NEWS RELEASE

METRO HOLDINGS REPORTS NET PROFIT AFTER TAX OF S$23.7 MILLION

- ***FY2022's Profit After Tax of S$23.7 million as compared to S$37.0 million in FY2021, mainly due to:***
  - ***Providing an impairment loss of S$36.3 million on amounts due from associates on co-investments with BentallGreenOak due to the ongoing China property sector headwinds***
  - ***Rental rebates and waivers granted to tenants arising from China's recent COVID-19 lockdowns***
  - ***Lower contributions from The Crest***
  - ***Mitigated by a share of associates' profit in FY2022 as compared to a share of associates' loss in FY2021 and***
  - ***Divestment gain from European Logistics Fund of S$7.6 million***
- ***Continues to invest for resilience across its key markets:***
  - ***Australia – Acquires 30% of Cherrybrook Village Shopping Centre in New South Wales, increases equity stake from 20% to 30% for both its Australian portfolio of 16 quality freehold office and retail centres, as well as asset management company Sim Lian – Metro Capital Pte. Ltd.***
  - ***Singapore – Acquires 26% of high-spec industrial property at 351 Braddell Road via the Boustead Industrial Fund, its 15th property***
  - ***Japan – 7.65% cornerstone investment in Daiwa House Logistics Trust IPO in Singapore and signs Memorandum Of Understanding with Daiwa House Industry Co., Ltd***
  - ***Indonesia – Engages The Ascott Limited to manage serviced residences M+ in Trans Park Bekasi, Jakarta***
  - ***Subsequent to financial year end, invests S$6.0 million for 10% stake in Docmed Technology Pte. Ltd.***
- ***Maintains a strong balance sheet with Net Assets of S$1.6 billion and Total Assets of S$2.5 billion***
- ***Proposes final dividend of 2.0 and final special dividend of 1.0 Singapore cent per ordinary share, representing a payout ratio of 104.8%***

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Singapore, 27 May 2022 – 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$23.7 million for the full year ended 31 March 2022 ("**FY2022**"), as compared to S$37.0 million in the same corresponding period a year ago ("**FY2021**"). This was mainly due to providing an impairment loss of S$36.3 million on the amounts due from associates on the co-investments with BentallGreenOak ("**BGO**") due to the ongoing China property sector headwinds. In addition, rental rebates and waivers granted to tenants arising from China's recent COVID-19 lockdowns and lower contributions from The Crest contributed to lower earnings registered in FY2022. These were mitigated by a share of associates' profit in FY2022 as compared to a share of associates' losses in FY2021, a divestment gain from European Logistics Fund of S$7.6 million (EUR5.0 million) and the absence of impairment loss on the right-of-use assets by the retail segment in FY2021.

The Group posted a 3.3% increase in revenue to S$100.5 million in FY2022, as compared to S$97.3 million in FY2021, largely due to the retail division reporting higher revenue, which saw the closure of the two department stores in Singapore from 7 April 2020 to 18 June 2020 during the COVID-19 lockdown. This was partially offset by lower contributions from the sale of property rights of the residential development projects in Bekasi and Bintaro, Jakarta, largely impacted by the ongoing COVID-19 pandemic.

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), said, "Metro celebrated our 65th Anniversary in March this year. Our long journey is built on the foundations of diversity, both geographically and by asset type. Metro will continue to evolve and work alongside experienced partners in the execution of our business strategies. The proposed ordinary final dividend of 2.0 Singapore cents per share and special dividend of 1.0 Singapore cent per share, representing a payout ratio of 104.8%, demonstrates our commitment to our loyal shareholders, and appreciation for their support through the past 65 years."

Review of Financial Performance

Property Division

The Property Division's revenue for FY2022 decreased by S$10.7 million to S$13.9 million from FY2021's S$24.6 million mainly due to lower sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, largely impacted by the ongoing COVID-19 pandemic.

The average occupancy rate for Metro's five investment properties – GIE Tower in Guangzhou, China; 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 93.9% as at 31 March 2022.

Despite the decrease in revenue, our property segment, excluding associates and joint ventures, reported a profit of S$24.2 million in FY2022 as compared to S$23.2 million in FY2021.

