NEWS RELEASE

METRO HOLDINGS RECORDS REVENUE OF S$210.3 MILLION AND PROFIT AFTER TAX OF S$33.1 MILLION FOR FY2020

- ***Revenue increases 22.3% mainly from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta***
- ***FY2020's profit before tax decreases to S$39.7 million from FY2019's S$108.0 million, mainly due to the fair value adjustments and rental rebates and waivers granted to tenants arising from COVID-19 pandemic while mitigated by a one-off divestment gain***
- ***Maintains a strong balance sheet with Net Assets at S$1.5 billion***
- ***Expands regional footprint by investing in a portfolio of 14 office and retail properties in Australia***
- ***Rationalises retail business with the closure of Metro Centrepoint upon lease expiry and the divestment of its 50% equity stake in Indonesian associate company, PT Metropolitan Retailmart ("PT MRM")***
- ***Proposes final dividend of 2.0 Singapore cents per ordinary share***

Singapore, 25 June 2020 – 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, registered revenue of S$210.3 million for the full year ended 31 March 2020 ("**FY2020**"), an improvement of S$38.3 million or 22.3% as compared to the same corresponding period a year ago ("**FY2019**"), largely due to the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta.

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The Group's FY2020 profit before tax was S$39.7 million, as compared to S$108.0 million in FY2019. This was mainly due to the fair value loss of the Group's investment properties held by our subsidiary, associates and joint ventures of S$8.5 million in FY2020 versus a fair value gain of S$49.1 million in FY2019. In addition, arising from the COVID-19 pandemic, the Group recorded a fair value loss of S$7.9 million on the short term and long term investments in FY2020 versus a fair value gain of S$9.3 million in FY2019, and S$13.1 million of rental rebates and waivers granted to tenants for properties held by our subsidiary, associates and joint ventures. All these were partially mitigated by the divestment gain of S$10.6 million from the disposal of the Group's 50% equity stake in its retail associate in Indonesia, PT MRM.

Key Investments and Strategic Moves in FY2020

Metro made two strategic acquisitions in its existing key markets in China and Singapore. In April 2019, the Group grew its presence in Singapore by acquiring a 50% stake in 7 and 9 Tampines Grande, two blocks of premium Grade-A Green Mark Platinum Award office buildings strategically located at Tampines Regional Centre. Subsequent to this, in May 2019, the Group expanded its footprint to Chengdu, China with the acquisition of a 25% stake in a prime commercial mall ("**The Mall**") that is part of a landmark mixed-use development, The Atrium ("晶融汇").

Furthermore, in November 2019, the Group expanded its regional footprint by acquiring a 20% stake in a portfolio of 14 quality freehold office and retail properties in Australia. This investment is in line with the Group's strategy to drive the diversification of its investment portfolio across the region and generate a stable and recurring income stream to the Group. To align the interest with its strategic partner and to grow its asset management arm, the Group invested a 20% equity stake in a newly incorporated asset and investment management company namely Sim Lian - Metro Capital Pte. Ltd. in November 2019 to manage the portfolio in Australia.

On the retail front, as part of the Group's long-term strategy of rationalising its retail business, it has closed Metro Centrepoint upon the lease expiry in October 2019 and divested its 50% equity stake in its retail associate in Indonesia, PT MRM, in December 2019. PT MRM operates 11 department stores spread across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado. This divestment represents a good opportunity for the Group to realise and unlock its value, thus delivering value to our shareholders.

Metro Group Chief Executive Officer, Yip Hoong Mun ("叶康文"), said "The acquisitions of two blocks of premium Grade-A office tower namely 7 & 9 Tampines Grande in Singapore and 25% stake in a prime commercial mall in Chengdu, China enhance our presence in the respective key markets. The recent investment in the portfolio of quality assets in Australia diversifies our regional footprint and will further grow the income profile of Metro.

We would continue to focus on both property investment and development in our five key markets in Singapore, China, Indonesia, the United Kingdom, and more recently, Australia."

