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First Quarter Results * Financial Statement And Related 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
Date & Time of Broadcast	13-Aug-2012 17:29:48
Announcement No.	00076

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2012
Description	Please refer to the attached document.

Attachments

 [MHLQ1ended300612.pdf](#)
 Total size = **183K**
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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 2012

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	1st Qtr ended 30-Jun-2012 \$'000	1st Qtr ended 30-Jun-2011 \$'000	% Change
Revenue	44,179	42,604	3.70
Cost of revenue	(31,434)	(29,088)	8.07
Gross profit	12,745	13,516	(5.70)
Other income including interest income	6,645	3,460	92.05
Changes in fair value of short term investments	5,828	(400)	n.m.
General and administrative expenses	(4,823)	(6,372)	(24.31)
Profit from operating activities	20,395	10,204	99.87
Interest on borrowings	(1,319)	(2,879)	(54.19)
Share of associates' results, net of tax	(951)	(931)	2.15
Profit from operations before taxation	18,125	6,394	183.47
Taxation	(3,210)	(3,342)	(3.95)
Profit net of taxation	14,915	3,052	388.70
Attributable to:			
Owners of the Company	14,792	3,028	388.51
Non-controlling interests	123	24	412.50
	14,915	3,052	388.70

n.m. - not meaningful

Statement of Comprehensive Income

	Group		
	1st Qtr ended 30-Jun-2012 \$'000	1st Qtr ended 30-Jun-2011 \$'000	% Change
Profit net of taxation	14,915	3,052	388.70
Other comprehensive income/(expense), net of tax:			
Currency translation adjustments on foreign operations	1,662	(8,909)	n.m.
Changes in fair value of available-for-sale financial assets	(6,918)	(18,470)	(62.54)
Share of other comprehensive income of associates	2	324	(99.38)
	(5,254)	(27,055)	(80.58)
Total comprehensive income/(expense) for the period	<u>9,661</u>	<u>(24,003)</u>	n.m.
Attributable to:			
Owners of the Company	9,528	(23,792)	n.m.
Non-controlling interests	133	(211)	n.m.
	<u>9,661</u>	<u>(24,003)</u>	n.m.

n.m. - not meaningful

Currency translation adjustments on foreign operations are mainly a result of the Group's exposure to the effects of fluctuations in foreign currency exchange rates primarily in relation to Chinese renminbi as most of the Group's investment properties are situated in the People's Republic of China. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency.

Changes in fair value of available-for-sale investments mainly relate to fluctuations in the fair value of the Group's investments in Shui On Land Ltd and Top Spring International Holdings Ltd ("TSI") which are classified under Investments (Non-current assets).

1(a) (ii)

Revenue

Revenue of the Group comprises sales of goods and services and net commission from concessionaires.

Revenue of the Group reported on a gross transaction basis, which includes the value of the overall activity of the Group based on the gross value achieved by the concessionaire on the sale, is presented as follows:-

	Group		% Change
	1st Qtr ended 30-Jun-2012 \$'000	1st Qtr ended 30-Jun-2011 \$'000	
Retail	47,473	43,925	8.08
Property	14,785	15,923	(7.15)
	<u>62,258</u>	<u>59,848</u>	4.03

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

	Group		% Change
	1st Qtr ended 30-Jun-2012 \$'000	1st Qtr ended 30-Jun-2011 \$'000	
Cost of revenue and general and administrative expenses includes:-			
Depreciation	(905)	(724)	25.00
Inventories recognised as an expense	(15,363)	(13,161)	16.73
Allowance for obsolete inventories	(14)	(14)	-
Inventories written down	(521)	(477)	9.22
Rental expense	(5,619)	(5,370)	4.64
Foreign exchange loss	(187)	(767)	(75.62)
Other income including interest income includes:-			
Interest income	899	451	99.33
Dividends from quoted and unquoted investments	4,068	1,553	161.94
Management fee income from associates	457	389	17.48
Foreign exchange gain	624	384	62.50

1(a) (iv) Share of Associates' results (net of tax)

	Group		% Change
	1st Quarter ended		
	30-Jun-2012	30-Jun-2011	
	\$'000	\$'000	
The Group's share of associates' results consists of:-			
- Operating results	(956)	(878)	8.88
- Taxation	5	(53)	n.m.
	<u>(951)</u>	<u>(931)</u>	2.15

n.m. - not meaningful

1(a) (v) Taxation

	Group		% Change
	1st Quarter ended		
	30-Jun-2012	30-Jun-2011	
	\$'000	\$'000	
Current Year Tax	2,366	2,267	4.37
Overprovision for Prior Year	(916)	-	n.m.
Deferred Tax	1,760	1,075	63.72
	<u>3,210</u>	<u>3,342</u>	(3.95)

n.m. - not meaningful

Whilst the tax charge of the Group for the period ended 30 June 2012, excluding share of associates' results which is already stated net of tax, is close to that derived by applying the Singapore statutory income tax rate applicable to company profits, there are differences arising from tax rates applicable to overseas subsidiaries and jointly controlled entities, losses in subsidiaries which are not available for set off against Group results for tax purposes, deferred tax assets not recognised and expenditure not deductible for tax purposes.