Other net income for FY2022 is S$33.3 million, higher by S$2.5 million as compared to S$30.8 million in FY2021, mainly due to higher income from long term investments and higher interest income in FY2022. In FY2022, the Group registered a divestment gain of S$7.6 million from its investment in an European Logistics Fund where it divested all 12 real estate assets located across Poland, the UK and Spain. These were partially offset by lower foreign exchange gain.

The Group recorded a fair value loss on investment property of S$0.3 million in FY2022 as compared to a fair value gain of S$0.5 million in FY2021 from GIE Tower, Guangzhou.

The Group's share of results of associates registered a profit of S$11.8 million in FY2022, as compared to a share of loss of S$20.6 million in FY2021. This was mainly due to higher fair value gain (net of tax) by S$8.4 million on investment properties owned by associates, and lower share of associates' operating losses (net of tax) from the China investment properties after net of rental rebates and waivers granted to China tenants arising from COVID-19 lockdowns in March 2022. In addition, there were higher contributions from the Group's increased stake to 30% in a portfolio of properties in Australia by S$6.7 million, as well as from Metro's subscription for 26% of the Units and 7.0 per cent. Notes due 2031 in the Boustead Industrial Fund ("**BIF**") by S$8.2 million. These were partially offset by lower contribution of S$3.3 million from the investments in BGO.

In FY2022, the Group provided an impairment loss of S$36.3 million on the amounts due from associates from the co-investments with BGO due to the ongoing China property sector headwinds.

Share of profit of joint ventures decreased by S$16.8 million to S$47.3 million in FY2022 from S$64.1 million in FY2021 mainly due to lower contributions from The Crest by S$18.8 million and The Atrium Mall in Chengdu recorded lower fair value gain (net of tax) by S$9.6 million in FY2022. These were partially mitigated by higher share of joint ventures' operating profits (net of tax) by S$3.5 million from the China investment properties after net of rental rebates and waivers granted to China tenants arising from COVID-19 lockdowns in March 2022. In addition, the Group's 50% equity stake in Asia Green in Singapore registered a fair value gain of S$8.9 million in FY2022 as compared to a fair value loss of S$0.4 million in FY2021.

Retail Division

Metro's retail revenue increased to S$86.6 million in FY2022 from S$72.8 million in FY2021 mainly due to 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 profit of S$4.2 million in FY2022 as compared to a loss of S$0.4 million in FY2021, after including rental rebates granted by landlords and/or property tax rebates and jobs support scheme, totalling S$3.7 million and S$9.3 million in FY2022 and FY2021 respectively. FY2021 include an impairment loss on the right-of-use assets and plant and equipment of S$4.7 million in view of the continuing challenges faced by the retail segment.

Key Investments and Strategic Moves in FY2022

For the year under review, Metro continued to diversify for resilience across its key markets of Australia, Singapore, Japan and Indonesia.

In Australia in October 2021, Metro, together with 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). With this acquisition, Metro and Sim Lian holds 16 quality freehold properties comprising 4 office buildings and 12 retail centres spanning across Australia (the "**Australian portfolio**"). Subsequent to the Cherrybrook Village Shopping Centre acquisition, Metro also increased its equity stake by acquiring an additional 10% share in the Australian portfolio and the asset and investment management company Sim Lian – Metro Capital Pte. Ltd., bringing its total shareholding from 20% to 30%, with Sim Lian owning the remaining 70%. The Australian portfolio of 16 freehold quality properties reported a high committed average occupancy of 95.5% and a WALE of approximately 6.4 years.

In Singapore in October 2021, Metro acquired 26% stake via BIF in 351 Braddell Road, a high-spec industrial property. With this acquisition, the Metro 26% stake in BIF portfolio now holds 15 quality properties with a high committed average occupancy of 98.1% and a WALE of approximately 6.2 years.

In addition, Metro subscribed into 51,625,000 units of Daiwa House Logistics Trust ("**DHLT**") amounting to approximately 7.65% of the total issued units during its initial public offering on the Singapore Stock Exchange on 26 November 2021 for a total consideration of approximately S$41.3 million. As at 31 March 2022, DHLT holds a high-quality income-producing portfolio of 14 logistics and industrial properties in Japan with an aggregate net lettable area of approximately 423,920 square metres and appraised value of approximately ¥81,070 million (S$900 million). The portfolio is supported by a diversified blue-chip tenant base with favourable and well-staggered lease expiry profile.

