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Miscellaneous

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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
Date & Time of Broadcast	12-Aug-2011 17:57:40
Announcement No.	00235

>> Announcement Details

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Announcement Title *	Press Release
Description	Please refer to the attached press release.
Attachments	PressRelease.pdf Total size = **198K** (2048K size limit recommended)

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NEWS RELEASE

METRO HOLDINGS ACHIEVES 8.7% GROWTH IN REVENUE TO S$42.6 MILLION FOR 1QFY2012

- ***Higher revenue for both Property and Retail Divisions***
- ***Strong balance sheet with cash of S$483.4 million***
- ***Shareholders' equity of S$1.0 billion***

***Singapore, 12 August 2011* –** 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, today reported an 8.7% increase in revenue to S$42.6 million for the first financial quarter ended 30 June 2011 ("1QFY2012"), from S$39.2 million in the previous corresponding period ("1QFY2011").

Higher turnover from both the Group's Property Division and Retail Division contributed to the increase in revenue during the quarter.

Profit before tax decreased from S$9.2 million in 1QFY2011 to S$6.4 million in 1QFY2012, mainly due to lower interest income. Consequently, net profit attributable to shareholders decreased to S$3.0 million in 1QFY2012, from S$6.9 million in 1QFY2011.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱维良), commented, "Despite challenging market conditions during the quarter under review, we are pleased that our asset enhancement initiatives and retail marketing efforts have yielded positive results, with both our Property and Retail Divisions delivering topline growth.

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Quarter-on-quarter, we registered higher occupancies across most of our properties and correspondingly, higher rental income contribution to our revenue."

Review of Financial Performance

Revenue for the Group's core Property Division grew 11.9% to S$15.9 million in 1QFY2012 from S$14.2 million in 1QFY2011. The increase was largely due to higher occupancy at EC Mall, Beijing and higher rental at Metro City, Shanghai following the completion of an asset enhancement exercise. EC Mall and Metro City, Shanghai reported high occupancies for the quarter of 96.3% and 98.6% respectively. Rental income would have been higher if not for a 7.0% decline in the value of the renminbi against the Singapore dollar.

Turnover for the Group's Retail Division registered a modest 6.9% increase year-on-year to S$26.7 million in 1QFY2012. Revenue in Singapore was affected by moderated growth from the previous quarter ("4QFY2011") as the economy slowed, coupled with large scale refurbishment works at Causeway Point where Metro Woodlands is located. In addition, a crowded retail sector as well as start-up costs of the Group's two recently opened department stores – Metro Trans Studio Makassar and Metro Gandaria City – also had an impact on sales and profitability of the Retail Division's associated company in Indonesia.

Profit before tax for the Property Division was lower at S$7.2 million in 1QFY2012, as compared to S$9.2 million in 1QFY2011. This was due to a decline in interest income from the Group's debt securities with the disposal of collateral assets in 4QFY2011, and the repayment of quasi-equity shareholder loans made to certain jointly controlled entities in the Property Division. This decline was mitigated by Metro City, Shanghai, whose profit rose by S$1.3 million due to higher rental.

Strong Balance Sheet

The Group's balance sheet remains strong with cash of S$483.4 million and shareholders' equity of approximately S$1.0 billion as at 30 June 2011.

Outlook

With improved occupancies at Metro City, Shanghai, EC Mall, GIE Tower, Guangzhou and Metro Tower, Shanghai, rental income from the Group's investment properties is expected to remain stable, subject to the impact of the completion of the disposal of Metro City, Beijing.

Lt Gen (Rtd) Winston Choo said, "We remain confident of the long-term prospects of the office and retail property markets in China, which continue to be driven by a strong domestic economy. As part of our strategy to unlock value at the opportune time, we recently announced the divestment of Metro City, Beijing. When completed, it is expected to result in a net gain on disposal of a jointly controlled entity estimated at approximately S$87.4 million before tax.

We will continue to leverage on our strong reputation and extensive network of contacts to prudently expand our presence across fast growing regions in Asia, with a focus on China, where we have over 20 years of track record."

Notwithstanding keen competition in the retail sector in Singapore and Indonesia, the Group seeks to maintain the sales performance of its Retail Division. Consumer spending is projected to remain stable in 2011, with growth in Indonesia supported by an expanding middle class with a growing income and consumption level.

"Metro will continue to maintain our strong cash position and prudent financial policies to ensure the sustainable growth and development of the Group. We remain committed to the notion of unlocking value for our shareholders and are always on the lookout for viable investment opportunities to grow both our Property and Retail businesses," concluded Lt Gen (Rtd) Winston Choo.

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 seven 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 1,166,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

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084/11/003/MHL

August 12, 2011