1(b) (i) A statement of financial position (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-Jun-2012 \$'000	31-Mar-2012 \$'000	30-Jun-2012 \$'000	31-Mar-2012 \$'000
Non-current assets				
Property, plant and equipment	15,887	16,490	10,345	10,409
Investment properties	554,381	550,194	-	-
Subsidiaries	-	-	17,174	17,174
Amounts due from subsidiaries	-	-	408,956	395,948
Associates	16,560	18,060	500	500
Amounts due from associates	77,107	75,992	-	-
Amounts due from jointly controlled entities	1,279	1,245	-	-
Investments	66,374	72,985	-	-
	<u>731,588</u>	<u>734,966</u>	<u>436,975</u>	<u>424,031</u>
Current assets				
Inventories	15,803	16,125	-	-
Deposits	7,891	7,737	155	149
Prepayments	852	893	38	14
Accounts receivables	8,625	10,365	118	95
Tax recoverable	265	259	-	-
Short term investments	77,966	72,137	-	-
Loan notes	15,248	15,248	-	-
Pledged fixed and bank deposits	35,402	36,007	-	-
Cash and cash equivalents	547,976	543,547	61,254	61,452
	<u>710,028</u>	<u>702,318</u>	<u>61,565</u>	<u>61,710</u>
Current liabilities				
Bank borrowings	54,222	53,585	-	-
Accounts payables	81,332	80,216	11,273	10,859
Provision for taxation	6,036	16,459	127	149
	<u>141,590</u>	<u>150,260</u>	<u>11,400</u>	<u>11,008</u>
Net current assets	568,438	552,058	50,165	50,702
Non-current liabilities				
Bank borrowings	99,390	97,897	-	-
Amounts due to subsidiaries	-	-	149,586	136,994
Deferred taxation	73,356	71,508	331	320
	<u>(172,746)</u>	<u>(169,405)</u>	<u>(149,917)</u>	<u>(137,314)</u>
Net assets	<u>1,127,280</u>	<u>1,117,619</u>	<u>337,223</u>	<u>337,419</u>
Equity attributable to owners of the Company				
Share capital	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	955,860	946,332	169,274	169,470
	<u>1,123,809</u>	<u>1,114,281</u>	<u>337,223</u>	<u>337,419</u>
Non-controlling interests	3,471	3,338	-	-
Total equity	<u>1,127,280</u>	<u>1,117,619</u>	<u>337,223</u>	<u>337,419</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-Jun-2012		As at 31-Mar-2012	
Secured	Unsecured	Secured	Unsecured
54,222,315	-	53,584,613	-

Amount repayable after one year

As at 30-Jun-2012		As at 31-Mar-2012	
Secured	Unsecured	Secured	Unsecured
99,389,929	-	97,896,814	-

Details of any collateral

An investment property with a fair value totaling S\$87.3 million as at 30 June 2012 and fixed deposits totaling S\$33.7 million have been mortgaged to banks for banking facilities granted to certain subsidiaries. Total loans drawn on such facilities as at 30 June 2012 amounted to JPY5.6 billion (equivalent to S\$89.2 million). Short term loans of HK\$95.2 million (equivalent to S\$15.6 million) granted to a subsidiary were secured by marketable securities and shares of subsidiaries which own an investment property with a fair value of S\$95.0 million as at 30 June 2012. Bank facilities granted to a jointly controlled entity, of which an amount of RMB243.9 million (equivalent to S\$48.8 million) have been drawn, were secured by an investment property with a fair value of S\$106.8 million as at 30 June 2012 and bank deposits totaling RMB8.7 million (equivalent to S\$1.7 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows for the period

