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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
Designation *	Company Secretary
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 >> **Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2005
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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 2005

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-2005 \$'000	1st Qtr ended 30-June-2004 \$'000	
Revenue	49,226	44,123	11.57
Cost of Revenue	(43,898)	(39,349)	11.56
Gross Profit	5,328	4,774	11.60
Other income including interest income	12,773	5,311	140.50
General and administrative expenses	(4,210)	(3,801)	10.76
Profit from operating activities	13,891	6,284	121.05
Finance costs	(1,130)	(678)	66.67
Share of associated companies' results	871	434	100.69
Exceptional Items	353	-	n.m.
Profit from operating activities before taxation	13,985	6,040	131.54
Taxation	(2,101)	(1,180)	78.05
Profit from operating activities after taxation	11,884	4,860	144.53
Attributable to:			
Shareholders of the Company	11,018	4,748	132.06
Minority interests	866	112	673.21
	11,884	4,860	144.53

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

	Group		% Change
	1st Qtr ended 30-June-2005 \$'000	1st Qtr ended 30-June-2004 \$'000	
	Cost of sales and general and administrative expenses includes:-		
Depreciation	(2,422)	(2,110)	14.79
Provision for obsolete inventory	-	(12)	n.m.
Write off of inventory	(667)	-	n.m.
Profit on disposal of property, plant and equipment	-	54	n.m.
Other income including interest income includes:-			
Dividend from quoted investments	408	15	n.m.
Dividend from unquoted investments	1,965	417	371.22
Interest income	2,544	1,634	55.69
Amortisation of discount on consolidation	-	217	n.m.
Management and advisory fees	1,216	1,218	(0.16)
Other fee income from unquoted investment	122	889	(86.28)
Foreign exchange gain	5,397	-	n.m.

1(a) (ii) Exceptional Item comprises of :-

	1st Quarter ended	
	30-June-05 \$'000	30-June-04 \$'000
Realised gain on disposal of The Oasis Resort	353	-
	<u>353</u>	<u>-</u>

1(a) (iii) Taxation

	1st Quarter ended		% Change
	30-June-05 \$'000	30-June-04 \$'000	
Current Year Tax	1,342	1,994	(32.70)
Deferred Tax	366	(825)	(144.36)
Withholding tax	-	24	n.m.
Share of associated companies tax	393	(13)	n.m.
	<u>2,101</u>	<u>1,180</u>	78.05

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-June-2005 \$'000	31-Mar-2005 \$'000	30-June-2005 \$'000	31-Mar-2005 \$'000 Restated
Non-current assets				
Property, plant and equipment	122,939	174,615	3,844	3,886
Investment property	90,852	89,017	-	-
Subsidiary companies	-	-	17,691	17,338
Associated companies	154,220	153,400	26,168	26,148
Investments	127,402	94,504	-	-
	<u>495,413</u>	<u>511,536</u>	<u>47,703</u>	<u>47,372</u>
Current assets				
Development property	53,355	52,273	-	-
Inventories	14,989	14,541	-	-
Accounts receivable	16,737	45,003	457,708	426,798
Tax recoverable	1,381	1,381	1,381	1,381
Short term investments	75,297	44,396	-	-
Cash and bank balances	191,669	144,403	927	521
	<u>353,428</u>	<u>301,997</u>	<u>460,016</u>	<u>428,700</u>
Current liabilities				
Bank borrowings	56,215	62,308	6,904	6,765
Accounts payable	66,918	65,873	328,300	300,147
Provision for taxation	6,393	5,827	-	-
	<u>129,526</u>	<u>134,008</u>	<u>335,204</u>	<u>306,912</u>
Net current assets	223,902	167,989	124,812	121,788
Non-current liabilities				
Long-term bank borrowings	45,577	33,206	-	-
Deferred taxation	32,307	28,827	1,284	1,209
	(77,884)	(62,033)	(1,284)	(1,209)
	<u>641,431</u>	<u>617,492</u>	<u>171,231</u>	<u>167,951</u>
Shareholders' equity				
Share capital	126,155	126,155	126,155	126,155
Reserves	506,465	482,888	45,076	41,796
	<u>632,620</u>	<u>609,043</u>	<u>171,231</u>	<u>167,951</u>
Minority interests	8,811	8,449	-	-
	<u>641,431</u>	<u>617,492</u>	<u>171,231</u>	<u>167,951</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-2005		As at 31-Mar-2005	
Secured	Unsecured	Secured	Unsecured
43,753,617	12,461,600	46,049,242	16,258,440

Amount repayable after one year

As at 30-June-2005		As at 31-Mar-2005	
Secured	Unsecured	Secured	Unsecured
45,577,460	-	33,206,250	-

