NEWS RELEASE

METRO HOLDINGS REPORTS 1HFY2025 PROFIT BEFORE TAX OF S$7.0 MILLION

- ***Profit before tax of S$7.0 million for 1HFY2025 was lower by S$3.9 million from S$10.9 million for 1HFY2024 mainly due to:***
  - ***Higher fair value losses (net of tax) from China investment properties (held under associates and joint ventures) by S$11.1 million, share of higher loss from associate Top Spring by S$8.3 million (primarily arising from impairment loss on its trading properties, fair value loss on its investment properties and higher operating loss), and lower profits for the retail division by S$2.6 million attributable to lower gross margins and increased costs;***
  - ***Partially mitigated by higher other (net) incomes by S$10.3 million, share of higher (net) fair value gain by S$5.3 million from its 30%-owned UK PBSA portfolio coupled with higher net operating incomes from its UK, Australia and Singapore properties (held under associates and joint ventures) by S$3.4 million***
- ***Continues to deepen presence in key markets for resilience:***
  - ***UK – Increased stake in Fairbriar Real Estate Limited from 25% to 50%, which owns and develops the award-winning Middlewood Locks mixed-use development in Manchester***
  - ***Australia – Acquired its 18th property, a freehold prime office building in the financial core of Sydney's CBD***
- ***Maintains a healthy balance sheet with Net Assets of S$1.4 billion and Total Assets of S$2.3 billion***

Singapore, 13 November 2024 – Mainboard-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, recorded a profit before tax of S$7.0 million

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for the first half ended 30 September 2024 ("**1HFY2025**"), as compared to net profit before tax of S$10.9 million for the corresponding period a year ago ("**1HFY2024**"). In 1HFY2025, the Group's property division continued to be negatively impacted by China's protracted property market downturn and challenging economic conditions, with higher fair value losses (net of tax) from China investment properties (held under associates and joint ventures) by S$11.1 million and share of higher loss from associate Top Spring International Holdings Limited ("**Top Spring**") by S$8.3 million primarily arising from impairment loss on its trading properties, fair value loss on its investment properties and higher operating loss. In addition, there was lower profit from the retail division by S$2.6 million attributable to lower gross margins and increased costs. These were partially mitigated by higher other (net) incomes by S$10.3 million, higher share of (net) fair value gain by S$5.3 million from its 30%-owned portfolio of purpose-built student accommodation ("**PBSA**") properties in the United Kingdom ("**UK**") coupled with higher net operating incomes from the UK, Australia and Singapore properties (held under associates and joint ventures) by S$3.4 million.

Group revenue for 1HFY2025 decreased to S$48.4 million from S$50.2 million in 1HFY2024, with lower contribution from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta by S$0.9 million, and lower revenue from the retail division by S$0.7 million which was mainly due to lower sales from Metro Paragon and Metro Causeway Point, the two department stores in Singapore.

Metro Chairman, Mr. Tan Soo Khoon ("陈树群"), said, "Amidst the macro headwinds and complex economic landscapes across Metro's key markets, we continue to maintain a resilient and diversified portfolio across geographies and asset classes to ensure that we are well positioned to navigate the challenges and respond to opportunities."

Review of Financial Performance

Property Division

The Property Division recorded 1HFY2025 revenue of S$3.4 million as compared to S$4.6 million a year ago, mainly due to lower sales of property rights of the residential development properties in Bekasi and Bintaro, Jakarta by S$0.9 million at S$0.9 million in 1HFY2025 from S$1.8 million in 1HFY2024.

The average occupancy rate for Metro's four investment properties – GIE Tower in Guangzhou, Metro City and Metro Tower in Shanghai, China and Asia Green in Singapore – stood at 77.5% as at 30 September 2024 as compared to 88.6% as at 30 September 2023.

Metro's property segment, excluding finance costs and share of results of associates and joint ventures, reported a higher profit of S$18.4 million in 1HFY2025 as compared to S$8.8 million in 1HFY2024. Other net income was higher by S$9.7 million at S$22.6 million, mainly due to higher interest income by S$7.1 million.

