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Miscellaneous

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Announcement Title *	Press Release
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NEWS RELEASE

METRO REPORTS NET PROFIT OF S$81.9 MILLION IN FY2011

- ***Achieves 16.1% increase in revenue to S$175.2 million***
    - ***Increase in revenue for both Property and Retail divisions***
    - ***Core Property segment achieves higher rental income***
        - ***Higher rental income from Metro City Shanghai with completion of asset enhancement works***
        - ***Rise in rental income from EC Mall in Beijing, PRC and newly acquired Frontier Koishikawa Building in Tokyo, Japan***
    - ***Retail segment records broad-based improvements***
        - ***Significant contribution from Metro City Square store, Singapore***
- ***Balance sheet remains strong; cash and cash equivalents of S$372.9 million***
- ***Final dividend of 2.0 cents and Special final dividend of 1.0 cent per ordinary share***
- ***Proposes 1 for 5 bonus issue to reward shareholders and increase liquidity***

Singapore, May 26, 2011 – 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, today reported a 16.1% increase in revenue to S$175.2 million for the full year ended March 31, 2011 ("FY2011"), from S$151 million in the previous corresponding period ("FY2010").

This was driven by higher turnover from both of the Group's business segments - its core Property and Retail segments. Higher rental income from three main properties contributed to Metro's topline revenue improvement. This includes Metro City

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Shanghai following the completion of an asset enhancement exercise; EC Mall in Beijing; and the newly acquired Frontier Koishikawa Building in Tokyo, Japan. The higher rental income achieved more than compensate for lower rental from Metro Tower Shanghai and a 5% decrease in turnover arising from the decline in the value of the RMB against the Singapore dollar. The improvement from the Group's Retail Division was broad-based, with significant contribution from the newly-opened Metro City Square department in Singapore.

For the fourth quarter ended March 31, 2011 ("4QFY2011"), the Group achieved a 13.6% increase in revenue to S$45.4 million, from S$39.9 million in 4QFY2010.

Net profit attributable to shareholders, however, declined to S$81.9 million in FY2011; and to S$14.6 million in 4QFY2011 as the gain from the fair value adjustments of the Group's investment properties, including those held by associates, was lower in the quarter. In addition, a decline in the fair value of the Group's portfolio of short term investments contributed to the decrease in net profit in 4QFY2011.

Lt Gen (Rtd) Winston Choo (朱维良), Metro's Chairman commented: "We are pleased that both our Property and Retail divisions delivered stronger topline growth, as our asset enhancement initiatives, prudent acquisitions of properties; and strong retail marketing efforts continued to yield positive results.

We will continue to search for high value-add projects to enhance our portfolio in China and the region. As we continue to streamline our asset portfolio and enhance existing properties, we will be well poised for further growth and capture viable opportunities as they come our way.

We will also continue to work on building up strategic partnerships with experienced partners in the region to enhance our yields."

Review of Financial Performance

For 4QFY2011, Metro's core Property Division reported a 15.7% increase in revenue to S$16.3 million, from S$14.1 million in 4QFY2010. This was due to higher rental income from Metro City Shanghai after the completion of the asset enhancement exercise and rental from the newly acquired Frontier Koishikawa Building. The Group also enjoyed higher occupancy rate at its EC Mall. This helped to offset Metro Tower Shanghai's lower rental due to lower occupancy. Rental income would have been higher if not for a 5.8% decrease in turnover arising from the decline in the value of the renminbi against the Singapore dollar.

Sales for the Group's Retail division climbed 12.5% to S$29.1 million in 4QFY2011 from 25.9 million in 4QFY2010. This was driven by broad-based sales improvement, in line with improved consumer sentiments.