Details of any collateral

Leasehold property and development property with a net book value as at 30 June 2005 totalling \$164.7 million have been mortgaged to banks for banking facilities granted to subsidiaries and jointly controlled entities. Total loans drawn on such facilities as at 30 June 2005 amounted to \$16.7 million. Short term loans of HK\$152.8million (equivalent to S\$33.2 million) and a long term loan of US\$23.5 million (equivalent to S\$39.5 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-2005 \$'000	1st Qtr ended 30-June-2004 \$'000
Cash flows from operating activities		
Operating profit before reinvestment in working capital	5,652	6,458
Increase in inventories	(448)	(1,170)
Decrease in accounts receivable	29,523	1,733
Increase in short term investments	(16,690)	(765)
Increase/(decrease) in accounts payable	1,045	(1,358)
Cash generated from operations	<u>19,082</u>	<u>4,898</u>
Interest expense paid	(1,130)	(678)
Interest and investment income received	3,660	368
Income taxes paid	(843)	(36)
Net cash provided by operating activities	<u>20,769</u>	<u>4,552</u>
Cash flows from investing activities		
Additions to property, plant & equipment	(272)	(345)
Proceeds from sale of property, plant & equipment	52,177	54
Decrease/(increase) in amount owing by associated companies	1,056	(1,442)
Investment in long term investments	(32,898)	(43,000)
Net cash provided by /(used in) investing activities	<u>20,063</u>	<u>(44,733)</u>
Cash flows from financing activities		
Draw down of bank borrowings (net)	6,268	15,218
Receipt of minority interests' loans to subsidiary companies	156	2,829
Net cash provided by financing activities	<u>6,424</u>	<u>18,047</u>
Net increase / (decrease) in cash and cash equivalents	47,256	(22,134)
Cash & cash equivalents at beginning of financial period	<u>144,341</u>	<u>229,810</u>
Cash & cash equivalents at end of financial period	<u>191,597</u>	<u>207,676</u>

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

	Group	
	1st Qtr ended 30-June-2005 \$'000	1st Qtr ended 30-June-2004 \$'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	13,631	6,040
Adjustments for:		
Interest expense	1,130	678
Depreciation of property, plant and equipment	2,422	2,110
Share of results of associated companies	(871)	(434)
Fixed assets written off	-	108
Profit on disposal of property, plant and equipment	-	(54)
Interest income	(2,544)	(1,634)
Investment income	(2,373)	(432)
Amortisation of discount on consolidation	-	(217)
Foreign exchange adjustments	(5,743)	293
Operating profit before reinvestment in working capital	5,652	6,458

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-2005 \$'000	1st Quarter ended 30-June-2004 \$'000	1st Quarter ended 30-June-2005 \$'000	1st Quarter ended 30-June-2004 \$'000
Share Capital				
Balance at beginning and end of financial period	126,155	126,155	126,155	126,155
Capital Reserve				
Balance at 1 April				
- As previously stated	178,431	105,469	90,189	17,227
-Effect of adopting FRS 27 and FRS 28	-	-	(88,188)	(11,275)
-As restated	178,431	105,469	2,001	5,952
Realised revaluation surplus on disposal of freehold land and building transferred to profit and loss	(388)	-	-	-
Balance at end of financial period	178,043	105,469	2,001	5,952
Foreign Currency Translation Reserve				
Balance at 1 April				
-As previously stated	(2,289)	2,744	(2,289)	2,744
-Effect of adopting FRS 27 and FRS 28	-	-	(5,555)	(8,438)
-Effect of adopting FRS 21	-	-	7,844	5,694
-As restated	(2,289)	2,744	-	-
Foreign currency translation for the financial period	1,398	2,291	-	-
Balance at end of financial period	(891)	5,035	-	-

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

	Group		Company	
	1st Quarter ended 30-June-2005 \$'000	1st Quarter ended 30-June-2004 \$'000	1st Quarter ended 30-June-2005 \$'000	1st Quarter ended 30-June-2004 \$'000
Revenue Reserve				
Balance at 1 April				
- As previously stated	306,746	285,789	394,988	374,031
-Effect of adopting FRS27 and FRS28	-	-	(347,349)	(373,915)
-Effect of adopting FRS21	-	-	(7,844)	(5,694)
-Effect of adopting FRS39	11,549	-	-	-
- As restated	318,295	285,789	39,795	(5,578)
Profit attributable for the financial period	11,018	4,748	3,280	2,588
Balance at end of financial period	329,313	290,537	43,075	(2,990)
Minority Interest				
Balance at 1 April	8,449	2,294	-	-
Net profit for the period	866	112	-	-
Foreign currency translation for the period	(660)	(265)	-	-
Loan	156	2,829	-	-
Balance at end of financial period	8,811	4,970	-	-
Total shareholders' equity	641,431	532,166	171,231	129,117

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 2005.

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.