Share of results of associates was at a loss of S$6.4 million in 1HFY2025 as compared to share of profit of S$3.2 million in 1HFY2024. The net decrease of S$9.6 million was mainly due to: (1) higher share of fair value loss (net of tax) on investment properties by S$4.2 million, mainly from China investment properties by S$9.0 million, predominantly from Shanghai Plaza by S$8.2 million, partially mitigated by the higher share of fair value gain (net of tax) of the 30% stake in the UK PBSA portfolio by S$5.3 million; (2) higher loss from Top Spring of S$8.3 million, mainly from impairment loss on its trading properties and fair value loss on its investment properties totalling S$6.5 million and higher operating loss by S$1.3 million; and (3) partially mitigated by higher share of net operating profits by S$1.6 million from the UK, Australia and Singapore associates.

Share of profit of joint ventures decreased by S$1.2 million at S$12.4 million in 1HFY2025 from S$13.6 million in 1HFY2024 mainly due to higher fair value loss (net of tax) on investment properties by S$2.1 million in 1HFY2025 mainly from Metro City of S$1.6 million, partially mitigated by higher share of net operating profits by S$1.8 million from the UK and Singapore joint ventures.

Retail Division

Metro's retail revenue for 1HFY2025 decreased to S$44.9 million from S$45.6 million in 1HFY2024 mainly due to lower sales from Metro Paragon and Metro Causeway Point, the two department stores in Singapore. Segment results, excluding finance costs, was a loss of S$1.4 million in 1HFY2025 as compared to a profit of S$0.7 million in 1HFY2024 in line with the lower gross profit margin. The lower gross margin was primarily due to higher inflation-driven costs in raw materials, labour and energy in the current challenging environment.

Recent Key Investment and Strategic Moves

In Australia in October 2024, Metro, together with its joint venture partner, the Sim Lian Group of Companies ("**Sim Lian**") acquired freehold prime office property 1 Castlereagh Street in the financial core of Sydney's CBD for a purchase consideration of A$196.4 million (approximately S$172.3 million). This opportunistic acquisition strategically expands Metro's footprint in Australia and marks the Group's 18th property and 5th office asset in the country. Following the acquisition, the total appraised value of Metro's portfolio with Sim Lian is now at A$1.4 billion (approximately S$1.2 billion), consisting of 18 quality freehold properties (comprising 5 office buildings and 13 retail centres) with a total net lettable area ("**NLA**") of 176,160 square metres spanning New South Wales, Victoria, Queensland and Western Australia.

In the UK in November 2024, Metro increased its stake in Fairbriar Real Estate Limited ("**Fairbriar**") from 25% to 50%. Fairbriar owns and develops the award-winning

Middlewood Locks mixed-use development in Manchester which will provide 2,215 new homes, and an additional 1,000 new homes or one million square feet of commercial space (including offices, hotel, shops and restaurants). Phases 1 and 2 of this development are fully sold and handed over, while Phase 3 is expected to be completed by end-2024, which will see the first residents moving into their new homes.

Healthy Balance Sheet

Metro's balance sheet remained healthy with net assets of S$1.4 billion and total assets of S$2.3 billion as at 30 September 2024.

Group Chief Executive Officer, Mr. Yip Hoong Mun (“叶康文”), said, “We continue to make progress in our measured, ongoing efforts to enhance shareholder value under an operating environment marked by heightened uncertainties. In Singapore, strata sales of retail and office units at our VisionCrest Orchard freehold office property have commenced. In the UK, we recently increased our stake in the award-winning Middlewood Locks mixed-use development from 25% to 50%, and Phase 3 of this development is expected to be completed by end-2024. In Australia, we acquired our 18th property which is a freehold prime office building located in the financial core of Sydney's CBD. However, we expect that the multiple headwinds persisting in China's property market and our retail business will continue to weigh on our performance in the near-term.”