	Group	
	1st Qtr ended 30-Jun-2012 \$'000	1st Qtr ended 30-Jun-2011 \$'000
Cash flows from operating activities		
Operating profit before reinvestment in working capital	11,008	10,013
Increase in inventories	(213)	(2,669)
Decrease in accounts receivables	2,683	136
Increase in short term investments	-	(7,400)
Increase in accounts payables	1,115	39,981
Cash generated from operations	14,593	40,061
Interest expense paid	(1,319)	(2,879)
Interest income received	899	451
Income taxes paid	(11,899)	(2,333)
Net cash flows generated from operating activities	<u>2,274</u>	<u>35,300</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(312)	(1,045)
Subsequent expenditure on investment properties	(176)	(33)
Decrease/(increase) in investments	675	(800)
Proceeds from liquidation of an associate	-	460
Proceeds from disposal of property, plant and equipment	13	-
Decrease in amounts due from associates	(320)	-
Dividends received from quoted and unquoted investments	3,006	1,032
Dividends received from an associate	-	38,000
Changes in pledged fixed and bank deposits	605	132
Net cash flows generated from investing activities	<u>3,491</u>	<u>37,746</u>
Cash flows from financing activities		
Drawdown of bank borrowings	-	216
Repayment of bank borrowings	(1,862)	(2,260)
Proceeds from issue of shares	-	7,498
Net cash flows (used in)/generated from financing activities	<u>(1,862)</u>	<u>5,454</u>
Net increase in cash and cash equivalents	3,903	78,500
Effect of exchange rate changes in cash and cash equivalents	526	(2,352)
Cash & cash equivalents at beginning of financial period	543,547	372,911
Cash & cash equivalents at end of financial period	<u><u>547,976</u></u>	<u><u>449,059</u></u>

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

	Group	
	1st Qtr ended 30-Jun-2012 \$'000	1st Qtr ended 30-Jun-2011 \$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit before taxation	18,125	6,394
Adjustments for:		
Interest expense	1,319	2,879
Depreciation of property, plant and equipment	905	724
Share of results of associates	951	931
Interest and investment income	(4,967)	(2,004)
Inventories written down	521	477
Gain on disposal of property, plant and equipment	(3)	-
Allowance for obsolete inventories	14	14
Changes in fair value of short term investments	(5,828)	400
Loss on liquidation of an associate	-	6
Foreign exchange adjustments	(29)	192
Operating profit before reinvestment in working capital	<u>11,008</u>	<u>10,013</u>

Note:

Cash and cash equivalents comprise:

	\$'000	\$'000
Bank balances and deposits		
- Continuing operations	547,976	448,610
- Assets of disposal entity held for sale under FRS 105	-	449
Cash and cash equivalents	<u>547,976</u>	<u>449,059</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

Group	Share Capital \$'000	Treasury Shares \$'000	Warrants Reserve \$'000	Revaluation Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Revenue Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
At 1 April 2012	169,717	(1,768)	-	19,073	6,039	(26,733)	947,953	1,114,281	3,338	1,117,619
Total comprehensive (expense)/income for the period	-	-	-	-	(6,880)	1,616	14,792	9,528	133	9,661
At 30 June 2012	169,717	(1,768)	-	19,073	(841)	(25,117)	962,745	1,123,809	3,471	1,127,280
At 1 April 2011	142,432	(1,397)	2,688	19,073	7,807	(38,770)	880,657	1,012,490	4,063	1,016,553
Conversion of warrants into shares	8,331	-	(833)	-	-	-	-	7,498	-	7,498
Total comprehensive (expense)/income for the period	-	-	-	-	(18,361)	(8,459)	3,028	(23,792)	(211)	(24,003)
At 30 June 2011	150,763	(1,397)	1,855	19,073	(10,554)	(47,229)	883,685	996,196	3,852	1,000,048

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

<u>Company</u>	Share Capital \$'000	Treasury Shares \$'000	Warrants Reserve \$'000	Revaluation Reserve \$'000	Revenue Reserve \$'000	Total Equity \$'000
At 1 April 2012	169,717	(1,768)	-	9,119	160,351	337,419
Total comprehensive expense for the period	-	-	-	-	(196)	(196)
At 30 June 2012	169,717	(1,768)	-	9,119	160,155	337,223
At 1 April 2011	142,432	(1,397)	2,688	9,119	152,434	305,276
Conversion of warrants into shares	8,331	-	(833)	-	-	7,498
Total comprehensive income for the period	-	-	-	-	35,068	35,068
At 30 June 2011	150,763	(1,397)	1,855	9,119	187,502	347,842

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 or 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

Changes in the Company's share capital, treasury shares and warrants are as follows:

As at 30 June 2012, there were 3,512,800 treasury shares (as at 30 June 2011: 2,469,000).

The Company did not issue any shares during the 3 months ended 30 June 2012.

