NEWS RELEASE

METRO HOLDINGS ACHIEVES 11.8% GROWTH IN FY2021 NET PROFIT AFTER TAX TO S$37.0 MILLION DESPITE COVID-19 HEADWINDS

- ***Higher FY2021 Profit After Tax of S$37.0 million, from S$33.1 million in FY2020 that includes a one-off divestment gain of S$10.6 million, mainly due to higher contributions and fair value gain from the investment properties in China underpinned by the strong recovery of the China economy, lower losses incurred by associates and fair value gain from the short term investments***
- ***Diversification for resilience:***
    - ***Invests in new asset class – A quality portfolio of 14 Singapore industrial, business park, high-spec industrial and logistics properties***
    - ***Establishes Purpose-Built Student Accommodation fund to expand further in the UK with two asset acquisitions in Warwick and Bristol***
    - ***Further expands in Australia with the acquisition of Ropes Crossing Village Shopping Centre in New South Wales***
    - ***Subsequent to financial year end, continues to expand into logistics asset class by investing into an European logistics fund with 12 income producing assets across Poland, the UK and Spain***
- ***Completes asset enhancement for Shanghai Plaza ("上海广场"), Shanghai (opened in September 2020) and The Atrium Mall ("晶融汇"), Chengdu (opened in December 2020)***
- ***Maintains a strong balance sheet with Net Assets at S$1.6 billion and Total Assets of S$2.3 billion***
- ***Proposes final dividend of 2.0 Singapore cents and final special dividend of 0.25 Singapore cents per ordinary share***

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Singapore, 25 May 2021 – Main Board-listed Metro Holdings Limited ("**Metro**" or the "**Group**") ("美罗控股有限公司"), a property investment and development group backed by established retail operations, registered a 11.8% growth in net profit after tax to S$37.0 million for the full year ended 31 March 2021 ("**FY2021**"), as compared to S$33.1 million in the same corresponding period a year ago ("**FY2020**") that includes a one-off divestment gain of S$10.6 million. The Group's FY2020 results was adversely affected by the COVID-19 pandemic with the full impact felt following the lockdown in China in early 2020. With the success of China government measures to contain the COVID-19 pandemic quickly, its economy has rebounded and the Group results in FY2021 was lifted-up mainly from the higher contributions and fair value gains from the investment properties in China. In addition, lower losses incurred by associates and fair value gain from the short term investments contributed to higher earnings registered in FY2021. The Group posted revenue of S$97.3 million in FY2021, as compared to S$210.3 million in FY2020, largely due to lower contributions from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, impacted by the ongoing COVID-19 pandemic and lower revenue from retail segment due to closure of our 2 Singapore stores during the Circuit Breaker from April to June 2020.

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), said, "We are pleased to have achieved a resilient set of results, notwithstanding macro headwinds brought on by the global pandemic. This is testament to our sound diversification strategy built for resilience, led by a strong management team and Board."

Review of Financial Performance

Property Division

The Property Division's revenue decreased by S$76.8 million to S$24.6 million in FY2021 from S$101.4 million in FY2020, mainly from the lower sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, largely impacted by the ongoing COVID-19 pandemic. Revenue from GIE Tower, Guangzhou, increased marginally by S$0.4 million to S$6.6 million in FY2021.

The average occupancy rate for Metro's five investment properties – GIE Tower in Guangzhou; Metro City and Metro Tower in Shanghai, China; the fully-leased freehold office property at 5 Chancery Lane in Central London, the United Kingdom (the "**UK**"); and 7 and 9 Tampines Grande, Singapore – remain high at 91.7% as at 31 March 2021.

Property segment, excluding associates and joint ventures, reported a profit of S$23.2 million in FY2021 comparable to S$23.8 million in FY2020.

The Group recorded a fair value gain on investment property of S$0.5 million in FY2021 as compared to a fair value loss of S$2.5 million in FY2020 arising from the COVID-19 pandemic with the early-2020 lockdown in China, from GIE Tower, Guangzhou.