Outlook

Metro Chairman, Mr. Tan Soo Khoon (“陈树群”) added, “In view of the challenging macroenvironment marked by escalated global geopolitical uncertainties, regional conflict and trade tensions, Metro is committed to strengthening our resilience and to adeptly navigating the challenges through maintaining a diversified portfolio of high-quality assets in resilient sectors and markets where we possess strong familiarity and networks, alongside experienced and reputable partners. To enhance shareholder value, we will also continue to actively uphold robust capital management practices and diligently manage our investment portfolio to maximise returns and capitalise on new opportunities."

Rising downside risks that are dominating the outlook include: escalation in geopolitical uncertainties, regional conflicts and trade tensions, monetary policies remaining tight for too long amid persistent inflation, and a deeper growth slowdown in China[1] – where the property market downturn is in its fourth year. In addition, global trade fragmentation could reduce the resilience of global supply chains, increase funding costs, disrupt cross-border capital flows and lower market efficiency, and increase costs and risks for businesses[1]. While major central banks around the world have started cutting interest rates, including two back-to-back cuts by the U.S. Federal Reserve to lower the federal funds rate to a range of 4.5% - 4.75%[2], the global property market is not expected to enjoy a quick recovery or a return to the low interest rate environment of the past decade[3]. The Group operates in 5 countries namely Singapore, China, Indonesia, the UK and Australia which are subject to the heightened economic volatility and currencies' fluctuations against the Singapore dollar.

China reported GDP growth of 4.6% for 3Q2024, the slowest in six quarters[4], although retail sales were better than expected and grew 3.2% year-on-year in September[5]. Economists have projected that China's GDP growth would suffer a hit of as much as 2% should there be an expanded US-China trade war[6]. China faces an extended property market downturn and weak economic sentiments, and while its leaders have unveiled monetary stimulus measures and pledged to deploy the necessary fiscal spending to meet the country's 5% growth target for 2024[7], the actual impact of the stimulus measures announced so far remains to be seen. The economic slowdown and swelling supply of office space are triggering more landlords to cut rents or resort

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[1] *IMF, World Economic Outlook – Policy Pivot, Rising Threats, 22 October 2024*
[2] *Bloomberg, Fed Cuts Rates; Powell Says Wouldn't Resign If Asked by Trump, 8 November 2024*
[3] *Reuters, Falling Rates Offers Scant Shelter from Property Storm, 5 September 2024*
[4] *Bloomberg, China Moves to Support Markets After Data Showing Economy Slowed, 18 October 2024*
[5] *Bloomberg, China Data Offers Mixed Picture, Highlighting Stimulus Urgency, 18 October 2024*
[6] *Bloomberg, Trump Comeback Means Reckoning for China as It Draws Up Stimulus, 7 November 2024*
[7] *Reuters, China vows 'necessary spending' to hit economic growth target, 26 September 2024*

to subsidies to retain tenants[8]. In particular, office vacancies in Shanghai climbed to 21.5% in 3Q2024 which is the highest in about two decades, and may rise further on a supply pipeline set to be the highest in five years[8].

The protracted property market downturn has weighed on leasing demand for Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou, which reported an average occupancy of 77.0%[9] (85.3%[10]). The Atrium Mall in Chengdu, and Shanghai Plaza in Shanghai achieved occupancy of 95.2%[9] (91.3%[10]) and 75.5%[9] (90.8%[10]) respectively. Leasing continues to be challenging for the three office buildings in Bay Valley which are 71.4%[9] (71.6%[10]) occupied. Growing vacancies in office buildings due to swelling supply and the economic slowdown will continue to affect the occupancy of our China investment properties. The Group's associate, Top Spring International Holdings Limited, our co-investments with BentallGreenOak and our other China investment properties will continue to be subject to the persistent market headwinds in China and Hong Kong.

