General Announcement::Press Release

Issuer & Securities

Issuer/ Manager	METRO HOLDINGS LTD
Securities	METRO HOLDINGS LIMITED - SG1I11878499 - M01

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	28-May-2014 06:53:53
Status	New
Announcement Sub Title	Press Release
Announcement Reference	SG140528OTHRBNLU
Submitted By (Co./ Ind. Name)	Tan Ching Chek
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the attachment.

Attachments	MHLFY2014PressRelease.pdf Total size =48K

美羅 METRO

NEWS RELEASE

METRO ACHIEVES 64.6% INCREASE IN NET PROFIT TO S$106.9 MILLION IN FY2014

- ***Revenue increases 3.8% to S$194.3 million***
- ***Profit before tax increase mainly attributable to the following :***
  - ***S$40.5 million in fair value gains from investment properties, including those held by associates***
  - ***S$29.6 million gain on disposal of a warehouse in Singapore***
  - ***S$19.0 million gain in negative goodwill on acquisition of an additional interest in the jointly controlled entities owning EC Mall in Beijing***
- ***Maintains strong balance sheet with healthy cash level of S$337.2 million***
- ***Declares final dividend of 2.0 cents and final special dividend of 4.0 cents per ordinary share***

Singapore, 28 May 2014 – 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, recorded a 64.6% increase in net profit to S$106.9 million for the full year ended 31 March 2014 ("FY2014"), compared to S$65.0 million in the previous corresponding year ("FY2013"). This was achieved on the back of a 3.8% increase in sales to S$194.3 million in FY2014, from S$187.1 million in FY2013.

Metro Holdings Limited
391A Orchard Road • #19-00 Tower A • Ngee Ann City • Singapore 238873
Tel: (65) 6733-3000 • Fax: (65) 6735-3515
Co. Registration No.: 197301792W

Revenue for the Group's core Property Division rose 13.3% to S$66.1 million in FY2014, from S$58.3 million in the previous year. The improvement was attributable mainly to overall higher rental income achieved by the Group's Property Division despite lower occupancy rate in Metro City Shanghai due to disruptions from asset enhancement works. The increased rental revenue contribution from an additional 18.4% equity investment in the jointly controlled entities owning EC Mall in Beijing since October 2013 also contributed to the improved topline. Additionally, the 4% strengthening of the Renminbi ("RMB") against the Group's reporting currency, the Singapore dollar, contributed to the higher revenue.

Notwithstanding a competitive retail environment, sales from the Group's Retail division held steady at S$128.2 million in FY2014. Profitability of the retail division was adversely affected by higher rental and manpower costs but mitigated by improvements in gross margins. For the retail associate in Indonesia, the impact of improved sales continued to be reduced by higher operational costs.

Lt Gen (Rtd) Winston Choo (朱维良), Chairman of Metro, commented "Our Property Division remains robust as we continue to expand Metro's footprint in China. During the year, we increased the equity investment in our Chinese partner, Top Spring International Holdings Ltd, bringing our total strategic interest to 19.76%. This allows the Company to further expand and extend our property interests, with wider geographical reach, and to move into mixed developments in China.

"We are pleased that our considered selection of strategic investments over the years has contributed to the overall increase in the valuation of our investment properties. The Group will continue to seek new value-accretive business opportunities and add value to our existing portfolio of properties through asset enhancements to improve returns to shareholders."

Overall, the Group's profit before tax climbed 52.1% to S$124.8 million in FY2014, from S$82.0 million in FY2013. The robust increase was contributed by unrealised gain from net fair value adjustments due to revised valuations for some investment properties. Higher valuations on investment properties, including those held by associates, contributed fair value gains of S$40.5 million. This included EC Mall in Beijing and an associate's investment property component of Nanchang Fashion Mark project. The increase was partially offset by lower valuations of Metro City Shanghai, due to a declining lease period and the impact of asset enhancement costs written off and Frontier Koishikawa.

During the year, a gain of S$29.6 million on disposal of the Group's warehouse property in Pasir Panjang, Singapore was recorded upon its sale. Negative goodwill represented by S$19.0 million in excess of the Group's share of fair value over the cost of investment on acquisition of an additional interest in the jointly controlled entities owning EC Mall in Beijing also contributed to the growth.

Strong Balance Sheet

The Group continued to maintain a strong balance sheet, with a healthy cash position of S$337.2 million as at 31 March 2014. Shareholders' equity also stayed at a strong level of S$1.2 billion at the close of the financial period.

Dividend

Buoyed by the Group's performance, the Board has recommended dividends totaling 6.0 Singapore cents comprising an ordinary final dividend of 2.0 cents and a special dividend of 4.0 cents respectively per share. This translates to a total payout ratio of 46.5% of the Group's net profit attributable to shareholders for FY2014. The Group had previously paid total dividends of 4.0 cents comprising a special final dividend of 2.0 cents and an ordinary final dividend of 2.0 cents respectively in FY2013.

Outlook

In China, the Group expects rental income from its commercial property portfolio to remain steady while Metro City Shanghai is being scheduled to proceed with the next phase of the asset reconfiguration refurbishment exercise in the next few months.

The Group's residential portfolio in the prime Hong Gu Tan CBD area of Nanchang, held through associate Nanchang Top Spring Property Development Company Limited in which Metro holds 30% stake, is being sold in phases. The first phase of 20,519 square metres gross floor area was presold in 3QFY2014 for HK$575.1 million (approximately S$93.7 million) with the second phase of 12,996 square metres gross floor area presold in 4QFY2014 for HK$256 million (approximately S$41.5 million). Completion of the first phase for handover of the Nanchang project is currently scheduled for late 2014/early 2015.

Additionally, The Crest, a residential project in Singapore held through the Group's 40% held jointly-controlled entity, Wingcrown Investment Pte. Ltd., will be commencing its sales launch in the coming months notwithstanding the more subdued market sentiments following the various property cooling measures introduced by the Government to stem speculation.

Metro's Retail Division continues to experience competitive pressures in the retail environment as well as increasing operational costs in both Singapore and Indonesia. The Group's new department store, the Metro Centrepoint, is scheduled to launch in 3QFY2015.

"Leveraging on strong partnerships with experienced players, we now cover a fuller spectrum of properties in our key markets of China and Singapore. At the same time, we have diversified beyond commercial properties, expanding our portfolio to include an urban community development and residential developments.

"Moving forward, the Group will continue to co-invest with experienced local partners to further strengthen Metro's presence in China and the region with a view to broadening our revenue stream and building sustained profitability," concluded Lt Gen (Rtd) Winston Choo, Metro's Chairman.

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 nine 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 in over 1.4 million square feet of downtown and suburban retail space in Singapore and Indonesia.

ISSUED ON BEHALF OF	:	Metro Holdings Limited	
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd	
		55 Market Street	
		#02-01	
		SINGAPORE 048941	
CONTACT	:	Ms Dolores Phua / Mr Han Zhongchou	
		at telephone	
DURING OFFICE HOURS	:	6534-5122	(Office)
AFTER OFFICE HOURS	:	9750-8237 / 9154-3765	(Handphone)
EMAIL	:	dolores.phua@citigatedrimage.com	
		zhongchou.han@citigatedrimage.com	

049/14/002/MHL

May 28, 2014