



NEWS RELEASE

METRO HOLDINGS REGISTERS PROFIT AFTER TAX OF S\$11.9 MILLION FOR 1HFY2018

- ***Strategic partnerships to broaden regional footprint in the vast Indonesia and China markets:***
 - o ***Collaboration with PT. Trans Corpora (“Trans Corp”) to develop, market and sell residential towers of a quality landmark mixed-development in Jakarta, Indonesia***
 - o ***Further expands the Group’s footprint in Yangpu district, Shanghai, PRC – China’s innovation and technology district***
- ***Associate, Top Spring¹, obtains approval at its extraordinary general meeting for disposal of eight property projects***
- ***Maintains net cash position of S\$232.4 million and healthy balance sheet with shareholders’ equity of S\$1.3 billion as at 30 September 2017***

Singapore, 13 November 2017 – 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, registered a net profit after tax (“PAT”) of S\$4.6 million, before the one-off impact of Additional Buyer’s Stamp Duty (“ABSD”) and reversal of write down of amount due from a joint venture, and a net loss after tax of S\$13.6 million after these items, for the three months ended 30 September 2017 (“2QFY2018”). PAT for the six months ended 30 September 2017 (“1HFY2018”) before and after the one-off items were S\$30.1 million and S\$11.9 million respectively.

¹ As at 30 September 2017, the Group has an effective indirect equity stake of approximately 18.9% voting rights and 15.8% ownership interest in Top Spring

The one-off items relate to the Group's share of S\$27.7 million ABSD for its joint venture project, The Crest at Prince Charles Crescent, and a reversal of S\$9.5 million write down of amount due from this joint venture.

The Group achieved a 6.8% increase in revenue to S\$30.2 million for 2QFY2018, as compared to S\$28.3 million in the previous corresponding period ("2QFY2017"). For 1HFY2018, revenue rose 4.1% to S\$62.7 million as compared to S\$60.2 million in the previous corresponding period ("1HFY2017").

On the Property Division front, overall occupancy rate for Metro's three investment properties in Guangzhou and Shanghai as at 30 September 2017 was steady at 92.8%. Metro City, Shanghai, reported improved results with higher rental income. However, Top Spring reported a decline in the level of recognition on handover of presales of properties.

Metro's retail topline improved by 7.2% to S\$28.6 million in 2QFY2018 but pressures on margins and higher operating and overhead costs affected profitability.

The Group Expands Footprint in the Region through Strategic Partnerships

Bekasi, Jakarta, Indonesia

Commenting on the recent major corporate developments, Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱維良) said, "We recently announced Metro's partnership with Trans Corp and the Lee Kim Tah Group in the Bekasi, Jakarta, project. The partners will develop, market and sell the residential component, Trans Park Residences. The residential units are expected to appeal to homeowners looking for quality affordable residential apartments and is part of the larger Trans Park @ Juanda Bekasi, a quality landmark mixed-development consisting of five 32-storey residential towers, a hotel, a school, SOHO apartments, shophouses, an office building and a Transmart mall. The project is strategically located in one of the fastest-growing urban cities in the country. Notably, Trans Corp will be developing its trademark Transmart mall with a gross floor area of approximately 30,485 square metres ("sq.m."), complete with department stores, supermarkets and cinemas, as well as a theme park with Snow Town and Kidcity.

"Trans Corp is an established conglomerate in Indonesia with businesses that span across the media, retail, F&B and hospitality sectors and we're delighted to tie-up with them once again. Indeed, we've worked with Trans Corp since they took an initial stake in Metro Indonesia to operate the retail department store business in 2008. Together with the Lee Kim Tah Group, this will be a strategic alliance that will tap on each party's expertise and complement each other in the Indonesian real estate sector, starting with this RP 1.99 trillion (S\$200.0 million) project.

"We consider Indonesia to be a growth market with vast potential, given its steady economic growth, rapid urbanisation and increasing domestic consumption. Metro looks forward to expanding its property interests particularly in East Asia and the Southeast Asia region through this alliance."