Review of Financial Performance

Property Division

The Property Division's revenue increased by S$60.0 million to S$101.4 million in FY2020, up from S$41.4 million in FY2019 mainly from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Revenue from GIE Tower, Guangzhou, decreased by S$0.7 million from S$6.9 million in FY2019 to S$6.2 million in FY2020 due to rental rebates extended to help tenants cushion the business impact arising from the COVID-19 pandemic.

The average occupancy rate for Metro's five investment properties – GIE Tower in Guangzhou; Metro City and Metro Tower in Shanghai, China; the fully-leased freehold office property at 5 Chancery Lane in Central London, the United Kingdom (the "**UK**"); and 7 & 9 Tampines Grande, Singapore – was 94.3% as at 31 March 2020.

Property segment profit, excluding associates and joint ventures, reported a decrease to S$23.8 million in FY2020 as compared to S$27.1 million in FY2019. This is mainly due to unrealised fair value loss of S$7.9 million on short term and long term investments in FY2020 due to the outbreak of COVID-19 in beginning of year 2020, as compared to FY2019's fair value gain of S$9.3 million, partially mitigated by foreign exchange gain of S$2.7 million and gain on disposal of short term investments of S$0.9 million. The Property segment benefited from S$9.8 million contributions from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta.

GIE Tower, Guangzhou, recorded a fair value loss of S$2.5 million in FY2020, as compared to a fair value gain of S$14.7 million in FY2019.

The Group recorded share of associates' loss of S$29.7 million in FY2020, as compared to share of profit of S$13.1 million in FY2019 mainly due to higher share of operating losses (net of tax) by S$21.3 million comprising $4.3 million of rental rebates and waivers granted to tenants arising from the COVID-19 pandemic. In addition, at the associate level, the Group recorded a fair value loss (net of tax) on investment properties owned by associates of S$7.4 million in FY2020, as compared to fair value gain (net of tax) of S$14.1 million in FY2019 due to one-off capitalised acquisition costs from our newly acquired 20% stake in a portfolio of properties in Australia and lower fair value gain from our properties in PRC in FY2020 as compared to FY2019.

Share of profit of joint ventures of S$55.9 million in FY2020, lower by S$9.3 million from S$65.2 million in FY2019 mainly due to lower fair value gain (net of tax) on investment properties owned by joint ventures of S$18.9 million from S$20.3 million in FY2019 to S$1.4 million in FY2020 arising from revaluation loss on our properties in PRC, which was partially offset by revaluation gain from our newly acquired 50% stake in Tampines Grande, Singapore. This was mitigated by higher share of operating profits (net of tax) by S$9.6 million arising from higher contributions from The Crest, Metro City and Metro Tower, after S$8.1 million rental rebates and waivers granted to tenants arising from the COVID-19 pandemic.

Additionally, the co-investments with InfraRed NF China Real Estate Fund III L.P. in real estate financial debt instruments will continue to provide recurring income streams.

Retail Division

Metro's retail revenue decreased to S$108.9 million in FY2020 from S$130.6 million in FY2019 mainly due to the closure of Metro Centrepoint in October 2019 upon lease expiry as well as lower sales in the departmental store in Singapore due to shortening of operating hours in February and March 2020, arising from the COVID-19 pandemic.

Despite the lower revenue, the Group recorded a segment profit of S$10.4 million, mainly due to the divestment gain of S$10.6 million from the sale of the Group's 50% equity interest in its associate company in Indonesia, PT MRM, which operated 11 Metro stores spread across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado.

Excluding this divestment gain, Metro retail's Singapore operation recorded a lower operating loss of S$0.2 million in FY2020 versus S$7.1 million operating loss in FY2019 mainly due to higher profit and absence of provision for stock obsolescence and impairment of fixed assets recorded in FY2019.

In compliance with the Singapore Government's circuit breaker measures, Metro has temporarily closed its two retail stores in Singapore from early April 2020 to 18 June 2020 for the safety of our staff and customers. The Group's online retail business continues to remain operational.

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S$1.5 billion as of 31 March 2020.

