NEWS RELEASE

METRO HOLDINGS REGISTERS NET PROFIT AFTER TAX OF S$18.4 MILLION

- ***1HFY2022 Profit After Tax of S$18.4 million, as compared to S$19.8 million in 1HFY2021, mainly due to:***
  - ***Higher contributions and fair value gains from associates/joint ventures' investment properties in China***
  - ***Contribution from new investment in the Boustead Industrial Fund, Singapore***
  - ***Lower share of profit of joint ventures mainly from The Crest***
- ***Diversify for resilience across key markets in Australia and Singapore***
- ***Maintains a strong balance sheet with Net Assets at S$1.6 billion and Total Assets of S$2.5 billion***

Singapore, 10 November 2021 – 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 net profit after tax of S$18.4 million for the first half year ended 30 September 2021 ("**1HFY2022**"), as compared to S$19.8 million in the same corresponding period a year ago ("**1HFY2021**"). This was mainly due to share of higher contributions and fair value gains from associate and joint ventures' investment properties in China underpinned by the recovery in the China economy, and new contribution from the Group's subscription for 26% of the Units and 7.0 per cent. Notes due 2031 in the Boustead Industrial Fund, partially offset by decrease in share of profit of joint ventures mainly from lower contributions from The Crest. The Group posted revenue of S$40.8 million in 1HFY2022, as compared to S$36.7 million in 1HFY2021, largely due to the retail division reporting higher sales by S$10.1 million from S$25.2 million in 1HFY2021 to S$35.3 million in 1HFY2022 arising from the closure of the two department stores in Singapore from 7 April 2020 to 18

Metro Holdings Limited
391A Orchard Road • #19-00 Tower A • Ngee Ann City • Singapore 238873
Tel: (65) 6733-3000 • Fax: (65) 6735-3515
Co. Registration No.: 197301792W

June 2020 during the COVID-19 lockdown. This was partially offset by lower sales of property rights of the residential development projects in Bekasi and Bintaro, Jakarta.

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), said, "Metro has made progress in our goal to diversify for resilience despite the COVID-19 turbulence, and this shows in our 1HFY2022 results. Going forward, together with experienced partners, we continue to focus on our key sectors and countries where we see long term growth."

Review of Financial Performance

Property Division

The Property Division's revenue for 1HFY2022 decreased to S$5.5 million from 1HFY2021's S$11.5 million mainly due to lower sales of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by S$6.1 million from S$8.2 million in 1HFY2021 to S$2.1 million in 1HFY22022, largely impacted by the ongoing 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 Asia Green, Singapore – remain high at 95.1% as at 30 September 2021.

Property segment, excluding associates and joint ventures, reported a profit of S$6.3 million in 1HFY2022 as compared to S$9.7 million in 1HFY2021, mainly due to lower gross profit contribution from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, by S$0.6 million, in line with lower revenue. Net unrealised fair value loss of short term and long term investments was higher by S$3.3 million in 1HFY2022, partially mitigated by higher dividend income from short term and long term investments by S$2.5 million in 1HFY2022.

The Group's share of results of associates registered a profit of S$2.5 million in 1HFY2022, as compared to a share of loss of S$7.5 million in 1HFY2021. This was mainly due to higher share of profit (net of tax) by S$9.6 million from the contributions and fair value gains of investment properties in China mainly attributed to Top Spring and Shanghai Bay Valley, and new contributions from the Group's subscription for 26% of the Units and 7.0 per cent. Notes due 2031 in the Boustead Industrial Fund. This was partially offset by lower contributions from the co-investments with BGO China Real Estate Fund III L.P.

Share of profit of joint ventures decreased by S$8.1 million to S$24.0 million in 1HFY2022 from S$32.1 million in 1HFY2021 mainly due to lower contributions from The Crest, which was partially mitigated by higher contribution from the investment properties in China.

Retail Division

Metro's retail revenue increased to S$35.3 million in 1HFY2022 from S$25.2 million in 1HFY2021 due to last year's closure of the two department stores in Singapore from 7 April 2020 to 18 June 2020 during the COVID-19 lockdown.