The Ministry of Trade and Industry estimates that Singapore's GDP grew by 2.1% quarter-on-quarter and by 4.1% year-on-year in 3Q2024, with a 7.5% year-on-year rebound in the manufacturing sector[11]. Singapore's GDP growth for the whole of 2024 is expected to come in around the upper end of the 2% - 3% forecast range, with growth for the rest of 2024 sustained by the ongoing upswing in the electronics and trade cycles as well as the easing in global financial conditions[12]. However, the Monetary Authority of Singapore has warned of significant uncertainties around the economic outlook, which reflects continuing risks in the external environment[12]. A sharp escalation in geopolitical and trade conflicts could exert sizeable drags on global and domestic investment and trade[12]. There are also uncertainties around the pace

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[8] *Bloomberg, Emptying Chinese Skyscrapers Trigger Price War Among Developers, 15 October 2024*
[9] *As at 30 September 2024*
[10] *As at 30 September 2023*
[11] *MTI Singapore, Singapore's GDP Grew by 4.1 Per Cent in the Third Quarter of 2024, 14 October 2024*
[12] *Monetary Authority of Singapore, MAS Monetary Policy Statement – October 2024, 14 October 2024*

and impact of global macroeconomic policy easing, and with it, the durability of the electronics upturn[12].

Occupier activity in Singapore's office market remains largely driven by renewals, with many tenants staying put to secure stability in the face of evolving market conditions[13]. Our premium Grade-A office towers at the Tampines Regional Centre achieved an occupancy rate of 78.7%[9] (98.7%[10]), with progressive backfilling of the space vacated after the expiry of a lease by Hitachi Asia on 31 March 2024. The Tampines Regional Centre is expected to be adapted to new live-work trends which may include new mixed-use developments with residences, commercial spaces and an integrated transport hub, as well as enhanced connectivity[14].

At the prime Orchard Road area, strata sales continue to be underway for the freehold office and retail units at VisionCrest Orchard, our Grade-A office property, of which four retail units and an office unit have been sold as at 30 September 2024.

In the industrial and logistics market, expansionary demand moderated in 3Q2024 as occupiers focused on cost efficiency, while leasing transactions continue to be driven by renewals and relocations[15]. Rental growth could resume when demand picks up alongside stronger economic and manufacturing sector growth in 2025[16]. Metro is well positioned given our 26% stake in the Boustead Industrial Fund ("**BIF**"), with a quality portfolio of 15 industrial, business park, high-spec industrial and logistics properties in Singapore, enjoying a high committed occupancy of 92.8%[9] (93.6%[10]) and a weighted average lease expiry by income ("**WALE**") of approximately 5.0 years[9] (5.4 years[10]). As at 30 September 2024, BIF's portfolio had a total asset size of S$754.1 million.

We maintain a cautious stance as lingering risks from higher-for-longer global interest rates and capital flow volatility, and an escalation in geopolitical conflicts could also

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[13] *Colliers, Office Q3 2024: Slow but steady, 8 October 2024*
[14] *Urban Redevelopment Authority, Shaping the future of workspaces in Singapore, 24 October 2024*
[15] *CBRE, Singapore Figures Q3 2024, 10 October 2024*
[16] *JLL, Singapore Industrial Market Dynamics – Q3 2024, 14 October 2024*

lead to an abrupt increase in financial market stress and heightened uncertainties, which will in turn dampen global and domestic growth prospects.

Indonesia's economic growth slowed to a year-low of 4.95% in 3Q 2024, as a spate of factory closures and job cuts weakened consumption[17]. Many Indonesians have yet to regain formal employment after the pandemic and about 9.5 million people have fallen out of Indonesia's middle class – a crucial driving force behind domestic consumption which makes up more than half of the country's GDP[17]. Indonesia's central bank has left its benchmark rate unchanged at 6.0% at its latest monetary policy meeting in October[18], after a 25 basis point cut at the previous meeting[19]. Still-high borrowing rates, weak economic sentiments and changing homebuying preferences in favour of landed properties will pose headwinds for our projects. All five Bekasi towers and both Bintaro towers have topped off, fully-paid units are gradually being handed over and sales continue to be underway.

The UK economy grew 0.2% month-on-month in August after two months of stagnation and is expected to grow by 0.4% in 3Q2024 and by 0.2% in the fourth quarter[20]. The Bank of England delivered two 25 basis point cuts in 2024 so far, but has stopped short of signalling faster easing, warning that the UK's latest budget could drive up inflation[21]. The UK's new Labour government has announced the most tax rises in at least 30 years[22], which include higher stamp duty bills and lowering the amount of relief for first-time homebuyers[23].