The Group has adopted the various revisions and new Financial Reporting Standards ("FRS"), that are applicable to the Group, with effect from 1 April 2005. These do not have a significant financial impact on the Group except for the following FRS, the impact of which have been reflected in the Statement of Changes in Shareholders' Equity under paragraph 1 (d)(i) above:-

FRS 39	Financial Instruments : Recognition and Measurement
FRS 21 (Revised)	The Effects of Changes in Foreign Exchange Rates
FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 28 (Revised)	Investments in Associates

FRS 39

In accordance with the transitional provisions of FRS 39, the change in accounting policy relating to the recognition, derecognition and measurement of financial instruments, has been accounted for prospectively without restatement for periods prior to 1 April 2005. The adoption of FRS 39 has resulted in an upward adjustment, mainly relating to the fair valuation of short term investments, of \$11,549,000, net of related deferred taxes, to the opening revenue reserve.

FRS 27 & 28

With effect from 1 April 2005, the Company changed its accounting policy for the accounting of its investments in subsidiaries and associates in its separate financial statements to the cost method. Previously, the Company accounted for such investments using the equity method, which is no longer allowed under the revised FRS 27 and FRS 28. The change in accounting policy has been accounted for retrospectively and the opening capital reserve, revenue reserve and foreign currency translation reserve of the Company as at 1 April 2004 and 2005 have been restated. Further details of the effect has been disclosed under paragraph 1 (d) (i), Statement of Changes in Shareholders' Equity of the Company.

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	1.75 cents	0.75 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	100.3 cents	27.1 cents
(b) 31 March 2005	96.6cents	26.6 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	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2005					
Sales to external customers	10,099	38,204	923	-	49,226
Inter-segment sales	217	-	-	(217)	-
Segment revenue	<u>10,316</u>	<u>38,204</u>	<u>923</u>	<u>(217)</u>	<u>49,226</u>
Segment results	13,359	507	25	-	13,891
Finance costs					(1,130)
Share of results of associated companies					871
Exceptional items					353
Profit before taxation					<u>13,985</u>
Taxation					<u>(2,101)</u>
Profit after taxation					<u>11,884</u>
Attributable to:					
Shareholders of the Company					11,018
Minority interests					866
					<u>11,884</u>

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

Business segment

	Property \$'000	Retail \$'000	Others \$'000	Inter-segment Elimination \$'000	Group \$'000
2004					
Sales to external customers	8,886	34,401	836	-	44,123
Inter-segment sales	217	-	-	(217)	-
Segment revenue	<u>9,103</u>	<u>34,401</u>	<u>836</u>	<u>(217)</u>	<u>44,123</u>
Segment results	5,845	333	106	-	6,284
Finance costs					(678)
Share of results of associated companies					434
Profit before taxation					6,040
Taxation					(1,180)
Profit after taxation					<u>4,860</u>
Attributable to:					
Shareholders of the Company					4,748
Minority interests					112
					<u>4,860</u>

Geographical segments

	Asean \$'000	Hong Kong and China \$'000	Australia \$'000	Group \$'000
2005				
Segment revenue	<u>39,212</u>	<u>6,965</u>	<u>3,049</u>	<u>49,226</u>
2004				
Segment revenue	<u>35,323</u>	<u>5,769</u>	<u>3,031</u>	<u>44,123</u>

8(b) Review

Group turnover for the three months to 30 June 2005 rose 11.6% from \$44.1 million to \$49.2 million mainly due to higher sales reported by the retail division.

Higher rental income from Metro City, arising from an improvement in the tenant mix and other asset enhancement exercises, accounted for the increase in the property division's revenue for the quarter from \$9.1 million to \$10.3 million. The completion of the disposal of The Oasis Resort and the consequent conversion of Australian dollar assets to Singapore dollar assets resulted in a realized exchange gain of \$4.7 million which raised the property division's operating results. Dividend and other income from investments including the unquoted investment in Shui On Land Limited, also drove the property division's improvement in operating results. The net outcome was a rise in the property division's operating results from \$5.8 million to \$13.4 million.

Higher sales from the Metro Anniversary Sales and the Great Singapore Sales as compared with the corresponding period of the previous financial year, helped the retail division to improve on sales turnover which rose 11% to \$38.2 million for the first quarter with a consequential increase in operating profit.

Other than the effects of the completion of the disposal of The Oasis Resort, the disbursement of the balance of the investment in Shui On Land Ltd and the collection of the final balance of 5%, being \$26.9 million, due on the disposal of the Group's 27% interest in Ngee Ann City in 2003, during the quarter, 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 2005 are largely in line with the comments made under paragraph 10 of the Results for the Fourth Quarter announcement dated 20 May 2005, in particular, that the Group's results would show incremental improvement in retail turnover.

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 disposal of the junior bonds and preference shares of Orchard Square Capital Assets Ltd was completed on 5 August 2005. The financial effects as set out in the Circular dated 6 July 2005 will therefore be reported in the next financial quarter. Income arising from other investments and performance of the Group's properties are expected to remain stable.

With the economic climate steadily improving, consumer spending should continue to show incremental improvement. However, competition remains keen for the retail division.

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 2005

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries
Date 15 August 2005