As at 30 June 2012, there were no warrants (as at 30 June 2011: 27,923,098). Each Warrant carried the right to subscribe in cash for one new share in the issued share capital of the Company at \$0.63 prior to the adjustment pursuant to the Bonus Issue. The Warrants expired on 22 September 2011 and any Warrants outstanding after 22 September 2011 lapsed and were cancelled.

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30 June 2012 (end of current financial period)	As at 31 March 2012 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	828,035,874	828,035,874

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company did not sell, transfer, dispose, cancel or use any treasury shares in the 1st Quarter period ended 30 June 2012.

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 Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2012.

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 March 2012, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2012.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 April 2012 are:

Amendments to FRS 12 Income Taxes: Deferred Tax Recovery of Underlying Assets; and
Amendments to FRS 107 Disclosures - Transfers of Financial Assets.

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRS.

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 (Restated*)
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	1.8 cents	0.4 cents
(b) On a fully diluted basis	1.8 cents	0.4 cents

Earnings per share is calculated on the Group's profit attributable to shareholders of the Company of \$14,792,000 (period ended 30 June 2011: \$3,028,000) divided by the weighted average number of ordinary shares of 824,606,231 for the period ended 30 June 2012 (period ended 30 June 2011: 774,625,801).

Diluted earnings per ordinary share is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the periods under review and adjusted to include all potential dilutive ordinary shares up to 30 June 2012.

* Comparative figures for EPS have been adjusted for the bonus issue of shares of 1 share for every 5 shares held.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial 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	135.7 cents	40.7 cents
(b) 31 March 2012	134.6 cents	40.7 cents

Net asset value for the Group is calculated on the equity attributable to owners of the Company as at 30 June 2012 of \$1,123,809,000 (31 March 2012: \$1,114,281,000) divided by the total number of issued shares excluding treasury shares as at 30 June 2012 of 828,035,874 (31 March 2012: 828,035,874).

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	Inter-segment Elimination \$'000	Group \$'000
2012				
Sales to external customers	14,785	29,394	-	44,179
Inter-segment sales	47	-	(47)	-
Segment revenue	<u>14,832</u>	<u>29,394</u>	<u>(47)</u>	<u>44,179</u>
Segment results	14,509	58	-	14,567
Interest on borrowings	(1,319)	-	-	(1,319)
Changes in fair value of short term investments	5,828	-	-	5,828
Share of associates' results (net of tax)	<u>(640)</u>	<u>(311)</u>	-	<u>(951)</u>
Profit/(loss) from operations before taxation	18,378	(253)	-	18,125
Taxation				<u>(3,210)</u>
Profit net of taxation				<u>14,915</u>
Attributable to:				
Owners of the Company				14,792
Non-controlling interests				<u>123</u>
				<u>14,915</u>

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

Business segment

	Property \$'000	Retail \$'000	Inter-segment Elimination \$'000	Group \$'000
2011				
Sales to external customers	15,923	26,681	-	42,604
Inter-segment sales	47	-	(47)	-
Segment revenue	<u>15,970</u>	<u>26,681</u>	<u>(47)</u>	<u>42,604</u>
Segment results	10,665	(61)	-	10,604
Interest on borrowings	(2,879)	-	-	(2,879)
Changes in fair value of short term investments	(400)	-	-	(400)
Share of associates' results (net of tax)	<u>(233)</u>	<u>(698)</u>	<u>-</u>	<u>(931)</u>
Profit/(loss) from operations before taxation	7,153	(759)	-	6,394
Taxation				<u>(3,342)</u>
Profit net of taxation				<u>3,052</u>
Attributable to:				
Owners of the Company				3,028
Non-controlling interests				<u>24</u>
				<u>3,052</u>

Geographical Segments

	Asean \$'000	Hong Kong and China \$'000	Japan \$'000	Group \$'000
2012				
Segment revenue	<u>29,394</u>	<u>13,705</u>	<u>1,080</u>	<u>44,179</u>
2011				
Segment revenue	<u>26,681</u>	<u>14,638</u>	<u>1,285</u>	<u>42,604</u>

8(b) Review of 1st Quarter ended 30 June 2012 against 1st Quarter ended 30 June 2011

The Group's turnover for the first financial quarter to 30 June 2012 ("1QFY2013") rose to \$44.2 million from 1QFY2012's \$42.6 million. Higher sales of the retail division offset the decline in rental due to the disposal of Metro City Beijing. Gross profit for 1QFY2013 of \$12.7 million was however lower than 1QFY2012's \$13.5 million without the contribution from Metro City Beijing. In addition, the contribution from higher sales of the retail division was affected by pressure on margins and higher operational costs.