Following Metro's cornerstone investment in DHLT, Metro formed a strategic collaboration with the Daiwa House Industry Co., Ltd ("**Daiwa House**"), listed on the Tokyo Stock Exchange, by executing a Memorandum Of Understanding in January 2022, for further investment collaboration. The investment collaboration spans various asset classes with its initial focus in logistic facilities, commercial facilities, housing, or any other asset class, in Japan, Singapore and the Asia Pacific region, and may include any other regions.

In Indonesia in October 2021, 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.

Subsequent to financial year end 2022, Metro continued to diversify for resilience by investing S$6.0 million for a 10% stake in Docmed Technology Pte. Ltd. ("**Docmed**") in its Series A fund raising. Docmed is involved in the development of integrated healthcare platform solutions for the healthcare industry, and will directly hold Pan-Malayan Pharmaceuticals Pte Ltd, which is in the business of wholesaling pharmaceuticals, medical supplies and medical disposables in Singapore. Docmed growth plans include developing more digital capabilities in healthcare in the areas of supply chain management and creating new digital tools for end patient disease management, as well as expand its B2B platform in the region.

Group Chief Executive Officer, Yip Hoong Mun (**"叶康文"**), said, "We are encouraged by our growth in FY2022, through the execution of Metro's strategy in accretive acquisitions via collaborations with strategic partners. The Group is now even more resilient with our portfolio of diverse property investments across Singapore, China, Indonesia, the UK and Australia, and we are well positioned to capture opportunities."

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 31 March 2022.

Proposed Dividend

To reward loyal shareholders, the Board has recommended a final dividend of 2.0 Singapore cents per ordinary share and a special dividend of 1.0 Singapore cent per ordinary share, totalling 3.0 Singapore cents. This translates to a payout ratio of 104.8% of the Group's net profit attributable to shareholders for FY2022, demonstrating our commitment to our loyal shareholders, and appreciation for their support through the past 65 years.

Outlook

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), added, "We have continued to actively manage our investment portfolio across our key markets despite the operating challenges of geopolitical uncertainties , rising inflation, tightening monetary policies, and ongoing disruptions from COVID-19, particularly in China. With an established track record of over 65 years of operations, we remain committed to growing stronger, reaching further, and scaling higher."

The rapidly changing geopolitical situation in many parts of the world, in particular the Russia-Ukraine war, is causing disruption to global supply chains, driving inflation and an overall increase in commodity prices[1]. On 4 May 2022, the US Federal Reserve ("**FED**") raised interest rates by 50 basis points, its biggest hike since 2000 and following a 25 basis points hike in March as it works to cool the economy. FED Chair Jerome Powell said additional 50-basis point increases should be on the table at the

[1] *IMFBlog, How War in Ukraine Is Reverberating Across World's Regions, 15 March 2022*

next couple of meetings[2]. Globally, we are still subject to the COVID-19 pandemic as 2021 registered global growth of 5.9%, and is expected to moderate to 4.4% in 2022[3].

According to the International Monetary Fund ("**IMF**"), China pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and China property sector headwinds have induced a 0.8% downgrade in 2022 gross domestic product ("**GDP**"). China's economy grew 8.1% in 2021, and is forecasted to grow 4.8% in 2022 and 5.2% in 2023[4]. China's COVID-19 lockdowns in March/April 2022 are likely costing the country at least US$46 billion a month, or 3.1% of GDP, in lost economic output[5] and the situation is ongoing. As at 31 March 2022, 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 92.4%. The Atrium Mall in Chengdu and Shanghai Plaza in Shanghai has achieved occupancy of more than 85%. The three office buildings in Bay Valley are approximately 70% occupied. Our associate, Top Spring International Holdings Limited continues to be subject to market headwinds in China and Hong Kong, whilst the ongoing China property sector headwinds has adversely impacted our co-investments with BGO where the Group provided an impairment loss of S$36.3 million on amounts due from associate in FY 2022.

