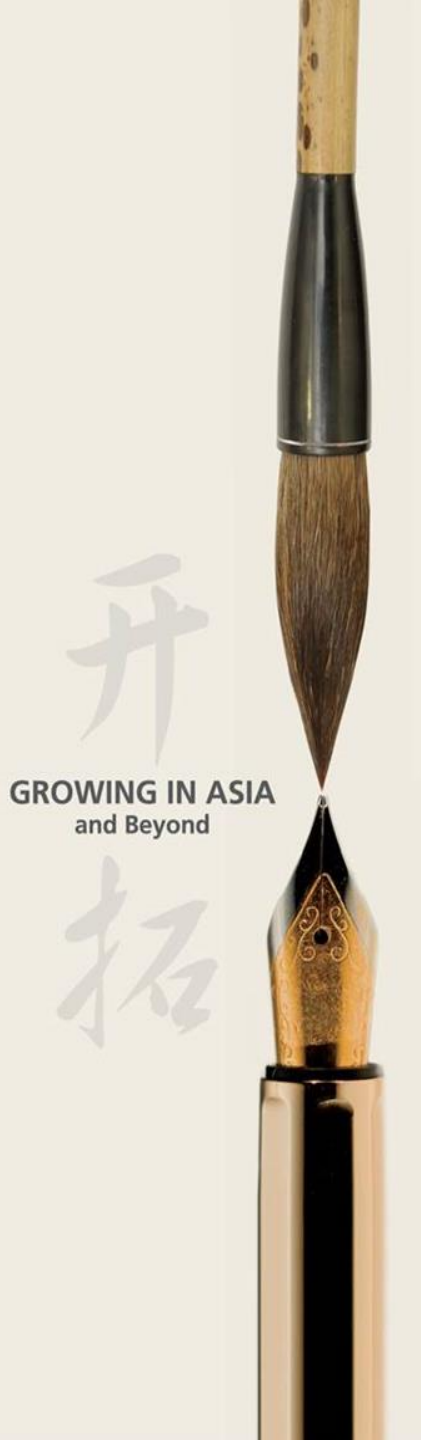


METRO HOLDINGS LIMITED

FY2017 RESULTS PRESENTATION

美罗 METRO

CONTENTS

- About Metro
- Property Development & Investment
- Retail Operations
- Financial Highlights
- Growth Strategies
- Going Forward
- Market Outlook

WHO WE ARE



A property development and investment group, backed by an established retail track record, with strong presence in China, Indonesia and Singapore. The group has also expanded its geographical presence to the United Kingdom, in particular, Manchester and Sheffield.



OUR INTERNATIONAL PRESENCE

List of Investment Properties

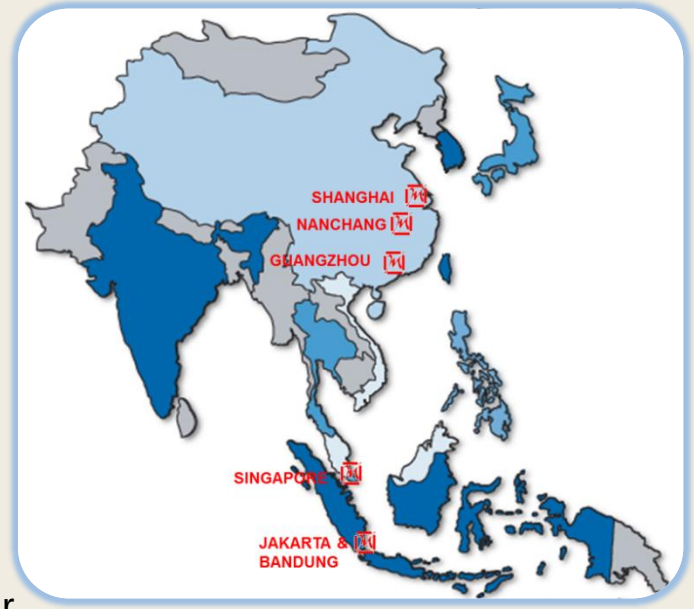
- Metro City, Shanghai
- Metro Tower, Shanghai
- GIE Tower, Guangzhou
- Shama Century Park, Shanghai (Associate)

List of Investments

- Top Spring International (Property Developer-HK Listed)(Associate)
- MGSA Private Trust (AFS)

List of Retail Outlets

- Singapore
- Indonesia – Jakarta, Bandung, Makassar, Surabaya and Solo





Development Properties (with joint venture partners)

- Nanchang Fashion Mark - mixed-use development property in Nanchang City, Jiangxi province, The PRC
- The Hatbox and Middlewood Locks – mixed-use developments in Manchester, UK
- Sheffield Digital Campus – office buildings in Sheffield, UK
- The Crest – residential condominium at Prince Charles Crescent, Singapore

PROPERTY DEVELOPMENT & INVESTMENT

PORTFOLIO OVERVIEW

Investment Properties as at 31 March 2017:

	% owned by Group	Tenure	Site Area ("sqm")	Lettable Area ("sqm")	No. of Tenants	Occupancy Rate (%)	Valuation (S$'m) (100%)
GIE Tower, Guangzhou	100%	50 yr term from 1994	-	28,390	33	86.4	97
Metro City, Shanghai	60%	36 yr term from 1993	15,434	38,447	172	95.5	208
Metro Tower, Shanghai	60%	50 yr term from 1993	4,993	40,323	30	92.7	195

INVESTMENT PROPERTY

Property Valuation (100%) as at 31 March 2017 and 2016:

	FY2017 (Rmb'm)	FY2016 (Rmb'm)	(%)	FY2017 (S$'m)	FY2016 (S$'m)	(%)
GIE Tower, Guangzhou	480	479	+0.2	97	100	-3.0
Metro City, Shanghai	1,024	1,059	-3.3	208	221	-5.9
Metro Tower, Shanghai	958	957	+0.1	195	200	-2.5

Exchange rates:
FY16: S$1: RMB 4.785
FY17: S$1: RMB 4.926

PORTFOLIO OVERVIEW

Development Properties (Associates/Joint Ventures):

	Location	% owned by Group (*)	Leasable/ Saleable Area (#)	Sale launch	Expected completion date
Nanchang Fashion Mark	Nanchang, Jiangxi Province, PRC	30%	400,080 sqm	Note (1)	June 2020
The Crest at Prince Charles Crescent	Singapore	40%	50,854 sqm	June 2014	TOP Feb 2017
The Hat Box Note (2)	Manchester, UK	25%	112,400 sqft	Mid 2015	1Q 2016
Middlewood Locks	Manchester, UK	25%	Note (3)	Note (3)	Note (3)
Sheffield Digital Campus	Sheffield, UK	50%	131,226 sqft	Note (4)	Note (4)

Note

(1) *Nanchang Fashion Mark's residential and commercial properties are being sold and completed in phases. As at 31 March 2017, 290,782sqm, 67,129sqm and 46,071sqm of residential, office and retail area respectively have been presold. 290,274sqm of residential area, 51,380sqm of office and 38,312sqm of retail area have been completed and handed over as at 31 March 2017*

(2) *All units of The Hat Box have been sold as at 31 March 2016 and handover completed in April 2016*

(3) *Middlewood Locks' 24 acres (site area) will be developed in phases. Construction of Phase 1 residential has commenced and sales of the 571 units is being launched.*

(4) *Sheffield DC comprises two Grade A office buildings, Acero Works and Vidrio House. Construction of Acero Works has commenced, with completion expected in Q3 2017*

Development properties under development by Hong Kong listed associate, Top Spring International, are not listed above

