period	2,083	6,238	2,083	6,238
Foreign currency translation for the financial period	(5,588)	(1,262)	(5,588)	(1,262)
Balance at end of financial period	<b>(3,505)</b>	<b>4,976</b>	<b>(3,505)</b>	<b>4,976</b>
<b>Revenue Reserve</b>				
Balance at beginning of financial period	286,410	346,464	374,652	434,706
Profit attributable to shareholders for the financial period	7,605	7,376	7,605	7,376
Dividend, less income tax	-	(73,801)	-	(73,801)
Balance at end of financial period	<b>294,015</b>	<b>280,039</b>	<b>382,257</b>	<b>368,281</b>
<b>Total shareholders' equity</b>	<b>522,134</b>	<b>510,810</b>	<b>522,134</b>	<b>510,810</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

There were no changes in accounting policies and method of computation adopted in the financial statements for the current reporting period as compared to the most recently audited annual financial statements as at 31 March 2004.

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	1.21 cents	1.17 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	82.8 cents	82.8 cents
(b) 31 March 2004	82.5 cents	82.5 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

8a) Segmental Results for 3rd Quarter ended 31 December

Business segment

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2004					
Sales to external customers	10,473	48,216	722	-	59,411
Inter-segment sales	217	-	-	(217)	-
Segment revenue	<u>10,690</u>	<u>48,216</u>	<u>722</u>	<u>(217)</u>	<u>59,411</u>
Segment results	7,205	3,081	(247)		10,039
Finance costs					(802)
Share of results of associated companies					(188)
Profit before taxation					<u>9,049</u>
Taxation					(1,380)
Minority interest					<u>(64)</u>
Profit attributable to shareholders					<u>7,605</u>

Business segment

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2003					
Sales to external customers	10,655	52,953	525	-	64,133
Inter-segment sales	637	-	-	(637)	-
Segment revenue	<u>11,292</u>	<u>52,953</u>	<u>525</u>	<u>(637)</u>	<u>64,133</u>
Segment results	5,641	4,518	327	(89)	10,397
Finance costs					(800)
Share of results of associated companies					(126)
Profit before taxation					9,471
Taxation					(2,031)
Minority interest					(64)
Profit attributable to shareholders					<u>7,376</u>

Geographical segments

	Asean \$'000	Hong Kong and China \$'000	Australia \$'000	Group \$'000
2004				
Segment revenue	<u>49,024</u>	<u>6,065</u>	<u>4,322</u>	<u>59,411</u>
2003				
Segment revenue	<u>53,616</u>	<u>5,971</u>	<u>4,546</u>	<u>64,133</u>

## 8b) Review

Group turnover for the third financial quarter to 31 December 2004 declined to \$59.4 million against \$64.1 million previously. The previous corresponding quarter included sales of the Metro Marina store which was closed in March 2004, and the improvement in sales of the remaining stores were not sufficient to offset the shortfall in turnover arising from the closure. The consequential decline in operating results of the retail division was however offset by improved profitability of the property division.

Dividend and other income from investments made during the current financial year in the property sector in China, in particular the Group's interest in Shui On Land Ltd, accounted for most of the increase in the property division's results. The other existing properties also reported improved profitability.

The sales shortfall due to the closure of Metro Marina was partially offset by improved festive sales of the continuing stores. As a result, turnover of the retail division declined from \$53.0 million to \$48.2 million.

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 31 December 2004 were largely in line with the comments made under paragraph 10 of the results for the second quarter announcement dated 10 November 2004.

### 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.

Trends and conditions affecting the property division are expected to remain stable. The next financial quarter, being the fourth financial quarter, will continue to reflect steady growth in the flow of income arising from investments in property interests utilising the proceeds from the divestment of the Group's interest in Ngee Ann City. In the previous corresponding fourth financial quarter, the revenue stream from some of these investments had not yet been established.

The previous corresponding fourth financial quarter included the closing down sales of the Metro Marina store which witnessed strong shopper support then. Whilst, top line turnover performance of the next reporting quarter will decline in comparison, the comparative decline in profitability will be less as the closing down sales were at lower margins and the closure last year attracted certain non-recurring costs.

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 31 December 2004

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin  
Joint Company Secretaries  
Date 7 February 2005