Singapore's GDP grew by 7.6% in 2021, rebounding from the 4.1% contraction in 2020[6]. For 2022, the Ministry of Trade and Industry maintains a GDP growth forecast of 3.0-5.0% with a 3.7% growth in 1Q22[7]. Technology and finance occupiers continue to be the dominant drivers of demand[8]. These developments will continue to benefit our two blocks of premium Grade-A office towers, Asia Green at the Tampines Regional Centre which has achieved an occupancy rate of 92.2%. Demand for high-tech, prime logistics and warehouse spaces are likely to stay healthy given continued expansion from companies in pharmaceuticals, life science, technological and logistics sectors, fuelled by the exponential growth in e-commerce and business

[2] *Business Times, US Fed's Half-point Hike Biggest Since 2000; Powell Signals More To Come In Inflation Battle, 5 May 2022*
[3] *IMF, World Economic Outlook Update – April 2022*
[4] *IMF, World Economic Outlook Update – April 2022*
[5] *Bloomberg, China Lockdowns Cost at Least $46 Billion a Month, Academic Says, 29 March 2022*
[6] *MTI Singapore, MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent", 17 February 2022*
[7] *MTI Singapore, MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent", 25 May 2022*
[8] *Cushman & Wakefield, Marketbeat Singapore Office Q4 2021, 10 January 2022*

digitalisation[9]. Metro is well positioned given our December 2020 investment in 26% of both the Units and 7.0 per cent notes due 2031 in the BIF, with a quality portfolio of 15 industrial, business park, high-spec industrial and logistics properties in Singapore, with the latest addition of 351 Braddell Road in October 2021.

Overall Singapore retail environment will continue to be challenging as retail sales remains about 5.1% below pre-pandemic (2019) levels. We expect current macro trends and uncertainties to continue to weigh on our two department stores at Paragon and Causeway Point. The Group's online retail business continues to remain operational. Nonetheless, Cushman & Wakefield is sanguine that retail sales could possibly normalise to pre-pandemic levels in 2022, with the significant easing of border measures and workspace restrictions, as well as the return of industry-leading events such as Singapore Grand Prix[10]. However, the key downside risks to watch are inflation concerns and economic uncertainties due to the Ukraine conflict, and a potential slowdown in China, that could impact consumer confidence.

According to the IMF, Indonesia recorded annual GDP growth of -2.1% in 2020, and 3.7% 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[11]. Indonesian condominium projects located within mixed-use developments with proximity to public transportation are likely to receive a better response from the market[12], and this should benefit our residential projects in Bekasi and Bintaro, Jakarta, though it will take time for buyers to return after the loosening of social measures in December 2021, and where the sales and collections continue to be impacted.

According to the IMF, UK GDP grew 7.4% in 2021 and is forecast to grow 3.7% in 2022[13]. As the student accommodation sector continues to attract investment[14], Metro's two PBSA properties at Warwick and Bristol are well-positioned in this

[9] Cushman & Wakefield, Marketbeat Singapore Industrial Q4 2021, 7 January 2022
[10] Cushman & Wakefield, Marketbeat Singapore, Retail Q1 2022, 10 January 2022
[11] IMF, World Economic Outlook Update – April 2022
[12] JLL, Indonesia Real Estate Market Outlook 2022, 21 January 2022
[13] IMF, World Economic Outlook Update – April 2022
[14] Colliers, United Kingdom Property Snapshot, 17 February 2022

environment and enjoy 99.8% occupancy. Manchester is set to see the highest rate of economic growth of all the major UK cities over the next five years with gross value added growth of 16.4%[15]. 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 has been completed in November 2021. The development completion and handover of 546 units of Phase 2 that was fully sold to Get Living has been completed 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 2Q2022. Our office property at 5 Chancery Lane continues to be fully leased through 2023, despite London City vacancy rates still above trend but stabilising[16].

On 3 May 2022, the Reserve Bank of Australia raised the cash rate 0.25% to 0.35%, the first hike in over a decade. The outlook for economic growth in Australia remains positive, and the RBA central forecast is for Australian GDP to grow by 4.25% over 2022 and 2% over 2023[17]. In the case of Metro's Australian portfolio, more than 90% of the retail space in the portfolio of 12 retail centres are anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities. Metro's increase in shareholding from 20 to 30% in both its Australian portfolio of 16 quality freehold properties and asset management company Sim Lian-Metro Capital Pte. Ltd. deepens its presence in Australia.

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[15] *JLL, UK Residential Forecasts, 10 December 2021*
[16] *Colliers, London Offices Snapshot, 26 January 2022*
[17] *Reserve Bank of Australia, Statement By Philip Lowe, Governor: Monetary Policy Decision, 3 May 2022*

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.

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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