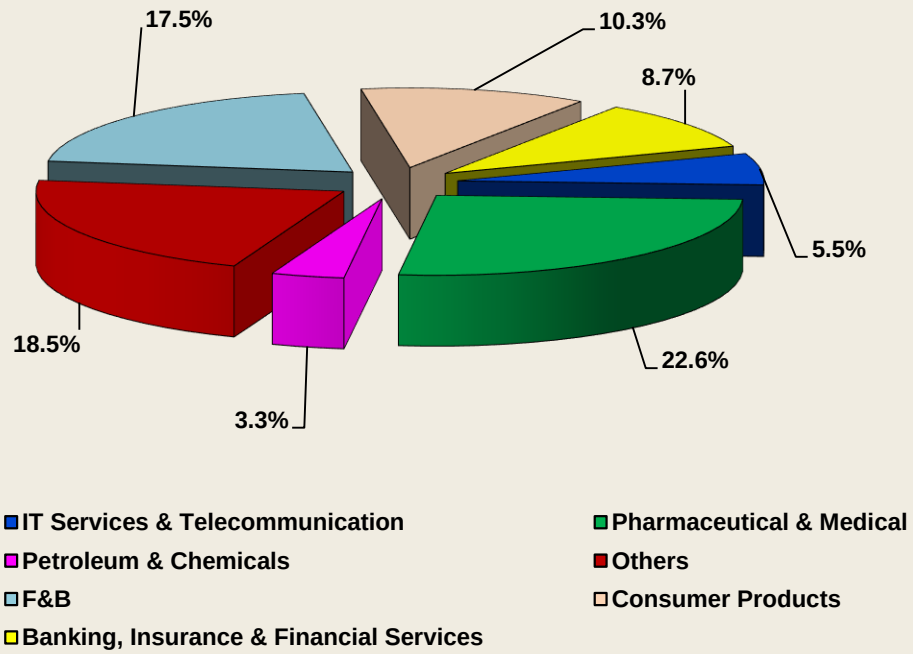
* *As at 31 March 2017*

\# *Estimated as at 31 March 2017*

GIE TOWER, GUANGZHOU

Occupancy Rate: 86.4%

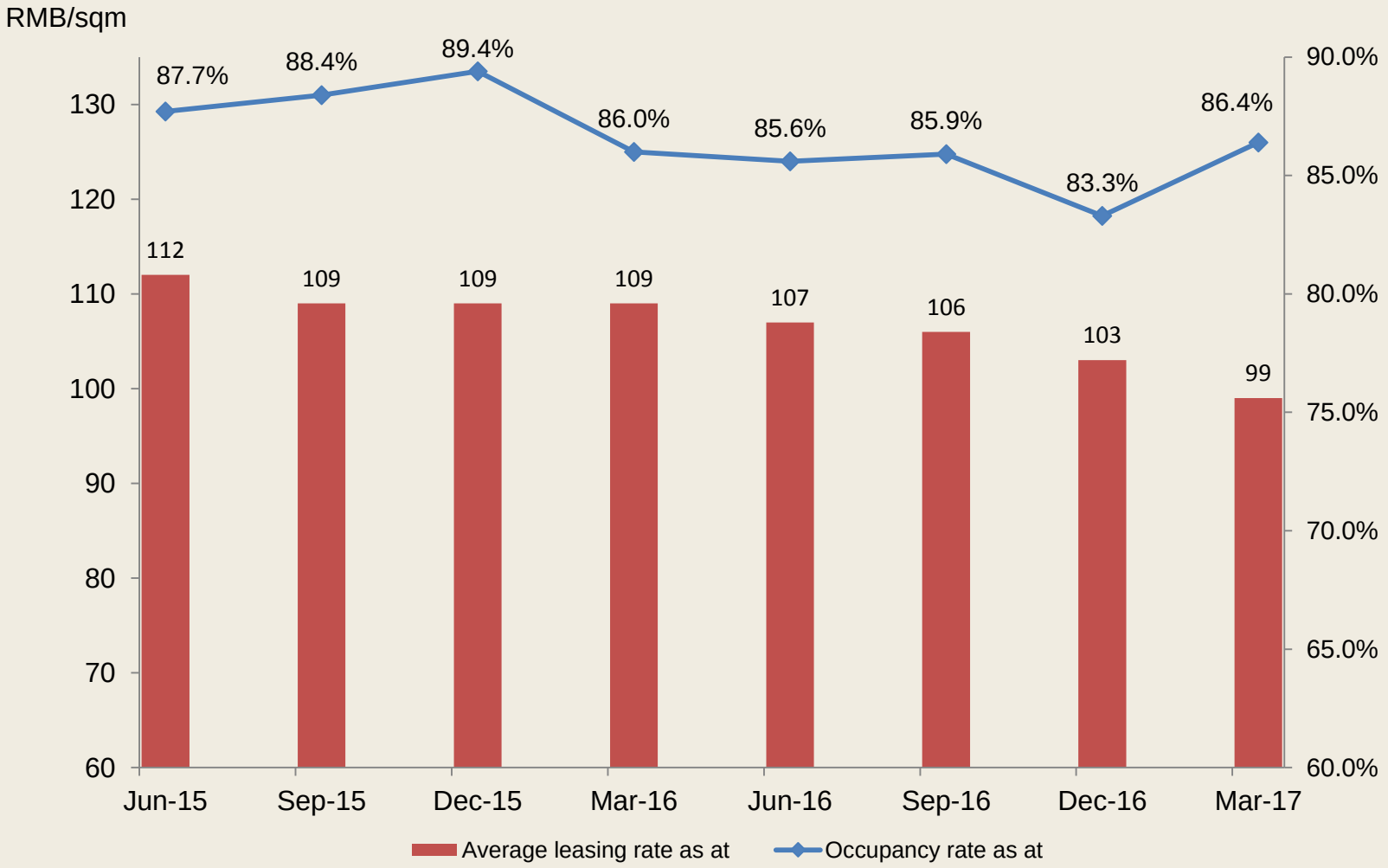
Office Tenant Mix by Lettable Area (as at 31 March 2017)



Top 10 Tenants:

Name of Tenant	Trade Sector	% of lettable area
Yu Cai Restaurant	F&B	14.2%
Abbott Laboratories	Pharmaceutical & Medical	8.6%
Sino-US United MetLife Insurance	Banking, Insurance & Financial Services	7.7%
Roche	Pharmaceutical & Medical	6.8%
Guangdong Teachers	Others	6.3%
Novo Nordisk	Pharmaceutical & Medical	4.2%
Toshiba	IT Services & Telecommunication	4.1%
Guangzhou Kamen Industry	Consumer Products	3.9%
Evergreen	Others	3.5%
RB & Manon	Others	3.1%