Proposed Dividend

To reward loyal shareholders, the Board has recommended an ordinary final dividend of 2.0 Singapore cents per share and this translates to a payout ratio of 51.4% of the Group's net profit attributable to shareholders for FY2020.

Outlook

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), said "Global economy is experiencing an uncertain and volatile climate due to the trade tensions between the United States and China, and is now further exacerbated by the COVID-19 pandemic. The unprecedented global economic crisis and the post-COVID-19 pandemic impact will fundamentally transform the business landscape of the world which we know today.

Amidst the uncertain economic outlook and evolving COVID-19 pandemic situation, Metro continues to take proactive measures to strengthen our financial position, including preserving cash, optimizing cash flows and liquidity, and also actively manage our existing investment portfolio for optimal returns.

We would continue to demonstrate our ability to capitalise on opportunities with prudent capital structure and to be well-positioned to ride the next upcycle.”

The average occupancy rate of Metro’s five investment properties remains high at 94.3% as at 31 March 2020 and these properties will continue to contribute stable and recurring income.

Recognising the challenging business environment caused by the COVID-19 pandemic, Metro has been working closely with its tenants and is providing short-term rental relief on a case-by-case basis. While Metro’s properties in China, Metro City, Metro Tower and GIE Tower, continue to maintain a high average occupancy rate of more than 90%, the Group has extended rental rebates and waivers as well as extension of payment terms to some tenants who faced cashflow difficulties due to the suspension of business operations. Following the lifting of the lockdown measures in China, leasing activities for the three office buildings in Bay Valley are gradually improving. Asset enhancement works for Shanghai Plaza and the prime commercial mall in Chengdu have resumed and leasing activities are in progress.

In Singapore, the Group’s premium Grade-A office towers at Tampines Regional Centre’s average occupancy rate remains high and leasing is underway. Meanwhile, sales of the residential project, The Crest at Prince Charles Crescent, is subject to the impact of cooling measures in the Singapore property market and the COVID-19 pandemic. Despite the circuit breaker, sales have continued online through The Crest APP, Facebook, Zoom, Webinars, E-brochures and virtual tours.

In Indonesia, due to the COVID-19 pandemic restrictions, all shops in the Bekasi and Bintaro malls are closed except for Transmart, resulting in a slowdown in sales, construction and cash collection for the Group’s residential units. Despite this, sales have continued online through Facebook, Instagram, Zoom and YouTube.

In the UK, Central London office take-up was down in 1Q 2020 to 2 million sqft amidst the COVID-19 pandemic, with office vacancy rates maintaining at 5.7%. Rent holiday requests have risen but headline rents are holding. Delays to developments are inevitable and investment deals are slowing[1]. Our office property at 5 Chancery Lane continues to be fully leased through 2023. Manchester residential prices are forecast to grow around 3.2% per annum over the next five years, while rental growth is expected to average 3.1% per annum[2]. Despite the temporary closure of the Middlewood Locks marketing suite due to the COVID-19 pandemic, the team has shifted marketing online via website listings, Instagram, virtual tours and mortgage webinars.

In Australia, the recently acquired 20% equity stake in a portfolio of 14 quality freehold properties comprising four office buildings and 10 retail centres are registering a high average occupancy rate of more than 95%. The four office buildings are strategically located in the core central business district ("**CBD**") of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth. The other 10 retail centres are located regionally with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities of the community within the primary residential catchment area.

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 focuses on key markets in Singapore, China, Indonesia, the UK and Australia.

[1] https://www.knightfrank.com/research/london-offices-spotlight-q1-2020-7101.aspx
[2] https://residential.jll.co.uk/insights/research/regional-forecasts-2020

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, and up-and-coming high growth cities like Chengdu. Through strategic partnerships and joint ventures, the Group has expanded its portfolio to cover a fuller spectrum of properties in Singapore, China, Indonesia, the UK and Australia.

Retail

Metro's retail arm serves customers through two Metro department stores in Singapore. The Metro shopping brand is an established household name in the retail industry and offers a wide range of quality merchandise.

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25 June 2020