



## NEWS RELEASE

### **METRO REPORTS STRONG NET PROFIT OF S\$15.5 MILLION FOR 3QFY2010**

- Revenue improves 10.4% to S\$41.4 million
  - o Attributed to higher rental income from properties in Shanghai and Beijing
  - o Retail division records higher sales with maiden contribution from new Metro City Square department store in Singapore
- Strong balance sheet with cash and cash equivalents of S\$132.9 million
- Maintains low net gearing of 0.06 times as at December 31, 2009

**Singapore, February 12, 2010** – 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 strong net profit of S\$15.5 million for the three months ended December 31, 2009 (“3QFY2010”). This was an increase from S\$603,000 in the previous corresponding quarter (“3QFY2009”). The rise in net profit is mainly attributed to an unrealised gain in the fair value of the Group’s portfolio of short-term investments of S\$7.7 million, as compared to an unrealised decrease in fair value of S\$6.0 million in the previous corresponding period.

Cumulatively, the Group’s net profit for the nine months ended December 31, 2009 (“9MFY2010”) rose to S\$38.0 million, an improvement from S\$1.4 million in the previous corresponding period.

Revenue also rose by 10.4%, from S\$37.5 million in 3QFY2009 to S\$41.4 million in 3QFY2010. High rental income from GIE Tower in Guangzhou and the newly opened EC Mall in Beijing contributed to Metro's topline revenue improvement. Sales of the Retail Division rose with contribution from the new Metro City Square department store in Singapore. Sales and profitability of the Retail Division's associated company in Indonesia remained relatively stable in 3QFY2010.

Commented Lt Gen (Rtd) Winston Choo (朱维良), Metro's Chairman: "We are pleased with the financial performance of our commercial and retail property divisions as well as the turnaround in fair value of our trading investments. In addition, Metro's five properties in China and Malaysia have been enjoying healthy occupancy rates averaging 91.7%. Notably, despite the slower growth rate in China, our three newly completed properties in Beijing have also seen a steady increase of occupancy rates.

"We remain positive of our long-term growth investments in the property market in China and the Asia-Pacific region."

### **Review of Financial Performance**

The Group's profit before tax increased significantly from S\$1.4 million to S\$38.0 million in 9MFY2010. Pre-tax profit for the Property Division rose from S\$2.1 million in 3QFY2009 to S\$14.1 million in 3QFY2010. This is attributed to the S\$13.7 million turnaround in the fair value of the Group's portfolio of short-term investments.

Quarter-on-quarter, Metro's core Property Division achieved revenue growth of 4.9% to S\$14.2 million in 3QFY2010, despite a slow recovering economy. One of the Group's properties in China, Metro City Shanghai, was affected due to ongoing asset enhancement activities. However, higher rental income from the Group's mature properties – Metro City Beijing, GIE Tower Guangzhou and Metro Tower Shanghai,

continued to enjoy high occupancy rates and correspondingly contributed to the Group's revenue growth.

Metro's Retail Division recorded growth of about 13.4% with a revenue of S\$27.2 million for 3QFY2010, and a 6.0% increase to S\$70.5 million for 9MFY2010. This rise was due to a good sales performance from the new Metro City Square department store in Singapore, which opened in late September 2009.

### **Strong Balance Sheet**

The Group maintains a strong balance sheet with cash and cash equivalents of S\$132.9 million as at December 31, 2009. Shareholders' equity stood at S\$937.4 million and net gearing remained low at 0.06 times.

### **Outlook**

The Group's four mature properties, located in China's first-tier cities, continue to enjoy healthy occupancy rates, averaging 90.0%. On the whole, demand has been supportive of the new supply of office space in Beijing. Occupancy of new office buildings, 1 Financial Street and Metropolis Tower, in Beijing is expected to rise progressively.

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

As for the Group's Retail Division, the contribution of the new Metro City Square department store in Singapore will continue to assist the Retail Division in maintaining and improving its topline sales performance. The trading environment for the retail trade is expected to remain competitive, both in Singapore and Indonesia.

Said Lt Gen (Rtd) Winston Choo, “We will continue to ride on the uptrend of the recovering economy, keeping focused on our strategic growth plans for the Group’s commercial and retail property business in the Asia-Pacific region.”

### **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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