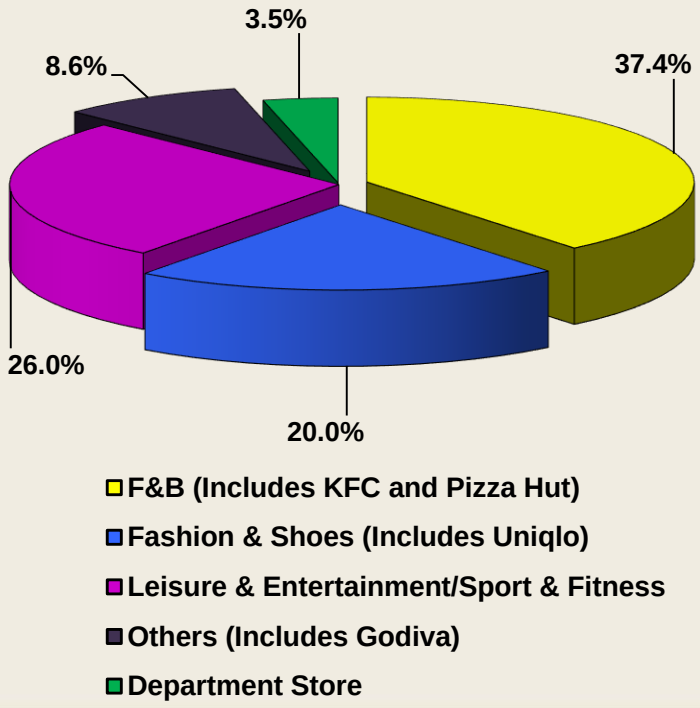
GIE TOWER, GUANGZHOU



METRO CITY, SHANGHAI

Occupancy Rate: 95.5%

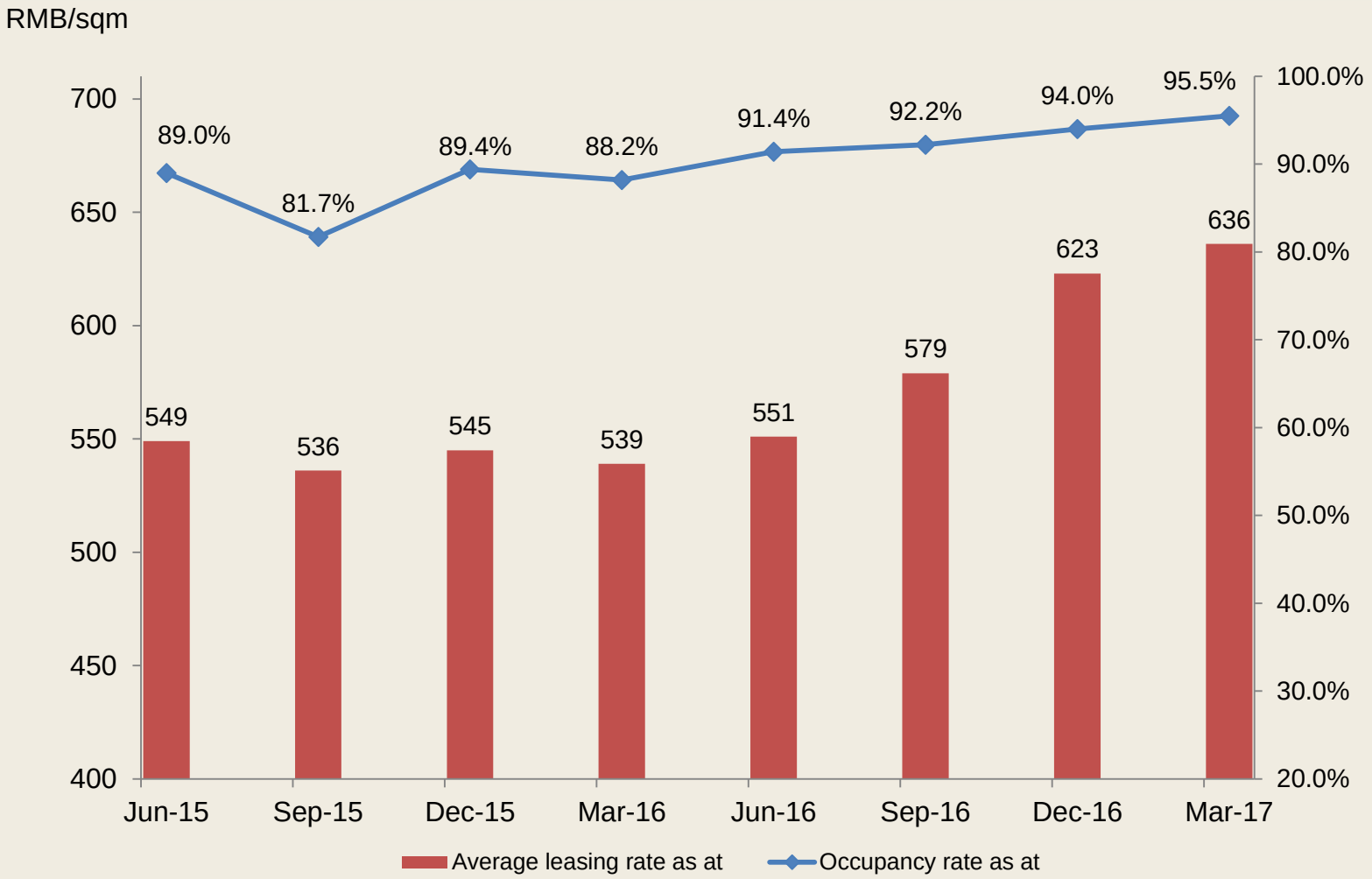
Retail Tenant Mix by Lettable Area (as at 31 March 2017)



Top 10 Tenants:

Name of Tenant	Trade Sector	% of total lettable area
Physical Fitness & Beauty Centre	Leisure & Entertainment/ Sport & Fitness	7.7%
Star Theatre	Leisure & Entertainment/ Sport & Fitness	6.6%
Food Republic	F&B	6.5%
Kodak Cinema World	Leisure & Entertainment/ Sport & Fitness	6.1%
HAOLEDI KTV	Leisure & Entertainment/ Sport & Fitness	5.6%
Shanghai Xi Ti	F&B	4.5%
La Chapelle	Fashion & Shoes	2.8%
La Ruta De Via	Fashion & Shoes	2.2%
Popular Bookmall	Others	1.9%
MUJI	Department Store	1.9%

