NEWS RELEASE

METRO HOLDINGS REPORTS 1HFY2024 PROFIT AFTER TAX OF S$8.2 MILLION

- ***A decline from 1HFY2023 Profit After Tax of S$16.8 million, mainly due to:***
  - ***Lower gross profit in line with lower revenue from the retail division, share of associate's fair value loss on UK's investment properties, higher net finance costs, mitigated by lower share of fair value loss on China's investment properties***
- ***Continues to invest for resilience in Singapore:***
  - ***Acquires 20% stake in VisionCrest Commercial, an 11-storey freehold Grade-A office building situated in the prime Orchard Road area***
- ***Maintains a strong balance sheet with Net Assets of S$1.4 billion and Total Assets of S$2.3 billion***

Singapore, 14 November 2023 – 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, recorded a net profit after tax of S$8.2 million for the first half year ended 30 September 2023 ("**1HFY2024**"), as compared to S$16.8 million in the corresponding period a year ago ("**1HFY2023**"). In 1HFY2024, the Group's results were affected by lower gross profit from the retail division by S$3.3 million and a share of associate's fair value loss adjustment by S$3.9 million on the United Kingdom's ("**UK**") investment properties. Rising interest rates has resulted in higher Group's finance costs by S$4.3 million which was partially mitigated by lower bank borrowings from partial repayment of short term borrowings and higher interest income by S$3.0 million. In addition, the Group's underlying investment properties owned by respective associates and joint ventures in the UK, Australia and Singapore were adversely affected by higher finance costs by S$3.1 million. All the above were partially mitigated by a lower share of fair value loss on China's investment properties by S$2.1 million.

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The Group posted a 6.9% decrease in revenue to S$50.2 million in 1HFY2024, as compared to S$53.9 million in 1HFY2023, with lower contribution from the retail division. Revenue from the property division decreased due to lower contributions from sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Overall gross profit for 1HFY2024 was S$5.1 million as compared to S$9.2 million a year ago.

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), said, "Metro continues to be vigilant, actively monitoring our cash, leverage levels, debt maturities and funding sources, and proactively managing our existing investment portfolio, for optimal returns. On the business development front, Metro continues to proactively seek value accretive investment opportunities to maximise shareholder value."

Review of Financial Performance

Property Division

The Property Division recorded 1HFY2024 revenue of S$4.6 million as compared to S$6.6 million a year ago, mainly due to lower sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Rental revenue from GIE Tower, Guangzhou declined by S$0.4 million to S$2.7 million in 1HFY2024.

The average occupancy rate for Metro's four investment properties – GIE Tower in Guangzhou, China; Metro City and Metro Tower in Shanghai, China, and Asia Green in Singapore – stood at 88.6%[1] as at 30 September 2023, as compared to 91.1%[1] as at 30 September 2022.

Metro's property segment, excluding finance costs and share of results of associates and joint ventures, reported a higher profit of S$8.8 million in 1HFY2024 as compared to S$5.0 million in 1HFY2023 mainly due to higher interest income and lower net fair

[1] *Average occupancy rate as at 30 September 2022 is inclusive of the fully leased freehold office property at 5 Chancery Lane in Central London, UK, but not included as at 30 September 2023 due to ongoing asset enhancement works.*

value loss of long term and short term investments, partially offset by lower dividend income from long term investments.

Share of profit of associates decreased by S$5.3 million at S$3.2 million in 1HFY2024 from S$8.5 million in 1HFY2023 mainly due to its share of fair value loss adjustment by S$3.9 million from the 30% stake in six purpose-built student accommodation ("**PBSA**") properties in the UK; and lower share of associate's operating profit by S$1.5 million mainly from the Australia and UK properties due to rising interest costs.

Share of profit of joint ventures decreased by S$1.3 million at S$13.6 million in 1HFY2024 from S$14.9 million in 1HFY2023 mainly due to lower share of joint ventures' operating profits (net of tax) by S$4.4 million arising from Asia Green due to rising interest costs and the absence of contribution from 5 Chancery Lane in UK, which is currently undergoing the planned asset enhancement works expected to be completed by 1Q2026. These were partially mitigated by its share of lower fair value loss (net of tax) on China's investment properties by S$3.1 million in 1HFY2024.