Segment results reported a loss of S$0.7 million in 1HFY2022 as compared to a loss of S$0.8 million in 1HFY2021. Higher contribution was offset by lower rental rebates granted by landlords, property tax rebates and jobs support scheme received.

Pressure on margins amidst a highly competitive trading environment and impact from COVID-19 pandemic adversely affected the results.

Key Investments and Strategic Moves

In Australia, Metro, together with its Joint Venture partner, the Sim Lian Group of Companies ("**Sim Lian**") acquired Cherrybrook Village Shopping Centre in New South Wales for a purchase consideration of approximately A$132.8 million (approximately S$133.9 million). Cherrybrook Village Shopping Centre enjoys a high committed occupancy of 98.4% as at 30 September 2021 and a weighted average lease expiry ("**WALE**") of 3.1 years by income.

With this acquisition, Metro and Sim Lian will hold 16 quality freehold properties comprising 4 office buildings and 12 retail centres spanning across 4 key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia, with a total appraised value of approximately A$1.07 billion (approximately S$1.08 billion), high committed average occupancy rate of 95.2% with a WALE of 6.5 years by income.

Subsequent to the Cherrybrook Village Shopping Centre acquisition, Metro increased its equity stake by acquiring an additional 10% share in the Australian portfolio comprising 16 quality freehold office and retail properties, as well as the asset management company Sim Lian – Metro Capital Pte. Ltd., bringing its total shareholding from 20% to 30%, with the Joint Venture partner, Sim Lian owning the remaining 70%.

In October 2021, Metro deepened its Singapore presence by acquiring high-spec industrial property 351 Braddell Road via the Boustead Industrial Fund ("**BIF**"). With the 351 Braddell Road acquisition, the total portfolio under BIF will be 15 properties with a high committed average occupancy of 97.2%, a WALE of approximately 6.4 years and an average lease tenure of 32 years.

In Indonesia, Metro engaged The Ascott Limited ("**Ascott**"), a member of CapitaLand Investments, to manage the M+ serviced residences in Trans Park Bekasi, Jakarta. Ascott will exclusively manage more than 200 units across two floors of student accommodation and three floors of corporate leases. Trans Park Bekasi is well-located within the larger mixed-use development by CT Corp, an Indonesian-based conglomerate, and consists of a hotel, the London School of Public Relations, Small office Home Office apartments, shophouses, an office building, a Transmart, supermarket, F&B and cinemas, as well as a theme park with Snow World and Kidcity over a total site area of 4.5 hectares.

Group Chief Executive Officer, Yip Hoong Mun ("叶康文"), said, "We are encouraged by the progress made in 1HFY2022 towards a diversified, sustainable, resilient real estate portfolio, amidst the turbulence brought about by the COVID-19 pandemic and its variants. This validates the Group's strategy to diversify for resilience."

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S$1.6 billion and total assets of S$2.5 billion as of 30 September 2021.

Outlook

The global recovery continues but the momentum has weakened, hobbled by the pandemic and the highly transmissible Delta variant, with the recorded global COVID-19 death toll close to five million. The global economy is projected to grow 5.9% in 2021 and 4.9% in 2022. Beyond 2022, global growth is projected to moderate to about 3.3% over the medium term[1].

According to the International Monetary Fund ("**IMF**"), China's economy will grow 8.0% in 2021 and 5.6% in 2022, though roadblocks to recovery include the threat of disorderly debt restructurings arising from the Evergrande debt contagion and measures by local governments to meet short term climate targets leading to a power crunch, while escalation of trade and technology tensions between US and China could weigh on investment and productivity growth[2]. Average occupancy at our China investment properties, mainly Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou continue to remain high at 95.4%. The Atrium Mall ("晶融汇") in Chengdu has achieved occupancy of more than 90%, while the newly renovated Shanghai Plaza ("上海广场") in Shanghai is in operation and leasing is underway. The three office buildings in Bay Valley are now more than 70% occupied. Our associate Top Spring and co-investments with BentallGreenOak China Real Estate Fund III L.P. continue to be subject to market headwinds in China and Hong Kong.