Quarterly investment into the PBSA sector rose from £430 million in 1Q2024 to a two-year high of £1.6 billion in 2Q2024, and the total of £2 billion for the first half of 2024 represents a substantial improvement from the £520 million transacted in the same period of 2023[24]. Metro has a 30% stake in Paideia Capital UK Trust, which owns a

[17] *Bloomberg, Indonesia's GDP Growth Falls Below 5% to Weakest in a Year, 5 November 2024*
[18] *Reuters, Indonesia central bank holds rates as global uncertainties re-emerge, 16 October 2024*
[19] *Reuters, Indonesia's central bank front runs Fed with surprise rate cut, 18 September 2024*
[20] *Reuters, UK economy returned to growth ahead of annual budget, 11 October 2024*
[21] *Bloomberg, BOE Delivers Rate Cut With Warning on Budget's Inflation Hit, 7 November 2024*
[22] *Bloomberg, Reeves Lifts UK Taxes, Borrows to Invest in Debut Budget, 30 October 2024*
[23] *Bloomberg, Shock Landlord Tax Hike Is Latest Blow for UK's High-End Housing, 30 October 2024*
[24] *Colliers, UK Real Estate Investment Forecasts Q3 2024, 10 September 2024*

portfolio comprising six freehold quality PBSA properties across Warwick, Bristol, Durham, Exeter, Glasgow and Kingston valued at £142.6 million and it has achieved a high occupancy rate of 98.3%[9] (96.0%[10]).

Manchester is the UK's second economic powerhouse and continues to see strong demand for Build-to-Rent ("**BTR**") and new homes[25,26], with interest rates expected to drop as inflation eases[27]. Manchester is now one of the most wealthy areas in the UK with the largest BTR market outside of London[25]. In addition, Manchester has recorded the highest home price growth of 33% over the past five years – outstripping a 20-city average of 15% – and its economy is also projected to grow at an annual rate of 2.2% over the next five years[28]. Phase 1 and Phase 2 of Metro's award-winning Middlewood Locks mixed-use development in Manchester have been fully sold and handed over. Phase 3, a residential development of 189 residential units named The Railings, commenced construction in June 2022 and sales and marketing activities are in progress. Project completion of The Railings is expected by end-2024, which will see the first residents moving into their new homes. Middlewood Locks is owned and developed by Fairbriar, and in November 2024, Metro increased its effective interest in Fairbriar from 25% to 50%.

In London, it has been noted that green-certified office buildings provide a competitive advantage and can experience increased occupier demand from firms adhering to corporate sustainability targets, potentially leading to higher rental growth in markets with limited availability[29]. Ongoing asset enhancement works for our office property at 5 Chancery Lane – which are expected to better position the asset to leverage on the leasing demand for green buildings – are targeted to be completed by 2Q2026.

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[25] Bidwells, Build-to-Rent Market Snapshot – Manchester, July 2024
[26] Deloitte, Manchester Crane Survey 2024
[27] Bloomberg, UK Inflation Drops Below BOE Target, Boosting Case for Rate Cut, 16 October 2024
[28] Colliers, Top UK Residential Investment Cities | H1 2024, 5 August 2024
[29] Savills, Spotlight: European Property Themes 2024, 15 January 2024

In Sheffield, the Group's Endeavour, Sheffield Digital Campus, a Grade A freehold office building certified with EPC A and BREEAM Excellent, was handed over to British Telecom in July 2023 to commence a 15-year lease.

The Reserve Bank of Australia kept its cash rates at a 13-year high of 4.35% for the eighth consecutive meeting on 5 November 2024, highlighting the high level of uncertainty about the international outlook and that underlying inflation remains too high[30]. Australia's high interest rates have increased property operating costs as well as capitalisation rates that has negatively impacted most property valuations. The International Monetary Fund has lowered its 2024 GDP growth forecast for Australia for the second time this year, from 1.4% to 1.2%, while raising its 2025 forecast from 2.0% to 2.1%[1,31].

