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Miscellaneous

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NEWS RELEASE

METRO HOLDINGS RECORDS REVENUE OF S$44.7 MILLION FOR 2QFY2013

- ***Higher revenue from Retail Division offsets lower rental income from Property Division following the divestment of Metro City Beijing***
- ***Maintains strong balance sheet with cash of S$521.7 million***
- ***Shareholders' equity of S$1.1 billion as at 30 September 2012***

Singapore, 14 November 2012 – 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 that its revenue held steady at S$44.7 million for the three months ended 30 September 2012 ("2QFY2013"), from S$44.6 million in the previous corresponding quarter ("2QFY2012"). This was achieved as higher sales from the Group's retail division more than offset the decline in rental due to the disposal of Metro City Beijing.

Profit before tax increased to S$25.2 million in 2QFY2013 from S$1.1 million in 2QFY2012, mainly attributable to changes in the fair value – reflecting recovery in the market values – of the Group's short-term quoted equity investments in property REITs. Excluding these unrealised gains/deficit, profit before tax rose 22% to S$13.5 million in 2QFY2013 from S$11.0 million in 2QFY2012. Consequently, net profit for the quarter was S$19.8 million. Affected by a S$9.9 million mark-to-market loss in quoted equities last year, the Group had reported a loss of S$0.4 million in 2QFY2012.

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Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱维良), said, "While rental income from our core Property division was affected after the divestment of Metro City Beijing in FY2012, our four mature properties in both Shanghai and Beijing continue to enjoy high average occupancy of around 94.5%. We will continue to maintain an optimal tenant mix and efficient management of our existing properties to improve yield, including GIE Tower and Frontier Koishikawa, which experienced lower occupancies. Nonetheless, Frontier Koishikawa is expected to improve in 4QFY2013 as new tenants commence their leases."

At the same time, the Group continues to look at assets, either on its own or with established and reputable joint venture partners, which are strategically located in key cities with good accessibility and high transient traffic. Further, these assets must offer strong potential for rental reversions through asset enhancements and tenant remixing, for maximisation of shareholder value.

Lt Gen (Rtd) Choo remarked, "We are pleased to have joined hands, for the first time, with our strategic partner Top Spring, a reputable, HKSE-listed specialist developer for a large, upscale urban community development project, which is the first-of-its-kind in the new CBD area of Honggutan New District, Nanchang. This partnership will pave the way for future collaborations with Top Spring and eventually further expand Metro's foothold in the China property market.

Apart from Nanchang, the Group's wholly-owned subsidiary, Metro Australia, together with Wingstar Investment, subsidiary of Wing Tai Holdings Limited and Maxdin, subsidiary of UE E&C Ltd, have jointly acquired a prime site at Prince Charles Crescent, to create a signature residential condominium."

Review of Financial Performance

Mitgated by higher rental income recorded for Metro City Shanghai, Metro Tower Shanghai and EC Mall Beijing, together with a 1.6% increase in the value of the Renminbi ("RMB") against the Singapore dollar, revenue for the Group's Property Division contracted by 12.9% year-on-year to S$14.4 million in 2QFY2013, in light of the disposal of Metro City Beijing. Nonetheless, average occupancy at the Group's remaining five properties remained high at 86.8% as at 30 September 2012.

Turnover for the Group's Retail Division registered a 7.8% increase to S$30.3 million in 2QFY2013 from S$28.1 million in 2QFY2012. Revenue growth for the Singapore operations was generally broad-based as compared to 2QFY2012. Sales of the Retail Division's associated company in Indonesia also grew, with Metro Surabaya, which opened in December 2011, being the main contributor.

"For our Retail segment, we've recently made two major appointments. Mrs Wong Sioe Hong, now Executive Chairman, has been instrumental for Metro's continued progress in the retail scene in both Singapore and Indonesia. At the same time, we warmly welcome Mr David Tang, a well-regarded professional figure in the retail industry, to Metro. Together, their wealth of retail experience will bring fresh perspectives that will drive retail growth both in our Singapore and Indonesia operations," added Lt Gen (Rtd) Choo.

Strong Balance Sheet

The Group's balance sheet remains strong with cash of S$521.7 million and shareholders' equity of approximately S$1.1 billion as at 30 September 2012.

Outlook

Rental income from the Group's investment properties is expected to decline following the disposal of Metro City Beijing. However, minimal impact is expected on operating income as this joint venture development incurred a marginal operating loss prior to disposal.

The Group will continue to be subject to significant currency translation adjustments on foreign operations due to forex volatilities, since the bulk of its investment properties are in China and denominated in the RMB.

For retail, the healthy sales performance of the newer and revamped department stores in Indonesia is expected to support the anticipated moderation in growth of domestic consumption in Singapore, which faces pressure on margins, on rising operational costs.

"We will continue to leverage on our strong balance sheet as well as strategic partnerships to seek out quality properties that complement our existing portfolio to further strengthen our presence in the Asia-Pacific region.

Metro remains on the lookout for viable investment opportunities to grow both our Property and Retail businesses," concluded Lt Gen (Rtd) Choo.

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 eight 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 1,324,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

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