NEWS RELEASE

METRO HOLDINGS RECORDS 118.4% RISE IN NET PROFIT TO S$63.9 MILLION FOR 3QFY2015

- ***Increase in profit before taxation to S$65.6 million mainly attributable to:***
  - ***Net gain of S$21.7 million from the disposal of interest in six Tesco Lifespace developments***
  - ***S$15.7 million from the contribution of the Nanchang project***
  - ***S$22.6 million from the results of investment in Top Spring***
- ***Maintains strong balance sheet with cash holdings of S$331.4 million***
- ***Shareholders' equity of approximately S$1.3 billion as at 31 December 2014***

Singapore, 13 February 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, recorded a 118.4% rise in net profit to S$63.9 million for the three months ended 31 December 2014 ("3QFY2015") from S$29.3 million in the previous corresponding period ("3QFY2014").

This was achieved on the back of a 4.5% increase in revenue to S$41.5 million for the quarter, up from S$39.8 million in 3QFY2014. The topline increase was mainly due to the higher turnover driven by the Retail Division's new Metro Centrepoint store in Singapore which commenced operations during the quarter.

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On a segmental results basis, the Group's Property Division recorded a decrease in revenue to S$2.7 million in 3QFY2015 compared to S$2.9 million in 3QFY2014 largely due to a lower occupancy rate at GIE Tower, Guangzhou which was partly offset by a strengthening of the Renminbi by 2.8%. As at 31 December 2014, the average occupancy rate of the Group's five investment properties remained high at 94.7%. With the completion of a refurbishment phase of Metro City, Shanghai, the property's occupancy rate increased to 91.0% as at 31 December 2014 from 84.9% as at 30 September 2014.

With the launch of the Metro Centrepoint store, the Retail Division's revenue rose to S$38.9 million in 3QFY2015 compared to S$36.8 million in 3QFY2014. However, higher operating and overhead expenses, coupled with the new store's preopening expenses, which were not covered by an adequate level of sales, affected the division's overall performance. As a result, the Retail Division in Singapore reported a loss of S$3.5 million in 3QFY2015 against a profit of S$1.9 million in 3QFY2014. The Group's retail operations in Indonesia reported an improvement in revenue but operations remain impacted by high operating costs.

As a result of the factors impacting the Retail Division, the Group's 3QFY2015 gross profit declined to S$0.2 million from S$5.3 million in 3QFY2014.

The Group also recorded lower other income of S$3.4 million and an unrealised fair value gain in short term investments of S$1.1 million relating to Metro's short term equity investments in REITs in 3QFY2015.

During the quarter, Metro divested its 10.7% interest in the associated companies owning six Tesco Lifespace developments in China for a net gain of S$21.7 million. Metro also registered S$15.7 million from the contribution of its Nanchang project and equity accounted S$22.6 million for the results of its investment in Top Spring International Holdings Limited ("Top Spring"). Collectively, these largely contributed to S$66.9 million in Metro's share of results of associates.

Metro's share of results of jointly controlled entities was lower at S$3.2 million in 3QFY2015 compared to $23.7 million in 3QFY2014, with the decline attributable to the higher base achieved in 3QFY2014 from the inclusion of S$19.1 million of negative goodwill recognised on the acquisition of additional interest in the jointly controlled entities owning EC Mall in Beijing.

Consequently, the Group's overall 3QFY2015 profit before taxation rose to S$65.6 million while net profit rose 118.4% to S$63.9 million from S$29.3 million in 3QFY2014.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱维良), said, "During the quarter, we unlocked value from our 10.7% indirect stakes in six Tesco Lifespace developments in China by divesting our interest during the quarter. The transaction allows us to recycle our capital to potentially increase our investment within the region and to also enhance Metro's presence.

"During the quarter, we also launched a new department store in Singapore, the Metro Centrepoint. However, the sales performance has not been encouraging and was inadequate in covering operating costs. With the keen retail competition along the busy Orchard Road shopping belt, we expect the persistence of a challenging retail performance to continue and are uncertain on when the performance will improve."

Strong Balance Sheet

Metro's balance sheet remains strong with cash holdings of S$331.4 million and shareholders' equity of approximately S$1.3 billion as at 31 December 2014.

Outlook

Metro expects the overall rental income of its Property Division to remain stable while work on another phase of Metro City, Shanghai's reconfiguration exercise continues. In China, the Nanchang project presold approximately 72,086 square metres of gross floor area for HK$1,174.7 million (approximately S$199.7 million) during the quarter. This brought total sales of Metro's associate to date as at 31 December 2014 to HK$4.8 billion. Metro expects to continue the recognition of the sale of the properties as each phase of the project reaches completion and is handed over.

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

Metro's Chairman, Winston Choo added, "In the short term, due to the current volatility in both the general and currency markets, we anticipate our portfolio of quoted equity investments and our operations, in which a major portion of our assets are denominated in Renminbi, to be affected. Our strategy for the long run remains focused on broadening Metro's revenue stream and in increasing sustainable profits that deliver value to our shareholders.

"With the capital from the divestment of our indirect stakes in the Tesco Lifespace developments, our efforts will be directed towards selectively positioning our investments in property developments and in developing strategic alliances while continuing to capitalise on attractive opportunities as they arise."

With the competitive trading environment and escalating operating costs in Singapore and Indonesia, the Retail Division is expected to incur further losses. Until the newly launched Metro Centrepoint's sales and foot traffic reach an appropriate level, the Retail Division will continue to record a set of challenged financial 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 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 five 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 1.5 million square feet of downtown and suburban retail space in Singapore and Indonesia.

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