Bay Valley in New Jiangwan City, Yangpu District, Shanghai

(上海杨浦区新江湾城湾谷科技园)

As for the Group's expansion in China, Chairman Winston Choo added, "We are also excited about our joint venture with Top Spring to acquire three office buildings in Bay Valley in the Yangpu District, Shanghai. The acquisition price of the three buildings is approximately RMB 2,476.0 million (S\$505.1 million). Part of the China government's plan is to develop the Yangpu district into a global innovation and technology hub. Specifically, Bay Valley is earmarked as the core of the Shanghai Central Intelligence District and is located close to Fudan University, one of China's top universities. As such, the properties are positioned to attract enterprises from high-tech, communication, education, IT research, bio-technology and information sectors.

"Through our in-depth knowledge, business network and experience, we will create synergies that will contribute to the value enhancement of the properties. Metro will continue to remain proactive in prudently seeking out potential investment opportunities in the region to generate higher returns for our shareholders."

(Please see Appendix A for details and photos of properties)

Strong Balance Sheet

Metro's balance sheet remained strong with net cash of S\$232.4 million (after bank borrowings), signifying headroom for further growth. The Group's shareholders' equity stood at S\$1.3 billion as at 30 September 2017.

Outlook

Looking ahead, for the Group's Property Division in the PRC, Metro expects the rental income of its GIE Tower investment property in Guangzhou to remain steady. Rental stability is also expected at the joint ventures' level for Metro City and Metro Tower in Shanghai. Concurrently, the sales of the residential project, The Crest at Prince Charles Crescent in Singapore, remains slow.

Following the announcement on 15 August 2017, Top Spring's sale and purchase agreement to dispose eight property projects for an aggregate value of approximately HK\$14.9 billion was approved at its extraordinary general meeting held on 13 November 2017. The Top Spring group has estimated that, upon successful completion, it will record an unaudited net gain before taxation of approximately HK\$7.4 billion from the disposal.

For the Group's Nanchang project, future contributions will be mainly from the recognition of presales of office and retail space with lower gross margins as compared to those previously achieved for Nanchang's residential properties. Discussions are also on-going on the potential divestment of the Group's 30% equity stake in this property development project.

In the United Kingdom, construction work continues on the 571 apartment units of the Middlewood Locks development project, which had its sales launch recently, and is expected to be completed in stages over spring and summer 2018.

Metro's Chairman, Winston Choo further commented, "We have launched Phase 1, with 571 residential apartments, of the Middlewood Locks development in Manchester and we expect to launch Phase 2 soon. This is part of a mixed development that will provide 2,215 new homes and 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym."



Phase 1, with 571 residential apartments, of the Middlewood Locks, a predominantly residential mixed-use development in Manchester, UK, that will provide 2,215 new homes and 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym

“We are constantly reviewing our portfolio to build our presence and investment in the region and to broaden our revenue stream. With a strong balance sheet, we continue to remain resilient in this challenging market and are also well-positioned to strengthen our portfolio of quality assets to optimise shareholder returns,” concluded Metro’s Chairman, Winston Choo.

As for the Group’s Retail Division, it will continue to face a difficult trading environment.

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 segments – property development and investment, and retail – and is focused on key markets in the region such as China, Indonesia and Singapore. The Group has also expanded its geographical presence to 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, Indonesia, Singapore and the United Kingdom.

Retail

Metro's retail arm serves customers through a chain of three 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 in about 1.4 million square feet of downtown and suburban retail space in Singapore and Indonesia.

