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METRO HOLDINGS LIMITED

NEWS RELEASE

METRO'S NET PROFIT SURGES 162.6% TO S\$58.8 MILLION IN 1HFY2011

- **Revenue up 18.5% to S\$82.6 million**
 - **Increase in revenue for both Property and Retail divisions**
 - **Strong rental activity from Property segment**
 - o **Higher rental income from Metro City Shanghai after completion of asset enhancement works**
 - o **Rise in occupancy rates for EC Mall and Metropolis Tower**
 - **Marked improvement in Retail segment**
 - o **Metro City Square major contributor to topline growth**
- **Profit before tax soared 123.2% to S\$67.8 million in 1HFY2011**
- **Balance sheet remains strong with healthy cash position of S\$434.5 million**
- **A special interim dividend of 2.0 cents per share declared, translating to a dividend payout ratio of 21.8%**

Singapore, November 12, 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 an 18.5% increase in revenue to S\$82.6 million for the half year ended September 30, 2010 (“1HFY2011”) from S\$69.7 million in the half year ended September 30, 2009 (“1HFY2010”). Net profit attributable to shareholders surged 162.6% to S\$58.8 million in 1HFY2011 from S\$22.4 million in 1HFY2010.

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Both of the Group's main business segments, namely Property and Retail, reported higher turnover. Gains from the disposal of the commercial property, 1 Financial Street, Beijing contributed significantly to the Group's bottom line. Accordingly, profit before tax rose 123.2% to S\$67.8 million in 1HFY2011, while net profit after tax jumped 162.4% to S\$59.1 million.

Lt Gen (Rtd) Winston Choo (朱維良), Metro's Chairman commented: "I am delighted to report that our Group has performed exceptionally well for the financial period under review. As we continue to streamline our asset portfolio and enhance existing properties, we will be well poised for further growth and capture viable opportunities as they come our way.

We have recently acquired the latest addition to our asset portfolio – the Frontier Koishikawa Building located in Tokyo, Japan. This marks the Group's first property venture into Japan, and is in line with our vision to be a leading property development and investment group in the Asia-Pacific region."

Review of Financial Performance

For the second quarter ended 30 September, Metro's core Property division reported a 23.1% increase in revenue from S\$13.4 million in 2QFY2010 to S\$16.5 million in 2QFY2011. This was due to higher rental income from Metro City Shanghai after the completion of the asset enhancement exercise and initial rental from the newly acquired Frontier Koishikawa Building. The Group also enjoyed higher occupancy rate at its EC Mall and Metropolis Tower.

Profit before tax for the property division rose a remarkable 370.8% from S\$12.0 million to S\$56.5 million on the back of divestment gains, being a \$55.3 million share of a divestment gain from the Group's associate, China Infrastructure Group Ltd. ("CIG"), on the disposal of its subsidiaries owning 1 Financial Street in Beijing, offset by related foreign exchange translation and impairment losses totaling \$12.1 million; and a divestment gain of \$4.6

million from disposing of the jointly controlled entity owning Metropolis Tower in late 2QFY2011, offset by foreign exchange translation losses of \$2.8 million.

The Group's Retail division reported a 17.6% increase in revenue to S\$26.8 million in 2QFY2011, with sales at the new Metro City Square department store contributing most of the improvements. Metro also saw higher trading activities from its retail segment in the Orchard Road shopping district, as well as from festive and other promotional sales events.

Overall the Group reported a sterling set of results for the quarter, with profit before tax rising 345.0% to S\$58.6 million and net profit after tax soaring 453.3% to S\$52.1 million.

Strong Balance Sheet

The Group continued to maintain a strong balance sheet, with a healthy cash position of S\$434.5 million as at September 30, 2010. It also turned to a net cash position from a net gearing of 0.03 times in the same quarter last year. Shareholder's equity increased further to S\$1.0 billion.

In view of the divestment gain from the disposal of 1 Financial Street, Beijing, the Board of Directors has declared a special interim dividend of 2.0 cents per share. This translates to a dividend payout ratio of 21.8% of the Group's net profit attributable to shareholders for 1HFY2011.

Outlook

Rental income from the Group's investment properties is expected to continue to grow steadily with improved occupancy of Metro City, Shanghai and EC Mall, Beijing. The Group's newly acquired Frontier Koishikawa Building is also expected to contribute to rental revenue.

The trading environment for the retail trade in Singapore and Indonesia is expected to remain competitive. Although the Group's Metro City Square department store in Singapore will continue to contribute to Retail turnover, the base effect of the new store is waning and year-on-year growth will be more subdued going forward,

Concluded Lt-Gen (Rtd) Winston Choo, "We take a long-term view for the Group's properties in China. In both first-tier cities and fast growing second and third-tier cities, the market in China continues to show much promise and potential for growth. Leveraging on our strong balance sheet, the Group will continue to capitalise on viable growth opportunities that complement our existing portfolio.

By forging strategic partnerships to share the benefits of relevant experience and expertise, we seek to further strengthen our presence in the Asia-Pacific region and establish our track record in property development and investment sector."

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 six 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 over 996,000 square feet of downtown and suburban retail space.

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