Finance costs increased by S$4.5 million at S$14.8 million in 1HFY2024 from S$10.3 million in 1HFY2023 mainly due to rising interest rates from bank borrowings, which was mitigated by lower bank borrowings from partial repayment of short term borrowings.

Retail Division

Contribution from Metro's retail revenue decreased to S$45.6 million in 1HFY2024 from S$47.3 million in 1HFY2023 mainly due to lower sales from the two department stores, Metro Paragon and Metro Causeway Point in Singapore.

Segment results, excluding finance costs, reported a profit of S$0.7 million in 1HFY2024 as compared to S$3.3 million in 1HFY2023, in line with lower retail revenue and due to higher inflation-driven costs in raw materials, labour and energy, and the absence of rental rebates granted by landlords in 1HFY2023.

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S$1.4 billion and total assets of S$2.3 billion as at 30 September 2023.

Key Investment and Strategic Move in 1HFY2024

Metro is diversified across its key markets of Singapore, China, Indonesia, UK and Australia. For the period under review, the Group continues to grow its presence in its home market, Singapore. Metro has subscribed for 40.9% stake in Vision One Enterprise Limited ("**Vision One Limited**"), a joint-venture company set-up with an affiliate of TE Capital Partners Pte. Ltd. ("**TECP**") owning the remaining 59.1%. Vision One Limited, an independent third party and an affiliate of TECP have executed a Put and Call Option Agreement to acquire VisionCrest Commercial, an 11-storey freehold Grade-A office building situated in the prime Orchard Road area (the "**Property**"). Metro will own an effective 20% stake in the Property for an investment sum up to S$40 million, with the remaining 29.9% owned by an affiliate of TECP and 50.1% owned by an independent third party.

The Property, situated at 103 Penang Road, features a commercial retail podium on the ground floor with carparking facilities of 114 lots across two basement levels. It is part of the mixed used development that also includes the 265-unit VisionCrest Residence and the national monument House of Tan Yeok Nee, which houses the private university Amity Global Institute.

The Property comprises 148,854 square feet ("**sqft**") of net lettable area with 99.7% occupancy and a weighted average lease expiry ("**WALE**") of 2.2 years as at 30 September 2023. The Property has been awarded LEED® Gold certification by the U.S. Green Building Council. Strategically located directly across from Istana Park, the property ensures convenient accessibility, with both the Somerset and Dhoby Ghaut MRT stations just a short five-minute walk away, with three main train lines providing connection to Orchard, Raffles/Marina Bay and large residential areas. Car commute is also very convenient, with easy access to Orchard and the Central Expressway (CTE).

(Please see Appendix A for information)

With the limited supply of freehold strata-titled office space in Singapore's prestigious Orchard Road area, this investment will provide the joint venture partners an exceptional opportunity to own a unique en-bloc freehold strata-titled commercial asset. Group Chief Executive Officer, Yip Hoong Mun ("叶康文"), said, "This acquisition is a unique opportunity in the prime Orchard Road area. Good quality, freehold strata-titled offices with full floorplates are limited. The Property is also nearly fully-let, thus providing an immediate rental income. We are also glad to forge the strategic collaboration with the two proven real estate partners for this investment in Singapore."

Outlook

Metro Chairman, Lt Gen (Rtd) Winston Choo (**"朱维良"**), added, "Amidst macro headwinds, it is imperative that Metro maintains a diversified, quality portfolio in resilient sectors and in markets where we have strong familiarity and network, with experienced and reputable partners. Metro continues to position ourselves for resilience during these challenging times."