Profit before tax for the Property Division declined to S$23.1 million in 4QFY2011 from S$65.0 million in the corresponding quarter in FY2010 as the gain from the fair value adjustments on the Group's investment properties was lower by S$40.3 million. The Group also recorded a S$3.0 million decline in the fair value of its portfolio of short-term investments as compared to a S$2.9 million increase booked under Other Income in 4QFY2010. The consequential decline in profit before tax as compared to 4QFY2010 was mitigated by Metro City Shanghai, which reported higher profit of S$2.6 million due to higher rentals and lower costs of asset enhancement activities. Occupancy for this property stood at a record high of 98.3% as at March 31, 2011.

Profit before tax of the Group's Retail Division declined 31.1% to S$2.2 million in 4QFY2011 mainly due to higher operating and start-up costs associated with the investment in the Group's new department stores, Metro Trans Studio Makassar and Metro Gandaria City, which affected the profitability of its Indonesian associate.

Overall, in FY2011, the Group reported a profit before tax of S$105.5 million as compared to S$115.0 million in FY2010. Gain from fair value adjustments on investment properties, including those held by associates, were lower by S$40.3

million. The Property Division also recorded a decrease in fair value of the Group's portfolio of short term investments of S$0.3 million compared with an increase of S$17.4 million in FY2010. However, the resultant decline in profit was mitigated by a gain of S$44.1 million after netting off taxes, impairment losses and exchange losses on disposal of the associates owning 1 Financial Street in Beijing.

Strong Balance Sheet

The Group continued to maintain a strong balance sheet, with a healthy cash position of S$372.9 million as at March 31, 2011. It also turned to a net cash position from a net gearing of 0.04 times in the same quarter last year. Shareholders' equity increased further to S$1.0 billion.

Dividend and Proposed Bonus Issue

Buoyed by the Group's healthy balance sheet, the Group has proposed a special dividend of 1.0 Singapore cent and an ordinary final dividend of 2.0 Singapore cents per share. This translates to a total payout ratio of 39.6% of the Group's net profit attributable to shareholders for FY2011.

In addition, to reward its loyal shareholders and increase trading liquidity, the Group is proposing a 1 for 5 bonus issue. The actual number of bonus shares will depend on the total number of issued shares as at books closure date ("BCD"). Accordingly, the bonus shares will be issued to entitled shareholders *pari passu* (equably) in all respects with the existing issued shares of the Group. Consequently, the total payout ratio may increase should the date of issue of the bonus shares fall before the record date for dividends as at BCD, whereby shareholders of bonus shares will be entitled to a dividend payout. For illustrative purpose, based on 651,910,193 issued shares (excluding treasury shares) and as at the date of this Announcement, assuming that none of the outstanding warrants are converted into new shares, 130,382,038 bonus shares will be issued.

The Group will announce details of the adjustments to be made to the Warrants as a result of the bonus issue in due course. The listing and quotation of the bonus shares, additional warrants and additional new shares are subject to the approval of SGX-ST.

Outlook

The Group's four mature properties in China's first-tier cities, with the exception of Metro City Beijing which has 74.5% occupancy, continue to enjoy healthy occupancy rates averaging 88.1% as well as steady rental income.

"Going forward, we will continuously adjust our asset portfolio with a view to divesting poorer-performing properties but look at new investments and strategic alliances with partners. This strategic review will broaden the Group's revenue stream and facilitate sustained profitability and improved yield.

"Our recent tie-ups with the Tesco Plc, one of the leading retailers in the world, for greater co-operation in Xiamen, Fuzhou and Shenyang, is a good example of broadening our asset portfolio in our area of expertise – retail. With this, we will be making a small investment in the development of 3 retail malls with over 90,000 sq m of space.

"In particular, our key focus is to enable the Metro Group to expand our property interests in the PRC, a market in which we have strong track record and network, and in which we have significant investments," added Lt Gen (Rtd) Choo.

Rental income from the Group's investment properties is expected to remain stable, subject to the impact of any disposal of Metro City Beijing materialising further to the announcement of the intent to divest dated April 14, 2011.

Notwithstanding the keen competition in the retail sector in Singapore and Indonesia, the retail division will seek to improve on its sales performance.

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 six 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 over 1,114,000 square feet of downtown and suburban retail space.

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