ISSUED ON BEHALF OF : Metro Holdings Limited
BY : Citigate Dewe Rogerson Singapore Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941
CONTACT : Ms Dolores Phua / Ms Cassandra Seet
at telephone
DURING OFFICE HOURS : 6534-5122
EMAIL : dolores.phua@citigatedewerogerson.com /
cassandra.seet@citigatedewerogerson.com

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Appendix

Project Name:	Bekasi Project
Joint Venture Partners:	PT. Trans Corpora (“Trans Corp”) Metro Holdings Limited (“Metro”) Lee Kim Tah Group
Location:	South-east of Jakarta along Jalan Insinyur Haji Juanda
Expected Year of Completion:	End 2020
Description:	<p>The Bekasi project is a quality, landmark mixed-development comprising of five 32-storey residential towers (approximately 5,600 units), a hotel, a school, SOHO apartments, shophouses, an office building and a Transmart mall over a site area of 4.5 hectares.</p> <p>The Transmart mall will be another quality Trans Corp’s trademark mall with a gross floor area of approximately 30,485 sq.m. which will have department stores, supermarkets and cinemas, as well as a theme park with Snow Town and Kidcity. The residential units are positioned for the mass market with quality design.</p> <p>The total investment value for the five 32-storey residential towers (with approximately 5,600 apartment units) in Bekasi is approximately RP 1.99 trillion (including VAT) (approximately S\$200.0 million).</p> <p>For more information, please refer to the announcement dated 3 November 2017.</p>



The Bekasi project, a quality landmark mixed-development, will consist of five 32-storey residential towers (approximately 5,600 units), a hotel, a school, SOHO apartments, shop houses, an office building and a Transmart mall over a site area of 4.5 hectares

Type of Project:	Joint Venture – Commercial Assets in Shanghai
Joint Venture Partners:	<p>Top Spring International Holdings Limited (“TSI”) Metro Holdings Limited (“Metro”)</p> <p>Through Shine Long Limited, Huge Source Limited and Progress Link Limited</p>
Location of the Properties:	<p>All three properties are located at Bay Valley in New Jiangwan City, Yangpu District, Shanghai. (上海杨浦区新江湾城湾谷科技园)</p> <p>Information on the three properties are as follows:</p> <p>The Shine Long Property is located at No. 33 and 36, 1688 Guoquan North Road, Shanghai, the PRC. It has nine floors with a total gross floor area of approximately 19,043.41 sq.m. with an acquisition price of RMB 466.6 million.</p> <p>The Huge Source Property is located at No. 25, 1688 Guoquan North Road, Shanghai, the PRC. It has 18 floors with a total gross floor area of approximately 38,489 sq.m. with an acquisition price of RMB 943.0 million.</p> <p>The Progress Link Property is located at No. 78 and 79, 1688 Guoquan North Road, Shanghai, the PRC. It has 18 floors with a total gross floor area of approximately 40,321.72 sq.m. with an acquisition price of RMB 987.9 million.</p>

Description:	<p>The properties are well located within the integrated business community development known as the Bay Valley. Bay Valley is situated in New Jiangwan City, which is in the Yangpu District of Shanghai, one of China's most established industrial centres.</p> <p>The development has a total planned construction area of 660,000 sq.m. in various phases, which comprises of independent buildings of headquarters, R&D centres, business centres and supporting leisure and business services.</p> <p>This development is also part of the China government's plan to develop the district into a global innovation and technology hub that is geared towards startups, with several leading startup companies in various new industries to be based in Yangpu.</p> <p>Bay Valley is close to Fudan University, one of China's top universities. The area constitutes the core of Shanghai Central Intelligence District alongside Shanghai University of Finance and Economics, Tongji University and Shanghai University of Electric Power within the Yangpu district.</p> <p>As such, the project is expected to attract enterprises from high-tech, communication, education, IT research, bio-technology and information sectors.</p>
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With upcoming retail and commercial developments in the vicinity, as well as being highly accessible by subway lines and elevated highways, the development is evolving into a key commercial and business hub in the northern part of Shanghai, within a 30-minute car journey from the city centre.

For more information, please refer to the announcement dated 27 September 2017.



Metro's joint venture with Top Spring to acquire and operate three office buildings in Bay Valley, New Jiangwan City, Yangpu District, Shanghai