The global economy remains challenging from the blows of the COVID-19 pandemic, Russia's invasion of Ukraine, the recent Israel-Hamas conflict and the rising cost-of-living brought about by persistent inflation. Economic activity still falls short of its pre-pandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery, including the long-term consequences of the pandemic and the geopolitical effects of the United States of America-China tensions. Others are more cyclical in nature, including the tightening of monetary policy to reduce inflation, withdrawal of fiscal support amidst high debt, and extreme weather events. On 1 November 2023, the US Federal Reserve held interest rates steady at 5.25-5.50% as they struggled to determine whether financial conditions may be tight enough to control inflation, or whether an economy that continues to outperform expectations may need further hikes[2]. The International Monetary Fund ("**IMF**") projects global growth slowing from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. This remains well below the historical (2000-19) average of 3.8%. Global inflation continues to decelerate, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024[3].

China registered 3Q2023 GDP growth of 4.4% versus 6.3% in 2Q2023, weighed by persistently weak demand. The world's second largest economy faltered in 2Q2023 after a brief post-COVID recovery, dragged by a property downturn and escalating debt due to decade long infrastructure binge[4], and this has affected Metro's properties in China. China's economy grew 3.0% in 2022, and is forecasted to grow 5.0% in 2023 and 4.2% in 2024[5]. The Group's China investment properties, mainly Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou reported an average occupancy of 85.3%[6] (88.6%[7]). The Atrium Mall in Chengdu, and Shanghai Plaza in Shanghai have achieved occupancy of 91.3%[6] (84.4%[7]) and 90.8%[6] (92.3%[7]) respectively. Leasing continues to be challenging for the three office buildings in Bay Valley which are 71.6%[6] (68.3%[7]) occupied. Current difficulties in the office leasing market, particularly in Shanghai, will affect the occupancy of our China investment properties. The Group's associate, Top Spring International Holdings Limited, co-investments with BentallGreenOak and our other China investment properties will continue to be subject to persistent market headwinds in China and Hong Kong.

Singapore's GDP grew by 3.6% in 2022, less than the 8.9% growth registered in 2021. For 2023, the Ministry of Trade and Industry ("**MTI**") narrowed the GDP growth forecast to "0.5%-1.5%", from "0.5%-2.5%"[8]. Overall MTI's assessment is that Singapore's external demand outlook for the rest of 2023 remains weak, with the global electronics downturn likely to be protracted, and a gradual recovery expected towards the end of 2023 at the earliest. On the office front, trends of refining workspace utilisation and

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[2] *Reuters, Fed Keeps Rates Unchanged, Powell Hedges On Possible End Of Tightening Campaign, 2 November 2023*
[3] *IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023*
[4] *Reuters, China's Q3 GDP Seen Slowing As Beijing Races To Revive Growth, 18 October 2023*
[5] *IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023*
[6] *As at 30 September 2023*
[7] *As at 30 September 2022*
[8] *MTI Singapore, MTI Narrows Singapore's GDP Growth Forecast For 2023 to "0.5 to 1.5 Per Cent", 11 August 2023*

flight to quality have continued, with vacancy tightening across the Grade A submarkets[9]. These developments will continue to benefit our premium Grade-A office towers at the Tampines Regional Centre which has achieved an occupancy rate of 98.7%%[6] (89.8%[7]).

In the logistics sector, despite dim manufacturing sentiments and falling export demand, industrial demand remains resilient for factory and warehouse spaces, driven by large industrial occupiers and third-party logistics ("**3PL**") operators[10]. Metro is well positioned given our 26% stake in the Boustead Industrial Fund ("**BIF**"), with a quality portfolio of 16 industrial, business park, high-spec industrial and logistics properties in Singapore, enjoying a high committed average occupancy of 93.6%[6] and a long WALE by income of approximately 5.4 years. The total portfolio under BIF has a total asset size of S$748.9 million.

According to the IMF, Indonesia recorded an annual GDP growth of 5.3% in 2022, and is forecasted to grow 5.0% in 2023 and in 2024[11]. Currently, residential developers are refraining from initiating new projects and are instead prioritising the completion of existing construction to adhere to their schedules, to mitigate further delays and enhance reliability to attract potential buyers ahead of the February 2024 presidential elections[12]. 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.