The Group's share of associates' loss decreased to S$20.6 million in FY2021, as compared to a loss of S$29.7 million in FY2020. This was mainly due to fair value gain (net of tax) on associates' investment properties of S$4.0 million in FY2021, as compared to fair value loss (net of tax) of S$7.4 million in FY2020, driven by the fair value gain from the 20% stake in a portfolio of properties in Australia, partially offset by higher share of associates' operating losses (net of tax) by S$3.1 million. Higher share of associates' loss mainly due to lower contributions of S$22.8 million from the co-investments with InfraRed NF China Real Estate Fund III L.P. in real estate debt instruments, partially mitigated by lower losses incurred by Top Spring of S$14.0 million and Shanghai Plaza of S$3.4 million, higher contributions from the 20% stake in a portfolio of properties in Australia and from our recent 26% investment stake in a portfolio of 14 properties in Boustead Industrial Fund.

Share of profit of joint ventures increased by S$8.2 million from S$55.9 million in FY2020 to S$64.1 million in FY2021 mainly due to higher share of joint ventures' operating profits (net of tax) of S$4.8 million arising from higher contributions from The Crest and the two Singapore office towers i.e. Tampines Grande, Singapore and the China investment properties mainly Metro City and Metro Tower in Shanghai, underpinned by the strong recovery of the China economy. The China properties, mainly The Atrium Mall in Chengdu, Metro City and Metro Tower in Shanghai recorded higher fair value gain (net of tax) totalling S$9.1 million in FY2021, which was partially offset by absence of fair value gain of S$5.0 million from Tampines Grande, Singapore.

Retail Division

Metro's retail revenue decreased to S$72.8 million in FY2021 from S$108.9 million in FY2020 mainly due to the closure of Metro Centrepoint in October 2019 upon lease expiry as well as lower sales in the departmental stores in Singapore from the closures of retail stores during the circuit breaker from 7 April 2020 to 18 June 2020, arising from the COVID-19 pandemic. The Group's online retail business continues to remain operational.

Excluding the divestment gain of S$10.6 million from the sale of the Group's 50% equity interest of PT MRM which operated 11 Metro stores in Indonesia, the Group recorded a segment loss of S$0.2 million in FY2020, which was comparable to the segment loss of S$0.4 million in FY2021, after receiving the rental rebates granted by landlords, property tax rebates and jobs support scheme, totalling S$9.3 million. FY2021 profits include an impairment loss on the right-of-use of assets and plant and equipment of S$4.7 million in view of the continuing challenges faced by the retail segment amidst the uncertainty of recovery in this COVID-19 pandemic.

Key Investments and Strategic Moves in FY2021

During the year, Metro diversified into new asset classes in key markets in the UK and Singapore, working closely with strategic partners. This includes the Purpose-Built Student Accommodation ("**PBSA**") segment in the UK, and 14 properties in the industrial/logistics real estate segment in Singapore. The Group further expanded in Australia by acquiring a retail asset in suburban New South Wales.

In December 2020, Metro established a PBSA fund, Paideia Capital UK Trust ("**Trust**"), through a newly formed strategic partnership with Lee Kim Tah Holdings Limited ("**LKT**") and Woh Hup Holdings Pte Ltd ("**WH**"), to expand and diversify further in the

UK. Metro and its joint venture partners incorporated Paideia Partners Pte. Ltd. (“**Paideia Partners**”) to act as fund manager to grow its fund management arm. This follows Metro’s November 2019 setup of Sim Lian – Metro Capital Pte Ltd as the asset and investment management company to manage the portfolio of quality office and retail centers in Australia.

Upon the First Closing of the fund, the Trust acquired its first PBSA seed property in Warwick for a total consideration of £21.5 million (approximately S$38.7 million). The property is newly constructed and situated one mile north of the main campus of the University of Warwick, with approximately 22,000 full-time students with a committed occupancy of 90%. Shortly after, in January 2021, the Trust acquired its second asset in Bristol – Dean Street Works, for a total purchase consideration of £30.1 million (approximately S$54.8 million). This asset was completed in August 2020 with 100% committed occupancy. It is located 1.4 km from the main campus of the University of Bristol with approximately 27,000 students, and is a five-minute drive from Bristol’s city centre and main shopping district Broadmead.

