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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	30-May-2012 07:04:31
Announcement No.	00006

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Announcement Title *	Press Release
Description	Please refer to the attached file.
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NEWS RELEASE

METRO ACHIEVES 12.2% INCREASE IN NET PROFIT TO S$91.9 MILLION IN FY2012

- ***Revenue up 6.7% to S$187.0 million***
- ***Increase in revenue for both Property and Retail divisions***
- ***Core Property segment achieves higher rental income***
  - ***Higher rental income from Metro City Shanghai, Metro Tower Shanghai and EC Mall***
- ***Retail segment records broad-based improvements***
  - ***Improvement in consumer demand in Singapore and Indonesia***
  - ***Strong revenue growth at recently refurbished Metro Woodlands***
- ***Balance sheet remains strong; cash position of S$579.6 million in FY2012, from S$407.8 million in FY2011***
- ***Final dividend of 2.0 cents and Special final dividend of 4.0 cents per ordinary share***

Singapore, 30 May 2012 – 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 a 12.2% increase in net profit attributable to shareholders to S$91.9 million for the full year ended 31 March 2012 ("FY2012"). This was achieved on the back of a 6.7% rise in revenue to S$187.0 million.

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Revenue was driven by higher turnover from both of the Group's core businesses – its Property and Retail divisions. Higher rental income from three main properties contributed to Metro's topline revenue improvement. These included Metro City Shanghai following the completion of an asset enhancement exercise as well as higher occupancy experienced at Metro Tower Shanghai and EC Mall in Beijing. The higher rental income achieved more than compensated a marginal 1% decrease in turnover arising from the decline in the value of the renminbi against the Singapore dollar. The Retail Division's good topline performance was in line with improved consumer demand in Singapore.

Net profit attributable to shareholders climbed 12.2% from S$81.9 million in FY2011 to S$91.9 million in FY2012. This was mainly due to a gain from the disposal of its jointly-controlled entity, Metro City Beijing this year, which more than offset lower fair value gains from the Group's investment properties, a decline in the fair value of the Group's portfolio of short term investments and an impairment charge on available-for-sale investments. Net profit also rose because of a decline in general and administrative expenses due to lower foreign exchange losses.

Lt Gen (Rtd) Winston Choo (朱维良), Metro's Chairman commented: "Notwithstanding a softer macro economic environment, we are pleased that both our Property and Retail divisions continued to deliver stronger topline growth, as our asset enhancement initiatives and strong retail marketing efforts yielded positive results.

In line with our strategy to maximise value for the Group, we will look to prudently divest selectively at the right time and right price. The recent divestment of our joint venture development, Metro City Beijing, has yielded a net gain and correspondingly, we are declaring a special dividend of 4.0 cents to reward our loyal shareholders. We will continue to leverage on our strong reputation and extensive network of contacts in our search for high value-add projects to enhance our portfolio in China and the region. At the same time, we will strive for optimal tenant mix and efficient management of our existing property portfolio to improve profitability of our business."

Review of Financial Performance

For 4QFY2012, Metro’s core Property Division reported a 7.2% increase in revenue to S$17.4 million, from S$16.3 million in 4QFY2011. This was due to higher rental income from Metro Tower and Metro City Shanghai as well as a 3% increase in the value of the renminbi against the Singapore dollar. Apart from Shanghai, the Group also enjoyed higher occupancy rates at EC Mall in Beijing, China.

Sales for the Group’s Retail division climbed 5.6% to S$30.7 million in 4QFY2012 from S$29.1 million in 4QFY2011. This was driven by broad-based sales increase, in line with improved consumer sentiments. In Singapore, revenue growth was particularly strong at the recently refurbished Metro Woodlands. In Indonesia, sales grew with contribution from Metro Gandaria City, which opened in January 2011, and Metro Surabaya, which opened in December 2011.

Profit before tax for the Property Division surged 304.2% to S$93.5 million in 4QFY2012 from S$23.1 million in 4QFY2011 mainly as the Group’s Other income rose to S$102.1 million due to a S$98.7 million gain on disposal of its 50% interest in Huamao, which owns Metro City Beijing. The Group also recorded unrealised fair value gains of S$5.2 million in 4QFY2012 as compared to an unrealised fair value deficit of S$3.0 million in 4QFY2011 from movements in the fair value of the Group’s portfolio of short term equity investments in property REITs. This was offset by a S$9.1 million decline in unrealised gain from fair value adjustments on investment properties to S$4.5 million in 4QFY2012, as most of the gain arising from the asset enhancement exercise at Metro City Shanghai was recorded in 4QFY2011; as well as an impairment of available-for-sale investments in relation to an unrealised impairment of the Group’s investment in Top Spring International Holdings Ltd, due to a significant and prolonged decline in its fair value.

Profit before tax of the Group’s Retail Division declined 15.0% to S$1.9 million in 4QFY2012. Profitability was adversely impacted by lower margins in a highly competitive retail sector as well as higher operating expenses such as higher rental and depreciation charges. Profit growth was also affected by the initial start-up costs of the new Metro Surabaya store.

Overall, in FY2012, the Group reported a profit before tax of S$115.3 million as compared to S$105.5 million in FY2011. Gain from disposal of the Group's 50% interest in Metro City Beijing yielded S$98.7 million as compared to a S$68.2 million gain on disposal of associates owning 1 Financial Street in Beijing in FY2011. However, the Property Division recorded a S$7.4 million decrease in fair value gain on investment properties, including those held by associates, as compared to FY2011; and incurred an impairment charge on available-for-sale investments of S$17.8 million in FY2012 as well as a decrease in fair value of the Group's portfolio of short term investments of S$3.2 million, compared with a decrease of S$0.3 million in FY2011.

Strong Balance Sheet

The Group continued to maintain a strong balance sheet, with a healthy cash position of S$579.6 million as at 31 March 2012 as compared to S$407.8 million as at 31 March 2011. Shareholders' equity increased further to S$1.1 billion from S$1.0 billion over the same period.

Dividend

Buoyed by the Group's healthy balance sheet, the Board has recommended dividends totalling 6.0 Singapore cents comprising a special dividend of 4.0 cents and an ordinary final dividend of 2.0 cents respectively per share. This translates to a total payout ratio of 54.1% of the Group's net profit attributable to shareholders for FY2012. The Group had previously paid total dividends of 5.0 cents comprising special dividends of 3.0 cents (interim and final) and an ordinary final dividend of 2.0 cents respectively in FY2011.

Outlook

The Group’s four mature properties in China’s first-tier cities continue to enjoy high occupancy rates averaging 97.3% as well as steady rental income.

“Going forward, we will continue to rebalance our asset portfolio with a view to divest poorer-performing properties and enter into viable investments, leveraging on our long track record in retail as well as strategic partnerships. With this strategic intent in mind, we are confident of broadening our revenue stream to facilitate sustained profitability and improved yield," added Lt Gen (Rtd) Choo.

Rental income from the Group’s investment properties is expected to decline with the disposal of Metro City Beijing. However, minimal impact is expected on operating income as this joint venture development incurred a marginal operating loss prior to disposal.

Notwithstanding the keen competition in the retail sector in Singapore and Indonesia, the retail division will seek to improve on its sales performance.

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 over 1,323,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

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060/12/002/MHL

May 30, 2012