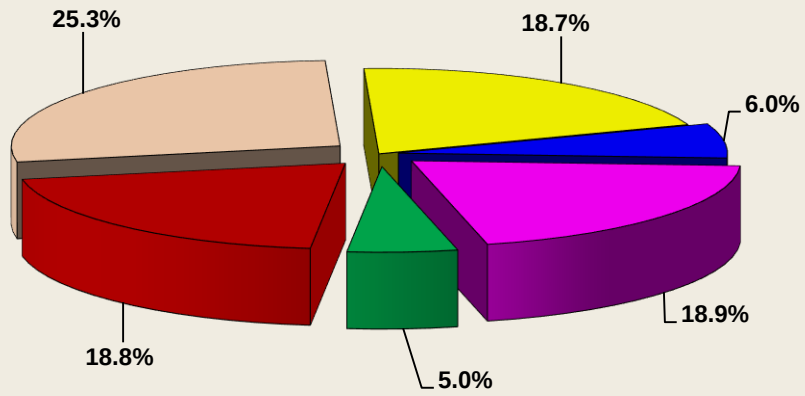
METRO CITY, SHANGHAI



METRO TOWER, SHANGHAI

Occupancy Rate: 92.7%

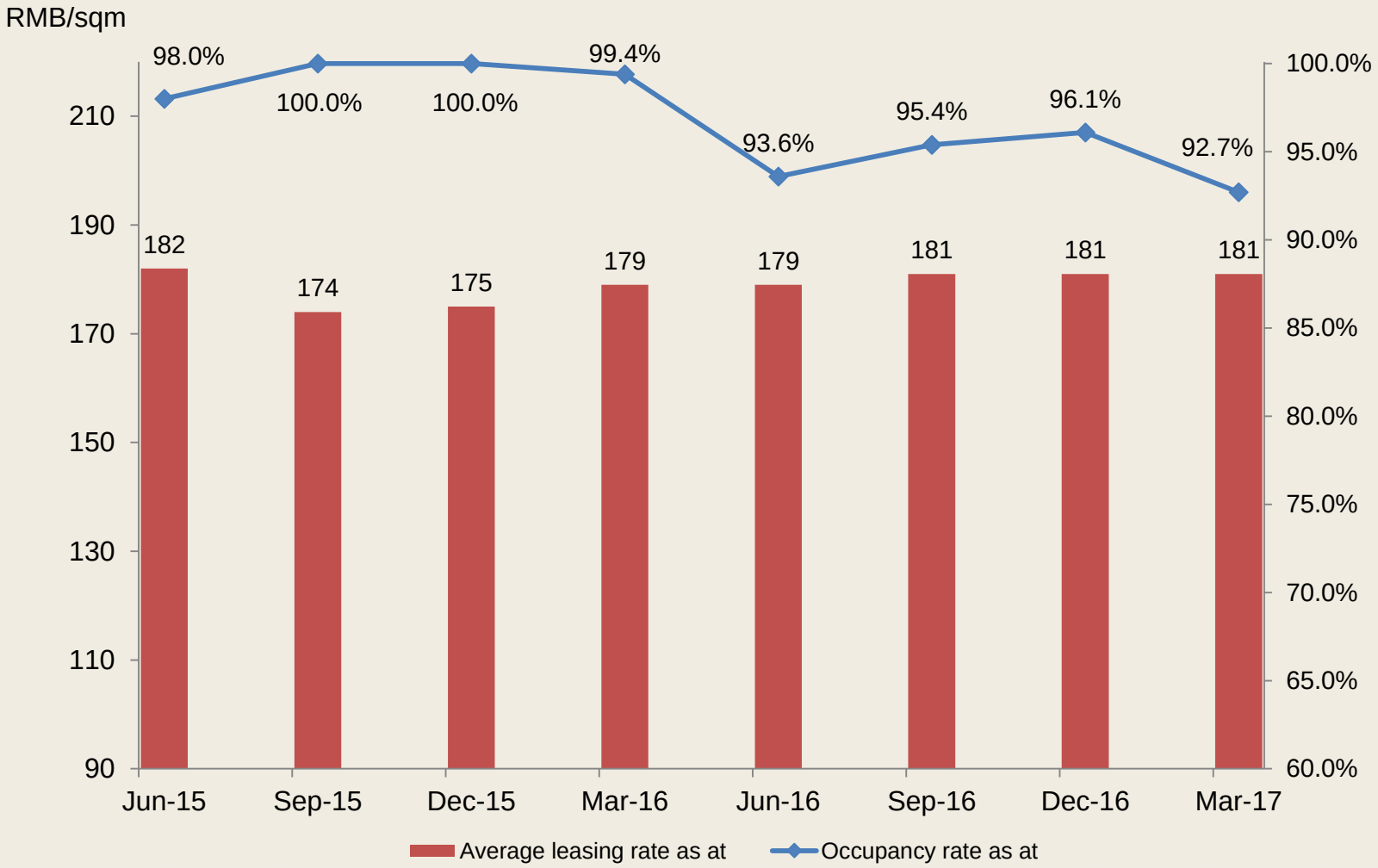
Office Tenant Mix by Lettable Area (as at 31 March 2017)



Top 10 Tenants:

Name of Tenant	Trade Sector	% of total lettable area
Swatch Group	Consumer Products	16.4%
Exxon Mobil	Petroleum & Chemicals	15.2%
Energy Source	Others	14.5%
Pizza Hut	F&B	6.7%
Agricultural Bank of China	Banking, Insurance & Financial Services	6.0%
Cummins	Others	5.3%
KFC	F&B	5.2%
Shanghai Xi Ti	F&B	4.2%
Tutuanna	Consumer Products	2.5%
Lucite International	Petroleum & Chemicals	1.9%

METRO TOWER, SHANGHAI



PROPERTY INVESTMENT – EXPIRY PROFILE

Expiry Profile by Gross Rental Income:

	1H2018 (%)	2H2018 (%)
GIE Tower, Guangzhou	3.6	9.4
Metro City, Shanghai	6.3	13.0
Metro Tower, Shanghai	4.5	15.2

SHANGHAI SHAMA CENTURY PARK



Key Statistics	
Acquisition date	27 December 2013
Land use rights tenure ending on	30 December 2072
Total consideration (Rmb million) – 30% interest	524
Saleable/Leaseable GFA (sq.m.)	*7,355
Valuation (Rmb million) – 100%	*515.5
Interest attributable to us (%)	30%

** As at 31 March 2017*

Project Overview

The Property is operated as serviced apartments and was completed in 2006 for residential and car park uses. It is located at No. 99 Dongxiu Road, Pudong New District, Shanghai, the PRC, and comprises:

(a) A total of 284 residential units across nine buildings with a total gross floor area of approximately 49,357 sq.m

(b) 240 underground car park units

(c) As at 31 March 2017, leasable GFA of approximately 42,001 sq.m., comprising 245 units, has been sold and delivered

NANCHANG FASHION MARK







- Joint-venture project with a Hong Kong-listed company Top Spring International Holdings Limited
- Located at Hong Gu Tan CBD, Nanchang City of Jiangxi Province in the PRC
- Mixed-use development – residential, retail and office components for sale; retail shopping mall and serviced apartment to hold as investment property. Being developed in phases
- Many domestic financial institutions have already established a presence in the area
- Vast catchment area in the Central China region

NANCHANG FASHION MARK

Key Statistics					
% owned by Group	30%				
Site Area (sq.m.)	269,455				
Construction start date	May 2013				
Expected completion date	June 2020				
Land cost (RMB million)	1,978				
Total GFA (sq.m.)	1,030,475				
Saleable/Leasable GFA (sq.m.) [(1)]	**Total**	**Residential**	**Retail**	**Serviced apartments**	**Office**
	400,080	883	216,408	20,766	162,023

As at 31 March 2017, saleable area presold and delivered comprised approximately 290,274sqm residential, 51,380sqm office and 38,312sqm retail

(1) As at 31 March 2017

THE CREST



Key Statistics	
% owned by Group	40%
Site Area (sq.m.)	23,785
Tenure	99 years from 2012
TOP	February 2017
Total saleable GFA (sq.m.)	50,854
Land cost (S$'m)	516.3

- 469 units condominium development comprising 4 blocks of 5-storey and 3 blocks of 24-storey residential buildings
- Basement carpark, swimming pool, landscape deck and communal facilities
- Located along Prince Charles Crescent, next to Crescent Girl's School and close proximity to commercial/shopping nodes including Tanglin Mall, Valley Point and Tiong Bahru Plaza
- The Crest was soft launched in mid 2014 with 162 options issued as at 31 March 2017. Launched 260 units (excluding centre tower block/3 Villa blocks)

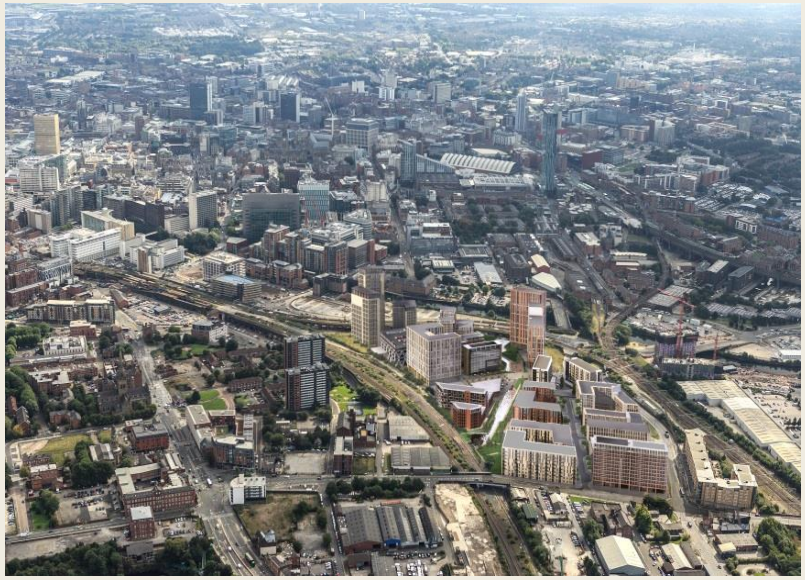
MANCHESTER – THE HATBOX



Key Statistics	
% owned by Group	25%
Site Area	1.06 acres
Tenure	Freehold
Sales launch	Mid 2015
Completion date	1Q 2016
Estimated total saleable GFA	112,400 sqft

- The second phase of Milliners Wharf is situated in New Islington at the Eastern gateway to the city centre and neighbours the very successful first phase of Milliners Wharf
- The development is ideally situated within a 5 minute walk of the City Centre and Piccadilly train station
- The Hatbox comprises 144 apartments, featuring one, two, duplex and three bedroom apartments with a mix of 14 different types split across two buildings
- There are also 135 secure surface parking spaces within the demise of the site
- All the units have been sold as at 31 March 2016 and handover completed in April 2016