In addition, in December 2020, Metro acquired a 26% stake in a portfolio of 14 quality industrial, business park, high-spec industrial and logistics properties in Singapore, for an investment amount of up to S$76.6 million via entering into subscription agreements to subscribe for 26% of the Units and 7.0 per cent. Notes due 2031 of Boustead Industrial Fund. This also represents the first collaboration and strategic partnership with the sponsor, Boustead Projects Limited (“**BPL**”), and marks Metro’s entry into the industrial/logistics real estate segment in Singapore with an immediate scale of 14 quality assets to generate stable and recurring income and for long term investment growth. The portfolio enjoys a high committed average occupancy rate of 99% and an overall weighted average lease expiry of approximately 7.5 years.

Metro Group Chief Executive Officer, Yip Hoong Mun (“叶康文”), said, “Metro continues to diversify our portfolio across resilient asset classes geographically. This is in line with our strategy to further enhance the quality, diversity and income profile of the Group’s investment portfolio to generate stable and recurring income.”

“The strategic investment in PBSA assets will position the Group favourably in the UK, given the resilience in demand for quality higher education. Together with our experienced partners LKT and WH, we will leverage on this platform to grow the PBSA portfolio in the UK, where we see good growth prospects. With an initial aggregate committed capital of £60 million (approximately S$108 million) upon its First Closing, the Trust will acquire PBSA properties in the UK to potentially grow its asset portfolio size to £150 million (approximately S$270 million). Paideia Partners will manage and grow the portfolio, which will potentially include new investors in the future.”

“The Group’s maiden entry into the highly sought-after industrial/logistics real estate market is another strategic move. This sector is poised for sustainable growth over the long term, well-supported by structural demand drivers such as the growth in e-commerce, and we are delighted to collaborate with an experienced and established partner like BPL.”

Additionally, Metro also deepened its footprint in Australia in November 2020 by acquiring Ropes Crossing Village Shopping Centre in New South Wales, which enjoys a high occupancy of 96.7% as at 31 March 2021.

On the asset enhancement front, Metro completed the makeover of Shanghai Plaza (“上海广场”), which was opened in September 2020, and The Atrium Mall (“晶融汇”) in Chengdu, which was opened in December 2020. Strategically located at Number 138 Huai Hai Zhong Road (“淮海中路”), Huang Pu district in Shanghai, the PRC, 500 meters from the Xintiandi (“新天地”) Business District, the rebranded Shanghai Plaza has created a buzz in the vicinity. It is repositioned as a lifestyle destination with premium food and beverage operators and top specialty retailers. WeWork, a leading co-working space operator anchors the office space. Since its opening, Shanghai Plaza has won several awards and accolades and is a preferred venue for art and sculpture exhibitions by renowned artist Xu Zhen (“徐震”). The integrated product offerings continue to excite and draw footfall into Shanghai Plaza. As for our LEED Gold certified The Atrium Mall, it builds upon its central location in the heart of the Chun Xi Road’s (“春熙路”) core business district surrounded by top malls, Chengdu

International Finance Square and Taikoo Li (“太古里”) Chengdu to create its unique and distinct niche targeting flagship stores in Southwest China, including beauty store Harmay (“话梅”), Sevenbus bubble tea, and others that appeal to younger shoppers. Both assets are expected to begin contributing to the Group’s bottom line in the coming years.

Subsequent to financial year 2021, Metro invested €10 million (S$16 million) into an European Logistics Fund to further diversify into the growing logistics sector. The Fund currently has 12 income producing assets, including eight in Poland, three in the UK and one in Spain. All properties are predominantly freehold, with long weighted average unexpired lease term of close to 6 years and quality tenants including PepsiCo, Deutsche Post, DHL Group, DFS Group and Fiege Logistics.

Strong Balance Sheet

Metro’s balance sheet remained strong with net assets of S$1.6 billion and total assets of S$2.3 billion as of 31 March 2021.

Proposed Dividend

To reward loyal shareholders, the Board has recommended dividends totalling 2.25 Singapore cents comprising an ordinary final dividend of 2.0 Singapore cents per share and a special dividend of 0.25 Singapore cents per share. This translates to a payout ratio of 50.7% of the Group’s net profit attributable to shareholders for FY2021.

