NEWS RELEASE

METRO HOLDINGS' NET PROFIT RISES OVER 3.6 TIMES TO S$37.6 MILLION FOR 1QFY2016

- ***Lifted mainly by share of results from associates and joint ventures***
- ***Maintains healthy balance sheet with strong cash holdings of S$601.1 million***
- ***Shareholders' equity of approximately S$1.4 billion as at 30 June 2015***

Singapore, 13 August 2015 – Main Board-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, achieved a 269.5% increase in net profit to S$37.6 million for the three months ended 30 June 2015 ("1QFY2016") from S$10.2 million in the previous corresponding period ("1QFY2015").

Revenue increased 36.8% to S$42.7 million, up from S$31.2 million over the same period. The rise was mainly due to the higher turnover driven by the Retail Division's new Metro Centrepoint store in Singapore which commenced operations in the third quarter of FY2015 ("3QFY2015"), as well as strong support for Metro Sengkang's closing down sale. This led to the reduction of the Retail Division's losses, which declined to S$1.2 million in 1QFY2016 from S$1.6 million in 1QFY2015.

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Overall, the Group's profit before tax ("PBT") climbed 278.7% to S$42.6 million in 1QFY2016, from S$11.2 million in 1QFY2015. The increase was contributed by higher share of results of joint ventures, which rose to S$47.0 million in 1QFY2016 from S$7.4 million in 1QFY2015. This was driven mainly by a gain on disposal of EC Mall, Beijing, of S$41.7 million. The growth of Metro's PBT was also contributed by a gain of S$4.6 million from share of associates' results in 1QFY2016 against a loss of S$0.7 million in 1QFY2015, mainly from unrealised fair value gains on investment properties.

These were partially offset by lower other income, which decreased to S$4.8 million in 1QFY2016 from S$6.3 million in 1QFY2015 due to the elimination of dividend income on consolidation after Top Spring was treated as an associate company from 1 July 2014. In addition, a fair value loss of S$2.1 million as compared to a gain of S$2.2 million was registered over the same period from the Group's portfolio of short term equity investments in REITs. For general and administrative expenses, overhead costs of S$3.6 million (net of exchange gains) relating to the disposal of EC Mall, Beijing, and foreign exchange losses on bank balances of S$4.7 million led to the account's significant increase from S$6.1 million in 1QFY2015 to S$14.2 million in 1QFY2016.

Accordingly, with the higher bottomline, earnings per share improved from 1.2 Singapore cents in the previous corresponding period to 4.5 Singapore cents in the latest period.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱维良), said, "Our investments in joint ventures and associates have continued to reap good results for the Group. In line with our strategy to further build our presence and investment in China, we have recently invested in a property fund – InfraRed NF China Real Estate Fund II. This follow-on fund is also the second fund that we have collaborated on, with our partners."

The fund is sponsored by InfraRed NF China Holdings Limited, a joint venture between InfraRed Capital Partners which is a global real estate and infrastructure fund management business with over US$8 billion of equity under management, and Nan Fung Group, which is known in the business of property development, property investment, construction, property management, investment and financing.

Lt Gen (Rtd) Winston Choo continued, “By tapping on this investment, we will be able to broaden our revenue stream and facilitate sustained profitability. Indeed, our previous partnership with the first fund to co-invest in EC Mall, Metropolis Tower, 1 Financial Street and the Tesco Lifespace malls, have been fruitful, with all these assets having been successfully divested. We will continue to explore strategic alliances to expand our property interests in this core market where we enjoy a long and strong track record.”

Strong Balance Sheet

Metro’s balance sheet remained strong with cash holdings of S$601.1 million, signifying good headroom for growth; and shareholders’ equity of approximately S$1.4 billion as at 30 June 2015.

Outlook

Overall, Metro expects the rental income of its Property Division, excluding rental contribution from Frontier Koishikawa, to remain stable. In China, work on the current phase of Metro City, Shanghai’s reconfiguration exercise continues whilst the operating contribution from EC Mall, Beijing, has ceased. Notably, the Group’s Nanchang project will continue to recognise profits on sales of properties, as each phase is completed and handed over. The next major phases are scheduled for completion in late 2015. The Nanchang project presold about 24,684 square metres gross floor area in 1QFY2016 for HK$569.7 million (approximately S$98.6 million) which brought total sales of this associate to HK$5.5 billion as at 30 June 2015.

In Singapore, with the sentiment of the residential property sector being subdued due to the property cooling measures in place, sales of the Group's residential project, The Crest at Prince Charles Crescent, was invariably impacted.

Metro's Chairman, Winston Choo added, "As part of the rationalisation of our geographical spread, we have recently divested our only project in Japan – Frontier Koshikawa Building – in July 2015. We do not intend to further add properties in Japan to our property portfolio and the net proceeds after repayment of bank loans will be used to build on Metro's presence and investment in China, through selective positioning in order to enhance shareholders' value."

The challenges of a keenly competitive and highly discounted trading environment amidst high operating costs will continue to impact the Group's Retail Division. The division will also be affected by the closure of Metro Sengkang's operations in the second quarter of FY2016 and by the scheduled makeover of The Centrepoint – where Metro Centrepoint is located – since May 2015.

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, Singapore and the United Kingdom.

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 Shanghai and Guangzhou. It has expanded its portfolio to cover a fuller spectrum of properties and also holds significant investments in certain property businesses. This includes mixed-use and residential developments in China, Singapore and more recently, the United Kingdom.

RETAIL

Metro's retail arm serves customers through a chain of four Metro department stores in Singapore, and another nine 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 1.4 million square feet of downtown and suburban retail space in Singapore and Indonesia.

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