MANCHESTER – MIDDLEWOOD LOCKS





- The 24 acre site at Middlewood Locks will provide a vibrant new neighbourhood of approximately 2,200 new homes and 750,000 sqft of space for offices and mixed commercial uses such as shops, restaurants, hotels, gym and bars
- Middlewood Locks will offer modern apartments set within beautifully landscaped open spaces, water ways and promenades
- Work commenced on Phase 1 comprising 571 homes and associated space including convenience shops, restaurants and canal side footpaths and cycle ways and is expected to be completed in 2018
- Pre-release of apartments in Phase 1 in April 2017

SHEFFIELD – SHEFFIELD DC



Key Statistics	
% owned by Group	50%
Site Area	1.03 acres
Tenure	Freehold
Expected completion date	2017/2020
Estimated total saleable GFA	131,226 sqft

- Centrally located on Sheaf Street and adjacent to the City's main railway station, this striking contemporary landmark is a prominent feature for those arriving in the City via the primary road and rail routes
- Occupying an elevated position and with a dramatic sweeping concourse leading to the door, these buildings have prominence, and offer outstanding views from the office windows
- Two Grade A office buildings (Acero Works and Vidrio House) will be built with 6 floors and 8 floors respectively. Both buildings will also sit above a secure car parking facility. Work has commenced on Acero Works and is expected to be completed in Q3 2017

RETAIL OPERATIONS

RETAIL OPERATIONS

Upgraded merchandise selections for customers in all our retail operations, through close collaboration with international and local business partners:

Singapore:-

- Metro Centrepoint
- Metro Paragon
- Metro Woodlands

Indonesia:-

- Metro Pondok Indah
- Metro Plaza Senayan
- Metro Bandung Supermal
- Metro Taman Anggrek
- Metro Pacific Place
- Metro Trans Makassar
- Metro Gandaria City
- Metro Ciputra World Surabaya
- Metro Park Solo







Metro Centrepoint, Singapore

FINANCIAL HIGHLIGHTS

FY2017 RESULTS HIGHLIGHTS

- **Property division's performance takes impact from decreases in share of results of associates and joint ventures**
  - Property division's profit before taxation down 33.5% to S$81.2 million mainly due to:
    - S$33.1 million decline in share of results of associates following lower recognition of property sales relating to Nanchang and Top Spring, due to the timing of completion and handover of properties. Offset by a write back of tax provisions by Top Spring on finalisation with tax authorities
    - S$45.9 million decrease in share of joint ventures' results as the prior FY2016 included a significant one-off net gain of S$41.7 million from disposal of Group's effective interest of 50% in EC Mall
    - Lower fair value adjustments on investment properties, including those from associate holding apartment units in Shama Century Park, Shanghai

- **Retail division records higher profitability**
  - Containment of operating and overhead costs reduced the impact of loss of contribution from closed stores i.e. Metro Sengkang and Metro City Square

- **Balance sheet remains strong**
  - Total shareholders' equity at S$1.35 billion (as at 31 March 2017)
  - Cash declines to S$278.2 million (as at 31 March 2017) as Group deploys cash to potentially accretive investments. Decreased from S$493.6 million (as at 31 March 2016 due to EC Mall return of investment and gain)
  - Remains in net cash position

FINANCIAL HIGHLIGHTS

Profit & Loss Accounts:

	4QFY17 (S$'000)	4QFY16 (S$'000)	Change	FY2017 (S$'000)	FY2016 (S$'000)	Change
Turnover	33,716	32,568	3.5%	131,224	154,595	-15.1%
Profit Before Tax	**32,489**	**1,239**	**n.m.**	**82,541**	**122,332**	**-32.5%**
Comprising:						
Metro City, Metro Tower, GIE Tower (Incl Fair Value)	7,904	6,973	13.4%	26,706	24,958	7.0%
Key Associates – Nanchang, Top Spring, Shama (Incl Fair Value)	16,979	5,772	194.2%	29,239	63,538	-54.0%
Retail	1,662	1,893	-12.2%	1,300	144	802.8%
InfraRed Fund II	2,438	1,309	86.2%	7,126	3,742	90.4%
Other Operating etc	(829)	(5,332)	-84.5%	17,302	7,555	129.0%
Short term investments – fair value adj & disposals	4,335	96	n.m.	868	(6,185)	n.m.
Disposal – EC Mall	-	-	n.m.	-	38,052	n.m.
Impairment – Due from Joint Venture	-	(9,472)	n.m.	-	(9,472)	n.m.

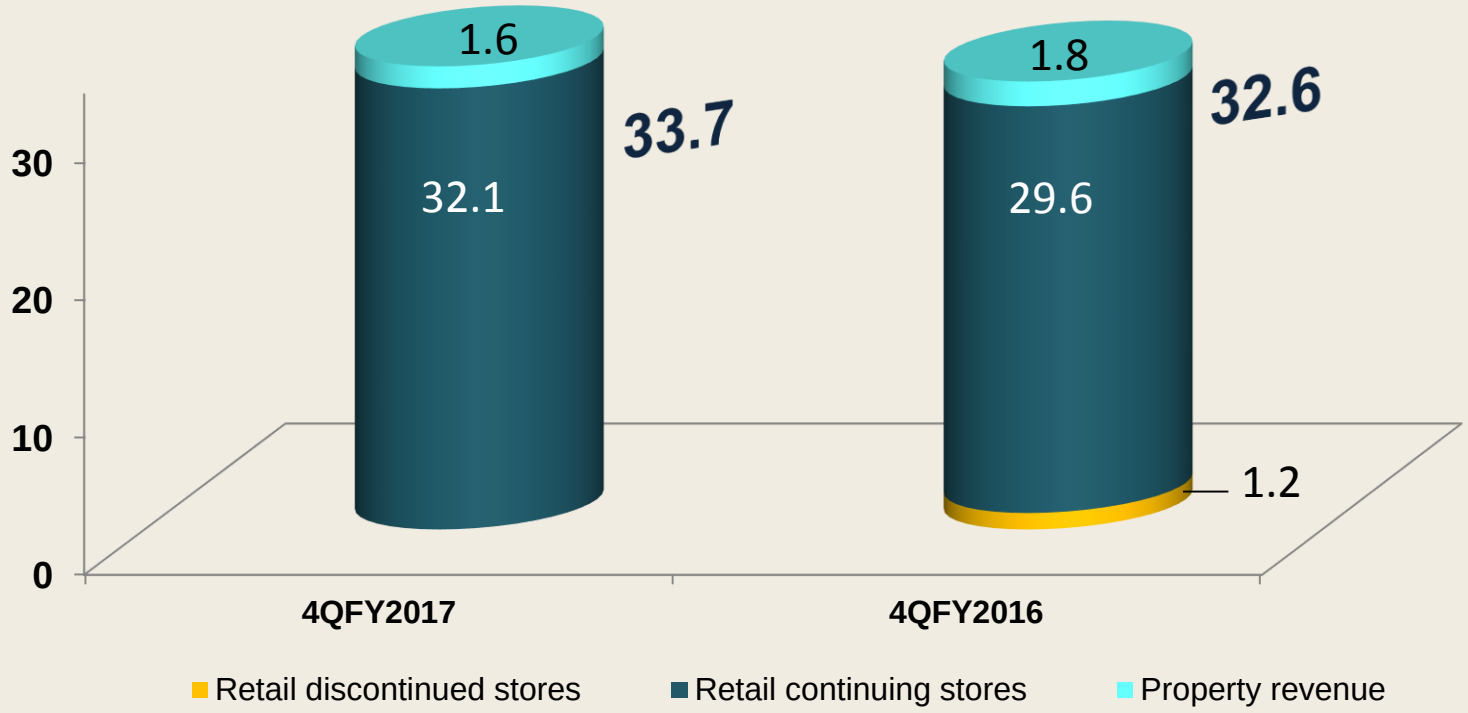
FULL YEAR FINANCIAL SUMMARY

Financial Ratios:

