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NEWS RELEASE

METRO POSTS NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF S$38.2 MILLION IN 4QFY2009

- **4QFY2009 net profit attributable to shareholders up 49.0% despite a 5.7% decline in revenue**
  - **Core Property segment maintains upward trend**
    - **Higher rental income from Metro Tower and GIE Tower, and strengthening of the Chinese yuan against Singapore dollar**
  - **Gain in fair value of short term investments and recognition of negative goodwill**
  - **Weakening retail sales in Singapore and Indonesia affect revenue**
- **Balance sheet remains strong with healthy cash position of S$193.0 million**
- **Proposes an ordinary final dividend of two Singapore cents per ordinary share**
  - **Total payout ratio of 31.8%**

Singapore, May 25, 2009 – Mainboard-listed Metro Holdings Limited ("Metro Holdings" 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 a 49.0% increase in net profit attributable to shareholders to S$38.2 million despite a 5.7% decline in revenue to S$50.2 million for the fourth quarter ended March 31, 2009 ("4QFY2009").

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The increase in 4QFY2009 net profit attributable to shareholders reflected higher revenue from the Group's core Property division, mainly due to increased rental income from Metro Tower and GIE Tower and a strengthening of the Chinese yuan against the Singapore dollar. In addition, there were gains from an increase in fair value of short-term investments of S$3.1 million (unrealised) in 4QFY2009 as compared to a loss of S$4.1 million (unrealised) in 4QFY2008. In addition, a negative goodwill of S$1.5 million arising from the acquisition of an additional effective interest of 11.5% in the companies developing ECMall and Metropolis Tower was recognised in other income this year.

For the year ended March 31, 2009 ("FY2009"), net profit attributable to shareholders dropped by 40.3% to S$39.4 million, on the back of a 10.8% decrease in revenue to S$200.3 million.

Review of Financial Performance

On a quarter-on-quarter basis, in 4QFY2009, revenue for the Group's core Property division increased 17.3% to S$15.0 million from S$12.8 million, excluding a one-time recognition of service charges of S$4 million in 4QFY2008. The increase was due to higher rental income from Metro Tower and GIE Tower and a strengthening of the Chinese yuan against the Singapore dollar.

Commented Lt Gen (Retd) Winston Choo (朱维良), Chairman of Metro Holdings Limited: "We are heartened that our property division turnover has grown steadily despite the unprecedented financial turmoil. Metro Tower and Metro City, Shanghai continued to maintain high occupancy whilst Metro City, Beijing is undergoing adjustments of its retail mix to further enhance tenant profile. GIE Tower in Guangzhou has also seen a 6.7 percentage point improvement in occupancy following the success of our tenant remixing scheme."

The Retail division's turnover decreased by 3.4% to S$35.2 million in 4QFY2009 mainly due to a slowdown in consumption as well as tourist and business traveller arrivals in both Singapore and Indonesia.

In FY2009, the Group's turnover declined by 10.8% to S$200.3 million from S$224.4 million in the previous year ("FY2008"), as FY2008 included S$28.0 million of sales from Metro Tampines, which closed in August 2007.

Segmentally, revenue from the Property Division rose 17.6% in FY2009 to S$52.3 million from S$44.0 million in FY2008, excluding one-time service charges of S$4 million recorded in 4QFY2009. The revenue increase was due to higher rental income from Metro City and Metro Tower, Shanghai and Metro City, Beijing, as well as a strengthening of the Chinese yuan against the Singapore dollar. As for the Retail Division, excluding S$28.0 million of sales of Metro Tampines recorded in FY2008, retail turnover remained stable at S$147.9 million in FY2009, as compared to S$148.4 million in FY2008.

The Group's 4QFY2009 pretax profit for the Property division decreased 22.7% from S$34.4 million in 4QFY2008 to S$26.6 million in 4QFY2009, mainly due to a lower net gain from fair value adjustments on investment properties. In line with lower sales, the Retail division's pretax profit was down 2.6% to S$1.97 million.

