



NEWS RELEASE

METRO HOLDINGS REGISTERS REVENUE OF S\$46.3 MILLION AND PROFIT AFTER TAX OF S\$13.0 MILLION FOR 2QFY2019

- ***Records a 53.2% increase in revenue mainly driven by the sale recognition of S\$14.0 million from the residential development in Bekasi, Jakarta***
- ***Achieves profit after tax of S\$13.0 million, a S\$26.7 million improvement from S\$13.7 million net loss in 2QFY2018 mainly from higher contributions from its joint venture project, The Crest***
- ***Maintains strong balance sheet with Net Assets at S\$1.5 billion and healthy Net Cash position of S\$218.8 million***
- ***Makes good progress across its various projects:***
 - ***Enters into an agreement to sell 277 units in Phase 1 and all 546 apartment units of Phase 2 of the Middlewood Locks development in Manchester, UK***
 - ***Trans Park Residences project in Bekasi starts to recognise revenue and profits for the residential units sold. The construction of both residential development projects in Bekasi and Bintaro are on track***
 - ***Joint venture project, The Crest, delivers positive contributions from its sales of residential units***

Singapore, 12 November 2018 – Main Board-listed Metro Holdings Limited (“Metro” or the “Group”) (“美罗控股有限公司”), a property investment and development group backed by established retail operations in the region, registered revenue of S\$46.3 million and a net profit after tax (“PAT”) of S\$13.0 million for the second quarter ended 30 September 2018 (“2QFY2019”), an improvement by S\$16.1 million and S\$26.7 million respectively compared to the same corresponding period a year ago (“2QFY2018”). Metro’s balance sheet remained strong with net assets of S\$1.5 billion and a healthy net cash position of S\$218.8 million (after deducting bank borrowings) as of 30 September 2018, with sufficient headroom for more property investments and developments.

The Group registered a profit before tax of S\$14.4 million in 2QFY2019, an improvement from a loss of S\$12.5 million in 2QFY2018. This was mainly due to higher share of results of joint ventures, The Crest, driven by profit recognition of the residential units sold and an absence of a one-off Additional Buyer’s Stamp Duty (“ABSD”) expense recorded in 2QFY2018, which was partially mitigated by a reversal of a write down of an amount due from this joint venture. In addition, share of results of associates improved with positive contributions from Top Spring and share of profits from the Middlewood Locks development in the United Kingdom (“UK”).

Group Chief Executive Officer, Lawrence Chiang Kok Sung (“郑国杉”), said, “We are focused on the smooth execution of our various projects in our core markets - China, Indonesia and the UK. We will continue to actively grow our presence in line with our overriding investment strategy of increasing Metro Group’s recurring revenue. At the same time, we will adopt a disciplined capital management policy to ensure we have strong credit standing and healthy capital ratios to drive sustainable growth and value for shareholders.”

Review of Financial Performance

Property Division

The Property Division's revenue increased by S\$14.0 million to S\$15.6 million in 2QFY2019, up from S\$1.6 million in 2QFY2018 mainly with the revenue recognition of S\$14.0 million from the sale of property rights of the residential development properties in Bekasi, Jakarta (See Appendix A for the photo of the Bekasi project).

Average occupancy rate for Metro's four investment properties – one in Guangzhou; two in Shanghai, China; and the freehold and fully-leased office property in Central London, the UK – stood at 96.6% as at 30 September 2018.

Segment results, excluding associates and joint ventures, reported a gain of S\$2.7 million in 2QFY2019, comparable to 2QFY2018.

Share of results of associates recorded S\$5.2 million in 2QFY2019 against a loss of S\$2.4 million in 2QFY2018, mainly due to a S\$1.3 million share of profit from Top Spring against a S\$4.4 million share of loss recorded in the prior 2QFY2018, and a share of profit of S\$2.8 million from the Middlewood Locks development in the UK.

Share of results of joint ventures also improved to S\$9.8 million from a loss of S\$17.0 million over the same period, lifted by higher contributions from its joint venture project, The Crest, driven by profits recognition of the residential units sold and an absence of a one-off ABSD expense recorded in 2QFY2018.

Retail Division

Metro Singapore's retail revenue improved 7.3% to S\$30.7 million in 2QFY2019 from S\$28.6 million in 2QFY2018, mainly due to successful promotional and discount activities.

Profitability of the retail division's associated company in Indonesia showed marginal decline amidst strong competition.

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S\$1.5 billion and a healthy net cash position of S\$218.8 million (after deducting bank borrowings) as of 30 September 2018, with sufficient headroom for more property investments and developments.

Outlook

Looking ahead, for the Group's Property Division in the PRC, rental income of Metro's GIE Tower investment property in Guangzhou is expected to remain steady. In Shanghai, the Group also expects rental stability, at the joint venture level, for both Metro City and Metro Tower, whilst leasing for the office buildings in Bay Valley, New Jiangwan City, Yangpu District in Shanghai, are underway. In Shanghai, China, the Group's latest joint venture in Shanghai Plaza, will commence its asset enhancement works in 2019.

In the UK, Phase 1 construction work for the 571 apartment units of the Middlewood Locks development project has been completed and is being handed over in stages. This mixed development will eventually provide 2,215 new homes and about 750,000 square feet of commercial space including offices, a hotel, shops, restaurants, a convenience store and gym. Notably, the Group has entered into an agreement to sell 277 units in Phase 1 and all 546 apartment units of Phase 2 to a sole buyer. The 277 units in Phase 1 will be handed over in 3QFY2019 whilst construction has commenced on Phase 2 of the Middlewood Locks development.

In Indonesia, construction and sales of the residential projects in Bekasi and Bintaro, Jakarta, Indonesia, which commenced in late 2017 and March 2018 respectively, are ongoing.

Concurrently, in Singapore, sales of the residential project, The Crest at Prince Charles Crescent, will be subject to the impact of recent cooling measures announced on 5 July 2018 in the property market.

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 investments and operations in the region.

Today, the Group operates two core business segments – property investment and development, and retail – and is focused on key markets in the region such as China, Indonesia, Singapore and the United Kingdom.

Property Investment and Development

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 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 10 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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APPENDIX (A)



The Bekasi project, a quality landmark mixed-development scheduled for completion in end 2020, will consist of five 32-storey residential towers (5,622 units), a hotel, a school, SoHo apartments, shophouses, an office building and a Transmart mall over a total site area of 4.5 hectares