	FY2017	FY2016
Earnings per share after tax and non-controlling interests (cents)	9.7	13.7
Return on shareholders' funds (%)	5.9	8.2
Return on total assets (%)	5.2	7.1
Number of issued shares (million)	828.0	828.0
Net asset value per share (S$)	1.63	1.66
Debt/Equity ratio (times)	0.05	-
Net Debt/Equity ratio (times)	Net cash	Net cash
Final Dividend per share (cents)	2.0 #	2.0
Special Dividend per share (cents)	3.0 #	5.0
Dividend cover (times)	1.95	1.95

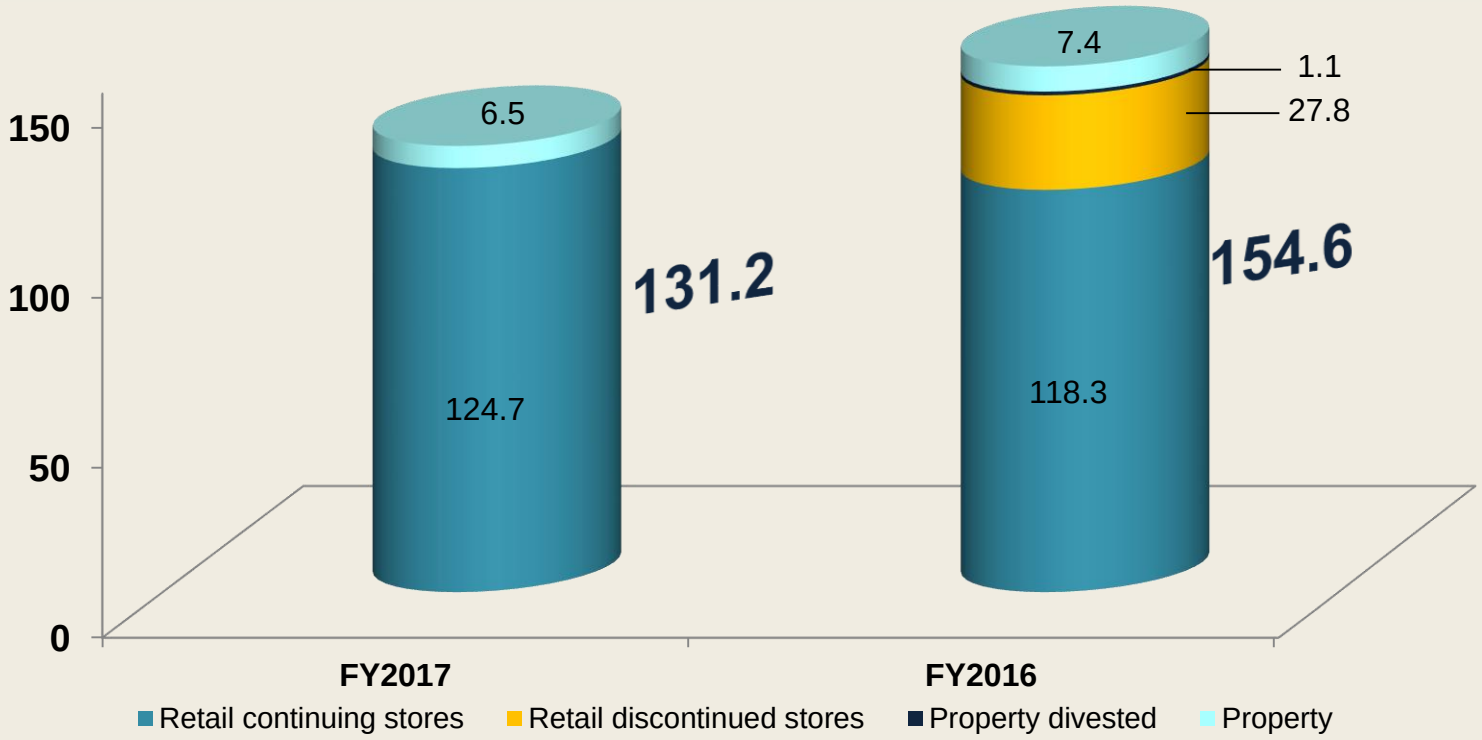
 # Dividend for FY2017 proposed by the Board of Directors, subject to Shareholders' approval at the AGM in July 2017

4Q REVENUE BREAKDOWN (S$'m)



- **Group revenue up by 3.4%**
  - Higher retail sales from continuing department stores offset discontinued business
  - Property rental income remains steady

FULL YEAR REVENUE BREAKDOWN (S$'m)

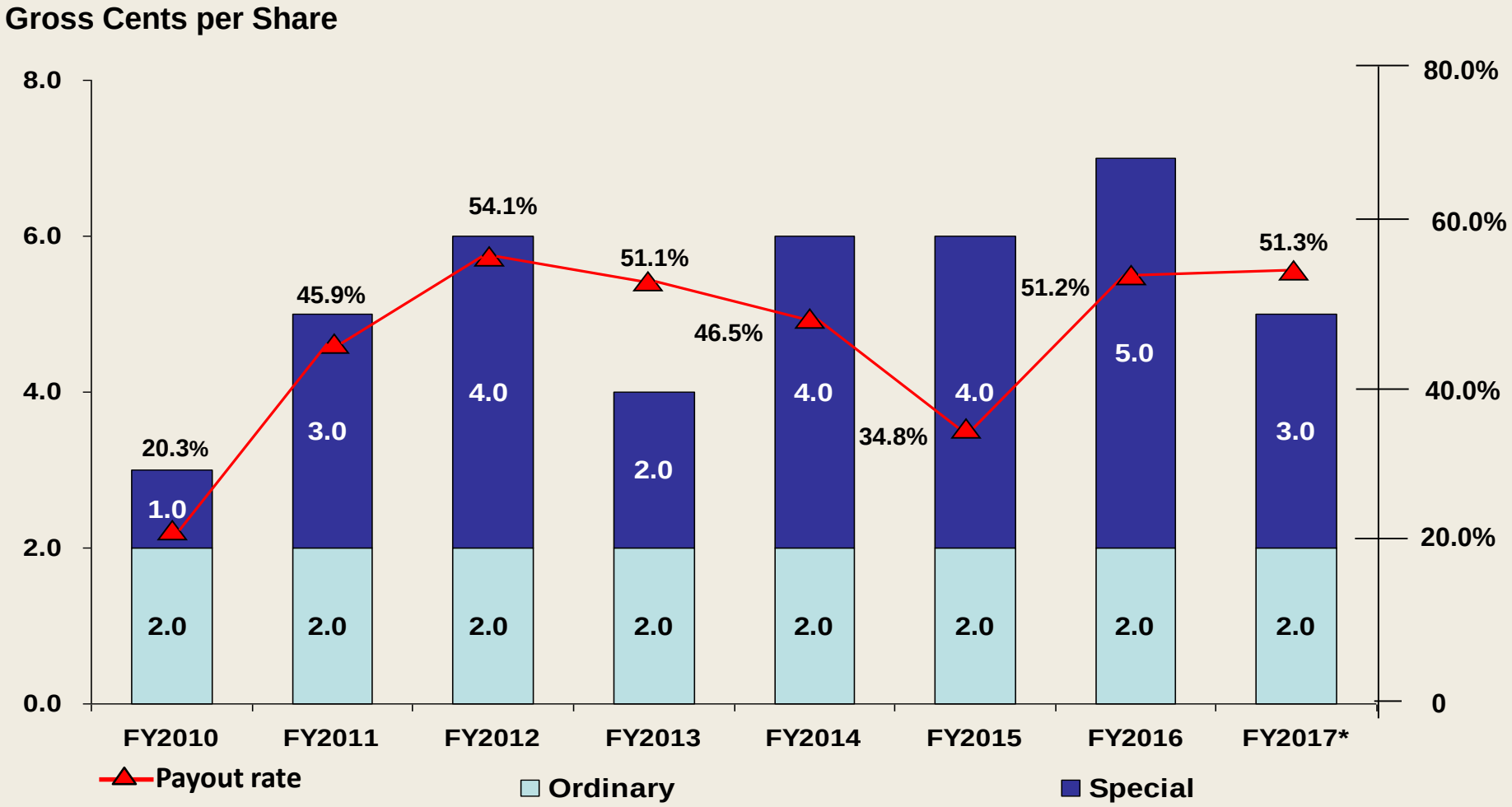


- **Retail revenue fell by $21.4m (14.6%)**
  - Sales declined due to closure of Metro Sengkang and Metro City Square
  - These were partially offset by 5.4% growth y-o-y from the continuing department stores
- **Property revenue declined**
  - $1 million decline from divested Frontier Koishikawa
  - GIE Tower was affected by weaker value of Renminbi and pressure on rental rate