As at 30 September 2024, Metro's existing 30%-owned joint venture with Sim Lian consisted of 17 quality freehold properties (comprising 4 office buildings and 13 retail centres) achieved a high occupancy of 93.9%[9] (94.9%[10]) and a WALE of approximately 5.4 years[9] (5.6 years[10]). With the acquisition of the 1 Castlereagh Street property in October 2024, the total appraised value of Metro's 30%-owned portfolio with Sim Lian is now at A$1.4 billion (approximately S$1.2 billion), consisting of 18 quality freehold properties with a total NLA of 176,160 square meters spanning four key states, namely New South Wales, Victoria, Queensland, and Western Australia. 1 Castlereagh Street is a freehold prime office property in the financial core of Sydney's CBD that has a NABERS rating of 4 stars.

The Group's portfolio of long-term and short-term investments, held at fair value through profit or loss and other comprehensive income, will continue to be subject to volatile fluctuations in their fair value. The Group is exposed to the effects of foreign currency exchange rate fluctuations, primarily in relation to Chinese Renminbi, Hong Kong dollar, US dollar, Sterling pound, Indonesian rupiah and Australian dollar.

[30] *Bloomberg, RBA Holds Key Rate at 13-Year High as World Waits on US Vote, 5 November 2024*
[31] *IMF, World Economic Outlook Update – The Global Economy in a Sticky Spot, 16 July 2024*

Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency.

Total retail sales in Singapore (excluding motor vehicles) decreased 1.4% year-on-year in September 2024, extending the 1.3% drop in the preceding month[32]. Retail sales of department stores fell 6.8% year-on-year[32]. Lower consumer spending will continue to weigh on our two department stores at Paragon and Causeway Point as well as our online platforms. In view that the challenging market conditions are expected to persist, we remain committed to optimising our retail division's operations and driving efficiencies to better navigate the environment and maintain our competitive edge.

Metro continues to operate under challenging conditions, in a macroenvironment marked by escalated global geopolitical uncertainties, regional conflict and trade tensions, with headwinds in key markets. China's protracted property market downturn and slowing economic growth will continue to weigh on business and consumer confidence, investment plans and employment.

Amidst these uncertainties, Metro will exercise caution and prudence while taking proactive measures to maintain strong capital management discipline, including preserving cash, optimising cash flows and liquidity. We intend to actively manage our existing investment portfolio to optimise returns and capitalise on new strategic opportunities to enhance shareholder value. With regards to our asset management strategy, we will prioritise critical asset enhancement, while deferring uncommitted capital expenditure, implementing cost saving measures and deploying derivative instruments to hedge the underlying interest rate exposures, where possible. The Group will continue to maintain a strong liquidity position comprising cash and banking facilities.

[32] *Department of Statistics Singapore, Retail Sales Index and Food & Beverage Services Index – September 2024, 5 November 2024*

ABOUT METRO HOLDINGS LIMITED

Metro Holdings Limited, a company listed on the Main Board of the SGX-ST since 1973, has a rich history that dates back to 1957 when it began as a humble textile store located at 72 High Street. Throughout its journey, Metro Holdings has evolved into a diversified property and retail group, with a global footprint in investments and operations.

Today, Metro Holdings is structured into two primary business segments: property investment and development, as well as retail. The company's strategic focus extends across pivotal markets, encompassing Singapore, China, Indonesia, the UK, and Australia.

Property Investment and Development

The Group's property arm owns and manages prime retail and office properties in first-tier cities in China, including Shanghai and Guangzhou, along with emerging high-growth cities like Chengdu. Through strategic partnerships and collaborative ventures, Metro Holdings has broadened its property portfolio to encompass a diverse range of assets in Singapore, China, Indonesia, the UK, and Australia.

Retail

Metro's retail division is dedicated to serving its valued customers through its two flagship Metro department stores in Singapore. The Metro shopping brand stands as an enduring and household name within the retail industry, offering an extensive range of high-quality merchandise to meet the diverse needs and preferences of its clients.

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