Other income rose to \$6.6 million for 1QFY2013 from the \$3.5 million recorded in 1QFY2012 mainly due to higher dividend income of \$2.6 million from long-term available-for-sale investments.

Unrealised fair value gains of \$5.8 million in 1QFY2013 and the corresponding 1QFY2012's unrealised fair value deficit of \$0.4 million, relate to movements in the fair value of the Group's portfolio of short term equity investments in property REITs held by the property division.

General and administrative expenses declined to \$4.8 million in 1QFY2013 from \$6.4 million in 1QFY2012 mainly due to lower foreign exchange losses.

Interest on borrowings in 1QFY2013 fell from that reported in 1QFY2012 due to the disposal of Metro City Beijing and the associated bank borrowings.

Property Division

Higher rental income of Metro City, Shanghai, Metro Tower, Shanghai and EC Mall, together with a 5.1% increase in the value of the renminbi against the Singapore dollar helped to mitigate the decline in rental income due to the disposal of Metro City Beijing. Turnover of the property division for 1QFY2013 nevertheless fell 7.1% to \$14.8 million from 1QFY2012's \$15.9 million. Occupancy of the Group's properties remained high with the average occupancy of the Group's five investment properties as at 30 June 2012 at 86.8% as compared to that as at 30 June 2011 of 90.2% for the same properties.

The portfolio summary of the Group's Properties as at 30 June 2012 is as follows:

	<i>Percentage owned by the Group</i>	<i>Tenure</i>	<i>No. of Tenants</i>	<i>Occupancy Rate (%)</i>
Metro City, Shanghai	60%	36 year term from 1993	103	97.3%
GIE Tower, Guangzhou	100%	50 year term from 1994	41	83.3%
Metro Tower, Shanghai	60%	50 year term from 1993	23	99.7%
Frontier Koishikawa Building, Tokyo	100%	Freehold	4	55.0%
EC Mall, Beijing	31.65%	50 year term from 2001	92	98.6%

Retail Division

Sales of the retail division for 1QFY2013 rose 10.2% to \$29.4 million as compared to 1QFY2012's \$26.7 million. Revenue growth continued to be particularly strong for Metro Woodlands which was under renovation in the prior 1QFY2012. Profitability was however adversely impacted by lower margins in a highly competitive retail sector as well as higher operating expenses including higher staff, rental and depreciation expenses.

Sales of the retail division's associated company in Indonesia grew with the sales contribution from Metro Surabaya, which opened in December 2011. In addition, Metro Bandung Supermal reported higher sales as the mall in which it operates was also undergoing renovation in the prior 1QFY2012.

8(c) Cash Flow, Working Capital, Assets and Liabilities

During 1QFY2013, Investments (Non-current assets) fell from \$73.0 million as at 31 March 2012 to \$66.4 million as at 30 June 2012 mainly due to changes in the fair value of available-for-sale investments, Top Spring International Holdings Ltd.

Short term investments rose from \$72.1 million as at 31 March 2012 to \$78.0 million as at 30 June 2012 due to changes in their fair value.

Provision for taxation fell from \$16.5 million as at 31 March 2012 to \$6.0 million as at 30 June 2012 with the settlement of tax liabilities arising from the disposal of Metro City Beijing.

There were no other material factors that affected the cash flow, 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

There have been no material variances with forecast or prospect statements issued for the period being reported on.

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

Turnover of the property division is expected to continue to be adversely affected as the contribution to rental income of the Group's investment properties by Metro City Beijing ceased with its disposal. The impact of this on profit from operations before taxation is expected to be minimal as Metro City Beijing incurred marginal operating losses after interest, prior to its disposal. The Group's portfolio of quoted equity investments will continue to be subject to fluctuations in their fair value due to volatile market conditions. The Group will continue to be subject to significant currency translation adjustments on foreign operations, due to volatility in foreign currency exchange rates, as a significant portion of its net assets which mainly represent investment properties situated in the People's Republic of China, are denominated in the Chinese renminbi.

As renovations affecting Metro Woodlands in Singapore and Metro Bandung Supermal in Indonesia were substantially completed in the prior 1QFY2012, the rate of revenue growth seen in 1QFY2013 as compared to 1QFY2012, is expected to grow at a lesser pace. The challenges of competitive trading conditions and rising operational costs is expected to continue to put pressure on margins.

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 2012.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

14. Negative assurance statement by directors

The Board of Directors confirms that to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries
Date 13 August 2012