BALANCE SHEET HIGHLIGHTS

As at 31 March	2017 (S$'000)	2016 (S$'000)	Change (%)	Remarks
Plant and Equipment	5,062	4,872	3.9%	
Investment Properties	104,423	106,653	-2.1%	
Associates	507,650	467,051	8.7%	
Joint Ventures	382,674	345,221	10.8%	
Other Non-current Assets	96,023	52,870	81.6%	Investment in MGSA Pte Trust
Current Assets	460,225	558,301	-17.6%	
Total Assets	**1,556,057**	**1,534,968**	**1.4%**	
Current Liabilities	175,247	126,546	38.5%	
Long term and Deferred Liabilities	30,111	28,930	4.1%	
Total Net Assets	**1,350,699**	**1,379,492**	**-2.1%**	
Shareholders' Funds	1,348,226	1,375,647	-2.0%	
Non-controlling Interests	2,473	3,845	-35.7%	

DIVIDEND PAYOUT



** FY2017's proposed dividend subject to shareholders' approval at the AGM in July 2017*

GROWTH STRATEGIES

GROWTH STRATEGIES



Property Development & Investment

- Continue to invest in core PRC market
  - Through potential property investments and acquisitions with JV partners
  - Capitalise on strong foothold and know-how in China
- Selective investments to broaden asset base and geographical spread
  - Working closely with strategic partners and experienced industry players



Retail Operations

- Additional retail outlets in Indonesia, in particular outside of Jakarta. Jakarta outlets to be maintained at five stores
- Improve trading performance
- Enhancing merchandise offering
- Enhancing customer service
- Continued focus on multi-media strategy

GROWTH STRATEGIES

Property Development and Investment

Covering a fuller spectrum of properties in key markets to broaden revenue stream and build sustained profitability

- **Leverage on Rich Retail Experience**
  - Optimise tenant mix
  - Continual asset enhancement of lettable space
  - Improve efficiency of mall management
- **Broaden geographical presence**
  - Opportunistic search for new property and retail projects
  - To focus on core China market whilst extending property footprint in the region and the United Kingdom
  - Together with partners like InfraRed NF China Real Estate Fund II and Top Spring, continue to seek out quality property projects in first, second and third tier cities in China
- **Strategic Partnerships**
  - Opportunities to broaden revenue streams beyond commercial interests, into areas such as mixed-use and residential properties
  - Careful selection of partners with relevant experience and expertise
  - Leverage on existing relationships for further expansion into properties
- **Leverage on Strong Balance Sheet**
  - Healthy cash levels provide flexibility to capitalise on investment opportunities and buffer against any unexpected market developments

GROWTH STRATEGIES

Retail Operations

- **Improve trading performance**
  - Intensify sales performance
  - Improve gross margins
  - Leverage on new technologies to improve productivity
  - Continue to improve and expand the e-commerce and mobile channel

- **Enhance Merchandise Offering**
  - Expand in-house development and exclusive products
  - Focus on increasing product categories and optimizing the product assortments

GROWTH STRATEGIES

Retail Operations

- **Enhancing Customer Service**
  - Cross-store merchandising and selling; customers can buy, collect, exchange and return merchandise from any Metro store
  - Provide Online and Offline Omni-channel shopping for customer convenient
  - Implement Customer Relationships Management (CRM) system

- **Focus on New Multi-media Platform**
  - Continue with multi-media strategy in engaging customers through Facebook, Twitter, mobile web, electronic direct mail (EDN) and MetroApp





GOING FORWARD

GOING FORWARD

Property Segment:

- **Asset rebalancing to continue**
  - Expect to continue to make investments in China, a core market
  - Seek out good investment opportunities in other geographic regions to prudently grow quality asset portfolio

Commercial

- Grade A office building, Acero Works at Sheffield, UK, expected to be completed in 3Q 2017
- Asset enhancement of Metro City, Shanghai completed in 4QFY2017

Mixed-Use Development – Nanchang Fashion Mark

- Residential and ancillary retail properties
  - Presales essentially fully recognised
- Commercial
  - Future contribution mainly from the presales of office and retail space
  - However, prices of offices presold indicate that gross margins are significantly below those achieved for Nanchang's residential properties
  - Exploring conversion of office into SOHO units

GOING FORWARD

Property Segment:

Residential

- Middlewood Locks in Manchester, UK
  - Launching in June 2017 of 571 freehold residential apartments under Phase 1 (out of about 2,200 units planned)
  - Phase 1 completing in 2018

- The Crest in Singapore
  - Subdued sales given cautious market sentiment

GOING FORWARD

Retail Segment:

- **Seek to improve sales performance amidst challenging retail market conditions through more aggressive marketing and omni-channel selling**
  - Continue to adopt fresh concepts to entice consumers
- **Prudently identify new sites for store expansion – both departmental stores and specialty shops in Indonesia**
  - Opening of a new store in Jakarta by 2QFY2018
- **Developments to impact sales**
  - With the difficult trading environment and escalating operating costs in Singapore and Indonesia, the Retail outlook is expected to remain challenging
  - Impact of lower visitor arrivals

MARKET OUTLOOK

MARKET OUTLOOK: CHINA

China's economy grew faster-than-expected, while the consumer sector enjoyed robust growth

CBRE, Marketview – China, Q1 2017

- Domestic Gross Domestic Product ("GDP") growth stood at 6.9% in Q1 2017, the strongest for six quarters
- The faster-than-expected economic growth was mainly driven by improving exports and consumption related to the real estate sector
- Economic fundamentals remained stable, as indicated by expanding Purchasing Managers Index ("PMI"), which rose for the third consecutive month, to 51.8
- The consumer sector enjoyed robust growth during the quarter, with consumption spending accounting for 77.2% of GDP growth
- Supported by reinforced restrictive measures, China's foreign exchange reserves stood at above US$3 trillion for two consecutive months, easing concerns around capital flight and ensuring the reminbi ("RMB") exchange rate remained stable over the quarter

MARKET OUTLOOK: SHANGHAI, OFFICE

Grade A office rents remained steady, with new space absorbed by vigorous demand

Knight Frank, Shanghai Office Market Report, Q1 2017

- In Q1 2017, 720,000 sqm of new Grade A offices were completed in Shanghai with an increase of nine per cent quarter-on-quarter ("Q-o-Q"); the average Grade A office rent remained stable at RMB 9.8 per sqm per day
- Average Grade A office vacancy rates remained low at 4.2%, due to FMCG and retail companies signing offices leases with new buildings
- Although more than two million sqm of new office space will be completed in 2017, the new space will be absorbed rapidly due to vigorous demand. Averages rents are expected to remain stable in both Q2 and the coming 12 months
- In core Central Business Districts, office rents are expected to increase by three to five per cent in 2017, owing to the completion of high-quality new office buildings