Outlook

Metro Chairman, Lt Gen (Rtd) Winston Choo (“朱维良”), added, “The Group operates across Singapore, China, Indonesia, the UK and Australia, with each country being in a different phase of the global pandemic. We will continue to monitor, embrace and evolve our growth strategies, building upon our established track record in the real estate sector. We will also actively manage our existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value.”

One year into the COVID-19 pandemic, high uncertainty continues to surround the global economic outlook. After a -3.3% contraction in 2020, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022 and to 3.3% over the medium term[1].

In China, supported by good GDP growth and the new "dual circulation" economic development strategy, it is expected that economic development over the next five years will be reliant more upon domestic consumption and technological innovation[2]. The Group's investment properties in Shanghai and Guangzhou continue to enjoy high occupancy, while asset enhancements have been completed for Shanghai Plaza ("上海广场") in Shanghai and The Atrium Mall ("晶融汇") in Chengdu, with the malls opening in September 2020 and December 2020 respectively. Bay Valley's occupancy in Shanghai has also improved gradually.

In Singapore, the Group's premium Grade-A office towers at Tampines Regional Centre are expected to benefit from the backfilling of returned office space (by major financial institutions) by landlords and co-working spaces[3]. The property enjoys a committed occupancy of 88.9% as at 31 March 2021. Underpinned by some recovery signs of the Singapore residential market where prime home sales volume rose moderately in 1Q2021[4], our residential project The Crest at Prince Charles Crescent is now fully sold. As for the logistics/industrial sector, it stood out as the star performer in 2020 due to the eight-weeks of circuit breaker and the subsequent three-phase reopening had driven a spike in demand for logistics and warehouse space on the back of stockpiling needs and the e-commerce boom[5]. Metro is well-positioned given our recent investment into Boustead Industrial Fund's quality portfolio of 14 industrial, business park, high-spec industrial and logistics properties in Singapore.

In Indonesia, the implementation of tighter social restrictions, a slowdown in GDP growth and ongoing volatilities brought on by the global pandemic[6], continue to impact

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[1] *IMF, World Economic Outlook, April 2021*
[2] *CBRE, China Market Outlook 2021*
[3] *DBS, Darkest Before Dawn, 30 April 2021*
[4] *JLL, Property Market Monitor Singapore, 15 April 2021*
[5] *JLL, Road to recovery, 3 February 2021*
[6] *IMF, Policy Responses to COVID-19, 5 May 2021*

the sales and collections of the Group's residential projects in Bekasi and Bintaro, Jakarta. Despite this, sales have continued both in our sales galleries/marketing suites and online.

In the UK, despite rising contagions and the rapid spread of a new variant of the virus, the student accommodation sector remains resilient, and attracted £190 million worth of capital in March 2021, bringing the 1Q2021 total to £685m, the highest quarterly figure since the sale of the iQ portfolio a year ago[7]. Amidst this backdrop, Metro's two PBSA properties at Warwick and Bristol are well-positioned and enjoy high occupancy rates of 90% and 100% respectively. In Manchester, the residential prices are forecast to grow 3.4% over the next five years, while rental growth is expected to average 3.3% per annum[8]. The Group's residential project, Middlewood Locks, continues to market via marketing suite and online channels. Despite COVID-19 causing exceptional occupier uncertainty in London and causing expansion/relocation decisions to be put on hold[9], the Group's office property at 5 Chancery Lane continues to be fully leased through 2023.

In Australia, with the economic recovery now well underway with strong GDP growth recorded in the last two quarters of 2020, this should benefit Metro's portfolio of 15 quality freehold properties comprising four office buildings and 11 retail centres. The four office buildings are strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth, while the 11 retail centres are located regionally with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities. The portfolio enjoys high average occupancy of 94.8% as at 31 March 2021.

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.

[7] *Colliers, United Kingdom Property Snapshot, 14 April 2021*
[8] *JLL, Living with 2020 Vision: UK City Centre Forecasts, 10 March 2020*
[9] *Colliers, London Offices Update, 1 April 2021*

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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