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[1] *IMF, World Economic Outlook, October 2021*
[2] *IMF, World Economic Outlook, October 2021*

Singapore's GDP grew by 6.5% on a year-on-year basis in the third quarter of 2021, moderating from the 15.2% growth in the previous quarter[3]. The technology and non-banking financial services firms continuing to spur office leasing activity, with Amazon Singapore opening a new office across three floors at Asia Square[4]. These developments will continue to benefit our premium Grade-A office towers at the Tampines Regional Centre which has achieved an occupancy rate of approximately 90%. On the back of improving occupancies and strong leasing activity, landlord's rental expectations increased in the industrial/logistics sector[5]. Metro is well positioned given our December 2020 investment of 26% of both the Units and 7.0 per cent. Notes due 2031 in the Boustead Industrial Fund ("BIF"), with a quality portfolio of 14 industrial, business park, high-spec industrial and logistics properties in Singapore. With the 351 Braddell Road acquisition in October 2021, BIF will hold a total of 15 properties with a high committed average occupancy of 97.2% and a WALE of approximately 6.4 years.

Indonesia recorded annual GDP growth of -2.1% in 2020, and the IMF expects Indonesia to record 3.2% growth in 2021, based on moderate tax policy and administration reforms, some expenditure realisation, and a gradual increase in capital spending over the medium term in line with fiscal space[6]. Indonesia continues to open up gradually from August through November, but social measures continue to impact the sales and collections of our Bekasi and Bintaro residential projects.

The IMF forecasts UK GDP growth of 6.8% in 2021 and 5.0% in 2022[7]. The student accommodation sector continues to attract investment[8] and Metro's two PBSA properties at Warwick and Bristol are well-positioned in this environment and enjoy full occupancy. In Manchester, the residential market continues to be the only city outside London that sees investment from overseas buyers which is a trend expected to continue during 2021 and beyond[9]. In September 2021, Phase 1 of 571 units in Middlewood Locks has achieved a significant milestone by fully selling all the remaining units, and handover of units to the buyers is in progress. The development

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[3] MTI Singapore, Singapore's GDP Grew by 6.5 Per Cent in the Third Quarter of 2021, 14 October 2021
[4] Straits Times, Amazon To Create 200 More Jobs In Singapore, Opens New Office Over 3 Floors at Asia Square, 27 October 2021
[5] CBRE, Singapore MarketView Q3 2021, 12 October 2021
[6] IMF, World Economic Outlook – October 2021
[7] IMF, World Economic Outlook – October 2021
[8] Colliers, United Kingdom Property Snapshot, 21 July 2021
[9] JLL, Property Predictions 2021 Manchester, 15 February 2021

completion and handover of 546 units of Phase 2 that was fully sold to Get-Living is expected in November 2021. Phase 3 development comprising approximately 200 units of apartment and townhouses, as well as retail, food and beverages outlets is expected to commence construction in early 2022. Our office property at 5 Chancery Lane continues to be fully leased through 2023, despite London City vacancy rates continuing to climb[10].

The Australian economy is recovering after the interruption caused by the Delta outbreak. The central forecast is for GDP growth of 3% over 2021 and 5.5% and 2.5% over the following two years[11]. Together with the recent acquisition of a 20% stake in Cherrybrook Village Shopping Centre in New South Wales, Metro Group's 20% stake in the portfolio of 16 quality freehold properties comprising 4 office buildings and the 12 retail centres with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities achieves a high committed average occupancy rate of 95.2% and WALE of 6.5 years by income. In October 2021, the Metro Group increased its equity stake from 20% to 30% for both its Australian portfolio of 16 properties as well as asset management company Sim Lian – Metro Capital Pte. Ltd.

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.

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[10] *Colliers, London Offices Snapshot, 25 October 2021*
[11] *Reserve Bank of Australia, Statement By Philip Lowe, Governor: Monetary Policy Decision, 2 November 2021*

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.

ISSUED ON BEHALF OF	:	Metro Holdings Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 105 Cecil Street #09-01 The Octagon SINGAPORE 069534
CONTACT	:	Ms Dolores Phua / Ms Valencia Wong at telephone
DURING OFFICE HOURS	:	6534 5122
EMAIL	:	Metro@citigatedewerogerson.com

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