MARKET OUTLOOK: SHANGHAI, RETAIL

Retail property market and rents stayed healthy

Knight Frank, Shanghai Retail Market Report, Q1 2017

- Retail property market remained stable in Q1 2017
  - While store closures continued, there were new brands that entered the Shanghai market for the first time; for example, the first Victoria's Secret flagship store on the Chinese mainland
  - Excluding shopping malls closed for renovation, the overall vacancy rate decreased 1.6 ppts Q-o-Q to 10.6%
- Retail rents will grow steadily in the coming 12 months, by 3-5%, whilst the overall vacancy rate of shopping malls will stay at around 10%
- In the coming year, the retail market in Shanghai will be dominated by three pillar formats, namely shopping malls, convenience stores and online shops
- Facing fierce competition, traditional shopping malls in prime retail areas are undergoing renovation and transformation. In the coming years, new retail supply in prime areas will remain limited and new retail malls will focus on non-prime areas
- Besides Food & Beverage (F&B), consumer demand will remain strong for culture, recreation, entertainment, sports and children's products

MARKET OUTLOOK: GUANGZHOU, OFFICE

Rental buoyed by limited new supply

CBRE, Marketview – China, Q1 2017

- New supply reached the lowest level since Q2 2014, resulting in 1.1 percentage points (“ppts”) decrease Q-o-Q in vacancy rates to 11.3%
- In the next six months, a total of 150,000 sqm of new supply in Zhujiang New Town, Pazhou and Yuexiu is scheduled to be delivered, a dip compared to 2H 2016
- Decreased amount of new supply coupled with large-space transactions are anticipated to drag down vacancy rates and push overall rents up
- Although landlords were keen for quality tenants, less incentives were offered given less supply pressure expected in Zhujiang New Town
- In the finance sector, Bank SinoPac and Bank of Macau set up their first Guangzhou offices while demand from the insurance sector remained strong

MARKET OUTLOOK: NANCHANG, MIXED-USE

Nanchang sees positive trends

China Daily, Home prices up in lower-tier cities, 19 April 2017

- According to data issued by the National Bureau of Statistics released on Tuesday, home prices in lower-tier cities rose faster in March, and home prices in some first-tier cities dropped slightly as new city-specific home purchase policies took effect
- In Nanchang, home prices rose more than one percent month-on-month

OCBC Bank, China Property: Sector Update, October 2016

- OCBC Bank's Asia Credit Research, which tracks pricing data of 100 key cities in China and the pace of the corresponding residential housing price changes, reported that the median residential housing price growth has trended upwards, in their mid-year credit outlook
- It was also reported that this housing price increase has spread to more lower-tier cities
- The eight cities where pace of growth has picked up includes Nanchang, Dongguan, Guangzhou, Baoding, Changshu, Wuxi, Jinan and Jiaxing

MARKET OUTLOOK: MANCHESTER, RESIDENTIAL

Outlook for Manchester's property market remains robust

PWC, Emerging Trends in Real Estate, New Market Realities, Europe 2017

- While overall sentiment is that Brexit is expected to impact the market, the impact on Manchester is limited; at the same time, the city is widely perceived to have benefited from strong civic leadership which benefited the infrastructure and quality of space
- On the residential side, house prices in Manchester are going up faster than anywhere else in the country as home buyers are attracted by the city's vibrant economy, sporting and cultural attractions
- Prices rose 8.8% over the past year at a time when cities in the south of the country are seeing growth slowing down(1)

Demand continues to outpace supply

Manchester Residential Research, Chestertons, 2016

- Increasing number of people chose to live in Manchester city centre. This trend is set to continue, with around 50,000 new homes anticipated to be needed by 2040
- Rental growth prospects are strong, given the projected growth in household numbers and the likelihood that supply will not keep pace with demand
- Manchester residential property prices grew the fastest among all cities in the UK – growing 8.8% year-on-year in February 2017(2)

Sources:
(1) Property Schemes are shaping the future appearance and propensity of Manchester, Manchester Evening News, 11 May 2017
(2) Manchester 'top for house price growth' across major UK cities – 9 more places where house prices are rising fastest, 24 March 2017

MARKET OUTLOOK: SHEFFIELD, OFFICE

Attractive market for office investment

Knight Frank, UK Regional Cities, Office Market Review 2017

- With deal numbers up, office investment in 2016 increased to its highest total since 2010. Yields remained at the lowest level since 2014, but continue to offer discount compared to other regional centres
- Total investment volumes increased fourfold in 2016 to reach £83 million by year-end. Not only is the 2016 total 60% above the 10-year average, it also represents the highest level of office investment in Sheffield for six years
- Importantly, deal numbers were sharply up Y-o-Y with ten investment transactions completed. This compares to just two in 2015
- With overseas buyers behind the two largest deals of the year, foreign investment accounted for the largest percentage of turnover, at 82%. The £68 million invested is the highest level of overseas investment into Sheffield offices on record

MARKET OUTLOOK: SINGAPORE, RESIDENTIAL

Overall market sentiment improved

Jones Lang Lasalle, Singapore Property Market Monitor, 1Q2017

- Overall market sentiment improved after tweaks to the government cooling measures in March 2017
- Despite the absence of fresh launches, total sales volumes in the prime districts increased 20% Y-o-Y in 1Q17
- Rental decline in the prime market moderated amid returning demand from tenants
- Capital values of prime residential properties improved slightly, mainly due to better market sentiment

Gradual relaxation of residential cooling measures and lift in grants likely to boost home prices

JLL Research, Back to Life, Back to Growth, April 2017

- In 2016, total residential transaction volume rose 16% while transactions of units above S$2000 psf doubled
- The gradual relaxation of cooling measures could boost transaction volumes in 2017 by 20-30% Y-o-Y and prices could also rise by 2-5% in 2017
- Potentially, Singapore's population growth could rise to 1.5-1.8% per year in 2017-2025 and from 1.27% in 2014-2016, on the back of the Singapore Government's target to increase employment growth by 50% to 150%

MARKET OUTLOOK: SINGAPORE, RETAIL

Singapore: Cautiously optimistic

Savills World Research, Singapore, Briefing Retail Sector, February 2017

- Based on the advanced estimates released by the Ministry of Trade and Industry, the Singapore economy expanded 2.9% Y-o-Y in the last quarter of 2016, outperforming the 1.2% Y-o-Y expansion in the preceding quarter
- In spite of challenging economic conditions and tepid retail space demand growth, island-wide demand in 2016 still inched up to 560,000 sq ft. This shows that demand is still latent and can easily be tapped if landlords lower rent and/or move towards a Gross Turnover Rent model
- Retail sales (excluding motor vehicles) slipped 1.0%, 3.5% and 1.0% (YoY) respectively in the last three months of 2016. The pace of decline in the food & beverage (F&B) segment slowed down to 0.7% Y-o-Y in October but fell sharper at 3.8% and 4.1% Y-o-Y in the last two months

Jones Lang LaSalle, Singapore Property Market Monitor, Research, Report, 1Q 2017

- 1Q17 saw a Y-o-Y improvement in investment sales volume and transaction values
- Notable transactions included the sale of the strata retail space in the basements of Jurong Point and Coronation Shopping Plaza by Fairprice to Mercatus for S$52.08 million. This highlighted investors' continued interest in the suburban sub-market
- Notwithstanding signals of a further interest rate hike by the Fed in the months ahead, strong investment interest kept yields largely stable across all sub-markets

MARKET OUTLOOK: INDONESIA, RETAIL

Indonesia: Remains Resilient

Cushman & Wakefield, Retail Snapshot Q4 2016, Jakarta

- The Central Bank of Indonesia (Bank Indonesia) predicts GDP to grow in the range of 5.0% to 5.4% next year, influenced by robust consumption and investment, as well as improvements in the country's export commodity prices
- Occupancy rates will continue to be stable as active inquiries from both local and international brands are expected to balance the new supply
- The average occupancy rate of Jakarta retail market increased 1.4% from last quarter, reaching 85.4% in 2017, with six new retail centres expected to be completed by end of 2017
- Retailers remain optimistic as Jakarta remains the expansion target of international retailers (both fashion and F&B retailers)
- New F&B concepts will continue to flourish, including coffee shops, snacks and desserts outlets

THANK YOU!