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Announcement is submitted with respect to *	METRO HOLDINGS LIMITED
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Designation *	Company Secretary
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**>> ANNOUNCEMENT DETAILS***The details of the announcement start here ...*

Announcement Title *	News Release
Description	Please refer to attachment.
Attachments	 <a href="#">Metro1HFY2010NRFinalNov1309.pdf</a> Total size = <b>216K</b> (2048K size limit recommended)

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## NEWS RELEASE

### **METRO'S NET PROFIT SURGES TO S\$22.4 MILLION IN 1HFY2010**

- **Revenue improves 5.1% to S\$69.7 million**
  - **Core Property Division maintains growth momentum**
    - **Higher rental income from Metro City Beijing, Metro Tower Shanghai and GIE Tower**
  - **Retail Division turnover remains stable despite recessionary trading conditions**
- **Excluding turnaround in fair value of short-term investments, profit before tax still up 23.1% to S\$23.6 million**
- **Net profit soars to S\$22.4 million in line with revenue and profit before tax increases**
- **Balance sheet remains strong with healthy cash position of S\$201.8 million**
- **Maintains low gearing of 0.03x as at end September 2009**

*Singapore, November 13, 2009* – Mainboard-listed Metro Holdings Limited (“Metro” 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 surge in its net profit attributable to shareholders to S\$22.4 million for the half year ended September 30, 2009 (“1HFY2010”), from just S\$0.7 million in the previous corresponding period (“1HFY2009”). Revenue increased 5.1% to S\$69.7 million in 1HFY2010 from S\$66.3 million in 1HFY2009.

Higher rental income from three of the Group's properties in China – Metro City Beijing, Metro Tower Shanghai and GIE Tower – was the key contributor to Metro's topline improvement.

Profit before tax recorded an impressive 377.8% jump from S\$6.4 million in 1HFY2009 to S\$30.4 million in 1HFY2010, mainly due to an increase in the fair value of the Group's portfolio of short-term investments. Even excluding changes in the fair value of short-term investments, the Group's profit before tax recorded a commendable 23.1% increase to S\$23.6 million in 1HFY2010.

Accordingly, net profit soared from S\$671,000 in 1HFY2009 to S\$22.4 million in 1HFY2010.

Commented Lt Gen (Retd) Winston Choo (朱维良), Metro's Chairman: "We are delighted to report that Metro's five properties in China and Malaysia have been enjoying healthy occupancy rates averaging 92.3% as at end September 2009, despite the challenging global economic conditions. At the same time, we will continue to build on the occupancy of our three newly-completed properties in Beijing, namely, ECMall, 1 Financial Street and Metropolis Tower.

We remain optimistic of our long-term growth prospects in the China property market."

## **Review of Financial Performance**

Quarter-on-quarter, Metro's core Property Division achieved revenue growth of 11.1% to S\$13.4 million in 2QFY2010, from S\$12.1 million in 2QFY2009. This is supported by higher rental income from the Group's mature properties - Metro City Beijing, Metro Tower and GIE Tower – which continued to enjoy high occupancy as well as the strengthening of the Chinese Yuan against the Singapore Dollar.

Turnover for the Group's Retail Division registered growth, increasing 5.3% to S\$22.8 million in 2QFY2010 in spite of recessionary trading conditions as promotional events bore fruit. However, sales and profitability of the Retail Division's associated company in Indonesia continued to be affected by the slow down in economic activities. Notwithstanding this, the Retail Division registered a 17.7% pretax gain to S\$1.2 million in 2QFY2010.

Overall, the Group achieved a turnaround in profit before tax to S\$13.2 million from a loss of S\$1.3 million in 2QFY2009. This is mainly because the Group's 2QFY2009 results included an unrealised decrease of S\$9.3 million in the fair value of its portfolio of short-term investments.

By business segment, the Group's Property Division swung from a loss of S\$2.3 million to a profit of S\$12.0 million, mainly due to a lower loss of S\$0.6 million (unrealised) in the fair value of the property division's portfolio of short-term investments in 2QFY2010, compared to a loss of S\$9.3 million (unrealised) in 2QFY2009. The higher rental income achieved by the Group's mature Grade A properties in China, a reduction in expenses and gains on disposals of available-for-sale and short-term investments also contributed to the turnaround.

### **Strong Balance Sheet**

The Group continued to enjoy a strong balance sheet, reflecting a healthy cash position of S\$201.8 million as at September 30, 2009. Shareholders' equity stood at S\$923.3 million and net gearing remained low at 0.03 times as at September 30, 2009.

## **Outlook**

The Group's 1 Financial Street in Beijing, which was completed in late 4QFY2009 (three months ended March 31, 2009), continued to face slow take-up rate of office space amidst competitive conditions induced by the introduction of substantial new office supply in the main business districts of Beijing. Occupancy rate for this property is expected to increase in a slow progressive manner, with demand mainly from domestic enterprises.

The Group's other two properties in Beijing – ECMall and Metropolis Tower – have just come onstream in late 2QFY2010. ECMall is expected to make its maiden contribution to rental income in the next quarter. "Moving forward, we expect rental income from our four mature and Grade A properties - Metro City Beijing, Metro City Shanghai, Metro Tower and GIE Tower – to remain stable. We also expect progressive maiden income from our three new buildings in Beijing. ECMall soft opened from the end of September 2009 in phases, whilst occupancy for 1 Financial Street and Metropolis Tower is expected to rise slowly amidst an over supply situation," concluded Lt Gen (Retd) Winston Choo.

In addition, the Group anticipates that the fair value of its portfolio of quoted equity investments will continue to be affected by market conditions.

On the retail side, the Group expects the performance of the Singapore and Indonesian economies to continue to impact the retail trade. The Group's new Metro Department Store at the City Square Mall in Singapore soft opened in late September 2009 and has started to contribute to topline sales performance of the Retail Division.

## **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, the late 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 four 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 879,000 square feet of downtown and suburban retail space.

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