For FY2009, the Group's pretax profit for the Property division declined from S$75.6 million to S$34.1 million. The prior year, FY2008, included a gain of S$31.9 million arising on the disposal of Gurney Plaza, included in share of associated companies' results, and gains of S$14.9 million from fair value adjustments on investment properties. This compares with FY2009's net gain from fair value adjustments on investment properties of S$9.0 million which comprises of a surplus of S$53.6 million, included under share of associated companies, offset by a deficit of S$44.6 million. The Property division's higher rental income was offset by a higher decline of S$6.9 million in the fair value of the Group's portfolio of short-term investments. The Retail division's pretax profit was down 55.3% to S$4.9 million.

"Going forward, from Q1FY2010, the Group's Property Division will include our recently completed developments in both China and Malaysia, namely, 1 Financial Street and Gurney Plaza Extension. Since their recent completions, we have started to receive encouraging response for 1 Financial Street; and almost 100% occupancy for our retail space at Gurney Plaza Extension.

"Overall, excluding our recently opened 1 Financial Street, we have achieved a commendable average occupancy rate of over 87%, a sequential improvement over 3QFY2009, boosted by healthy occupancy at our newly completed Gurney Plaza Extension.

"We are positive that China continues to offer good, long-term growth opportunities. The commercial and retail property markets in China remain relatively resilient for Grade A properties in prime locations. We will continue to leverage on our strong foothold of over 20 years of experience in China for long-term growth in this country," added Lt Gen (Retd) Winston Choo.

Completed in March 2009, 1 Financial Street is located in Xi Cheng District, Beijing's central financial district, and offers about 70,675 square metres of Grade A office space. As for Gurney Plaza Extension in Penang, Malaysia, the 8-storey, 1-basement retail mall has almost 12,577 square metres of leasable space and several floors of carpark spaces, and was completed in November 2008.

Strong Balance Sheet

The Group's balance sheet remained strong, exemplified by a healthy cash position of S$193.0 million. Total shareholders' equity remained stable at S$934.0 million as at March 31, 2009. Gearing remained stable at 0.01 times as at March 31, 2009.

Buoyed by the Group's healthy balance sheet, the Group has proposed an ordinary final dividend of two Singapore cents per share. This translates to a payout ratio of 31.8% of the Group's net profit attributable to shareholders for FY2009.

Outlook

The Group's five completed properties located in China's first-tier cities and Malaysia (excluding the recently completed 1 Financial Street), continued to enjoy healthy occupancy rates averaging 87.8%. Whilst rental income from the four properties in China are expected to remain stable, the decline in the Gross Domestic Product growth rate of the Chinese economy is expected to have a consequential effect on the Group's real estate operations and investments in China.

"We expect rental income from properties in China to remain stable, notwithstanding the short to medium term softening of the commercial and retail property markets. Our two other properties, ECMall and Metropolis Tower, are coming onstream subsequently in late 2QFY2010 and are expected to contribute to the Group's topline by 3QFY2010. Efforts by the authorities in the PRC to boost domestic consumption is expected to have a beneficial impact on the take-up rate of ECMall in Beijing," concluded Lt Gen (Retd) Winston Choo.

As at January 7, 2009, the Group's effective interest in both properties under development, ECMall and Metropolis Tower, has increased from 20.0% to 31.5%.

The Group expects the slowdown of the Singapore and Indonesian economies to continue to impact its retail division. With the new Metro City Square due to open in 3QFY2010, sales performance for the Retail division is likely to be sustained.

About Metro Holdings Limited

Listed on the Main Board of the SGX-ST in 1973, Metro Holdings was founded in 1957 by its former chairman, Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Metro has grown over the years to become a property and retail group with a turnover of S$200.3 million for the full year ended March 31, 2009 and net assets of S$936.6 million as at March 31, 2009.

Today, the Group operates two core business segments – 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, and also holds significant investments in certain property businesses in China.

Retail

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another five department stores in Jakarta and Bandung, Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 821,000 square feet of downtown and suburban retail space.

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