NEWS RELEASE

METRO HOLDINGS ACHIEVES 160.6% INCREASE IN NET PROFIT TO S$25.4 MILLION FOR 1QFY2018

- ***Significant gain of S$8.3 million on disposal of certain interests in a subsidiary and joint venture by associate, Top Spring***
- ***Improvements in share of results of joint ventures with narrowed fair value loss on investment properties***
- ***Maintains healthy balance sheet with shareholders' equity of approximately S$1.4 billion as at 30 June 2017***

Singapore, 11 August 2017 – Main Board-listed Metro Holdings Limited ("Metro" or the "Group") ("美罗控股有限公司"), a property development and investment group backed by established retail operations in the region, registered a 160.6% increase in net profit to S$25.4 million for the three months ended 30 June 2017 ("1QFY2018"), as compared to S$9.8 million in the previous corresponding period ("1QFY2017").

Metro's core Property Division registered a 125.0% increase in profit before tax ("PBT") to S$27.0 million in 1QFY2018 from S$12.0 million in 1QFY2017. Overall, net profit was lifted by a higher contribution from the Group's associate, Top Spring, on disposal of certain interests in a subsidiary and joint venture. Share of results of joint ventures was also lifted by a narrowed fair value loss on investment properties over the same corresponding period. In addition, the Group saw an increase in other income mainly due to a gain on disposal of an investment property and distributions from available-for-sale investments.

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

Lt Gen (Rtd) Winston Choo (朱维良) said, “We are pleased to start on a firm footing and remain committed to unlocking value at an opportune time. We will also explore strategic alliances to expand our property interests in China, our core market, where we enjoy a long and strong track record. Our present and past partnerships with reputable and experienced partners like Top Spring have continued to yield results.

“Looking beyond China, the Grade A office building, Acero Works at Sheffield, was completed in July 2017 and we look forward to the 571 freehold residential apartments being built under Phase 1 of the Middlewood Locks development in Manchester. UK’s fundamentals remain sound, and we will prudently explore opportunities for investments.”

Review of Financial Performance

Property Division

On the Property Division front, topline revenue was mainly contributed by GIE Tower, 100% directly held by Metro Holdings. This decreased marginally to S$1.6 million in 1QFY2018 from S$1.7 million in 1QFY2017 due to a weakening of the Renminbi during the year. Overall, occupancy rate for Metro’s three investment properties in Guangzhou and Shanghai as at 30 June 2017 was 91.7%. A higher rental income was achieved by Metro City, Shanghai, with the completion of certain phases of asset enhancement.

Segment results, excluding associates and joint ventures, improved to a profit of S$4.8 million in 1QFY2018, up from S$0.9 million in 1QFY2017. This was mainly due to a gain on disposal of an investment property – Lakeville Regency in Shanghai – of S$0.7 million (net of expenses) and distributions from available-for-sale investments of S$1.3 million.

Share of results of associates increased 183.1% to S$13.6 million in 1QFY2018, from S$4.8 million in 1QFY2017, with the Group's significant S$8.3 million share of a gain on disposal of certain interests in a subsidiary and joint venture by Top Spring. The Group's share of income from the co-investment with InfraRed NF China Real Estate Fund II (A), L.P. ("Fund II") in real estate debt instruments helped to offset a decline in unrealised fair value gain on investment properties as Shama Century Park's investment properties have been sold down.

"We have benefitted from extending the Group's partnership with Fund II, as income flows in from our further co-investment of US$28 million in late 2016, in addition to an earlier commitment of US$57 million in Fund II," commented Metro's Chairman, Winston Choo.

Share of results of joint ventures rose 24.6% to S$8.1 million in 1QFY2018 from S$6.5 million in 1QFY2017 with a higher rental income and a narrowed fair value loss on investment properties to S$0.3 million, from S$2.1 million, over the same period.

Changes in fair value of short term investments were mainly due to an unrealised fair value gain of S$1.9 million in 1QFY2018, up from S$0.5 million in 1QFY2017. This relates to the Group's portfolio of short-term equity investments in REITs held by the property division.

Retail Division

Metro's retail topline improved marginally by 1.9% to S$30.8 million in 1QFY2018 due to higher sales. In line with pressures on margins, operating and overhead costs, profitability was affected, resulting in a continued loss of S$2.0 million in 1QFY2018, from S$1.7 million in 1QFY2017. However, stronger performance from Metro's Indonesia associate, mitigated the higher loss.

Correspondingly, Metro's bottomline increased 160.6% to S$25.4 million in 1QFY2018, while earnings per share rose 158.3% to 3.1 Singapore cents, from 1.2 Singapore cents in the previous corresponding period.

Strong Balance Sheet

Metro's balance sheet remained strong with cash holdings of S$322.4 million, signifying good headroom for growth. The Group's shareholders' equity stood at approximately S$1.4 billion as at 30 June 2017.

Outlook

Overall, for its Property Division in the PRC, Metro expects the rental income of its GIE Tower investment property in Guangzhou to remain stable. At the joint ventures' level, rental stability is also expected at Metro City and Metro Tower, Shanghai, with Metro City's rental expected to improve following the completion of asset enhancement work. For the Group's Nanchang project, with almost all of the residential property inventory handed over and income recognised, future contributions will be from the recognition of presales of office and retail space. This will have significantly lower gross margins than those achieved for Nanchang's residential properties.

In Singapore, with the sentiment of the residential property sector being subdued, The Crest at Prince Charles Crescent recorded a take up rate of 40.0% as at 30 June 2017, up from 34.5% as at 31 March 2017.

Metro's Chairman, Winston Choo concluded, "Our long-term investment strategy is aimed at improving both the recurring income base of the Group's property investments, and enlarging our property development and investment asset type and geographical reach, for greater earnings resilience. We will continually focus on unlocking capital at the right opportunity and invest profitably in the capital intensive field of property development and investment, with strategic partners, to enhance shareholder value."

As for the Group's Retail Division, the challenges of a keenly competitive and discounted trading environment amidst high operating costs will continue to impact this segment.

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 operations and investments in the region.

Today, the Group operates two core business segments – property development and investment, and retail – and is focused on key markets in the region such as China, Indonesia and Singapore. The Group has also expanded its geographical presence to the United Kingdom.

Property Development and Investment

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 and also holds significant investments in certain property businesses. This includes mixed-use and residential developments in China, Singapore and the United Kingdom.

Retail

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another nine 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 in about 1.4 million square feet of downtown and suburban retail space in Singapore and Indonesia.

ISSUED ON BEHALF OF	:	Metro Holdings Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd
		55 Market Street
		#02-01
		SINGAPORE 048941
CONTACT	:	Ms Dolores Phua
		at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	dolores.phua@citigatedrimage.com

11 August 2017