UK GDP grew 4.1% in 2022 and is forecast to shrink to 0.5% in 2023 and 0.6% in 2024[13]. On 2 November 2023, the Bank of England ("**BOE**") held interest rate at a 15-year peak of 5.25% and ruled out cuts any time soon as it fights the highest inflation of the world's big rich economies, repeating its September decision after 14 back-to-back increases[14].

[9] *Colliers Office Q3 2023: A Turning Point? 8 October 2023*
[10] *Cushman & Wakefield, Singapore Market H2 Outlook 2023, 13 July 2023*
[11] *IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023*
[12] *Colliers, Colliers Quarterly Jakarta Apartment Report, 4 October 2023*
[13] *IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023*
[14] *Reuters, Bank Of England Keeps Rates At 15-Year High, 3 November 2023*

2023 investment volumes in the UK PBSA sector of £1.2 billion is 76% below the corresponding 2022 figure given the weakening UK economic outlook[15]. Metro has a 30% stake in Paideia Capital UK Trust, which owns a portfolio comprising six freehold quality PBSA properties across Warwick, Bristol, Durham, Exeter, Glasgow and Kingston valued at £132.4 million and with a committed occupancy rate of 96.0% as at 30 September 2023.

Jones Lang LaSalle forecasts that Manchester home prices will grow by 16.4% from 2022-2026, which is the fastest growth registered among all of the major UK cities[16]. This benefits Metro's 2,215-unit development at Middlewood Locks, where Phase 3 has commenced construction in 2Q2022 with completion expected in late 2024. Sales and marketing activities are in progress. The units in Phase 1 and Phase 2 have been fully sold and handed over.

As for Central London office, leasing activity in the three-months to June 2023 remained subdued, with 2.0 million sqft transacted, representing a 27% decrease compared to the corresponding period in 2022 (2.7 million sqft) and a 20% decline from the 10-year 2Q average of 2.5 million sqft, as the challenging economy begin to impact the office business sentiment[17]. Metro's tenant at our office property at 5 Chancery Lane has moved out upon lease expiry in May 2023, and immediately after that, Metro, together with our joint venture partner, carried out the planned asset enhancement works which is expected to be completed by 1Q2026.

On 3 October 2023, the Reserve Bank of Australia ("**RBA**") left the cash rate unchanged at 4.10%, which have increased by a total of 4.00% since May 2022. The higher interest rates are working to establish a more sustainable balance between supply and demand in the economy[18]. Conversely, the rising interest rates have increased property operating costs as well as the capitalisation rate, leading to a general decrease in most property valuations. Australia registered GDP growth of 3.7% in 2022 and the IMF outlook for economic growth in Australia is 1.8% in 2023 and 1.2%

[15] *Colliers, United Kingdom Property Snapshot, 26 October 2023*
[16] *JLL, UK Residential Forecasts, 2 November 2021*
[17] *JLL, Q2 2023 Central London Office Market Report, 21 July 2023*
[18] *Reserve Bank of Australia, Statement By Michele Bullock, Governor: Monetary Policy Decision, 3 October 2023*

in 2024[19]. Metro's 30%-owned joint venture with Sim Lian consists of 17 quality freehold properties comprising 4 office buildings and 13 retail centres spanning across 4 key states, namely New South Wales, Victoria, Queensland, and Western Australia, with a total appraised value of approximately A$1.2 billion (approximately S$1.1 billion). The Australian portfolio achieved a high occupancy of 94.9%[6] (95.8%[7]) and a WALE of approximately 5.6 years[6] by income (6.1 years[7]).

According to the MTI, Singapore retail trade sector shrank by 0.1% in 3Q2023, a reversal from the 3.0% expansion in 2Q2023[20]. Overall Singapore total retail sales dropped by 2.9% as of May 2023, reflecting some signs of cautious discretionary spending amidst economic uncertainties. Sales of furniture, household equipment, watches and jewellery declined the most. While retail sales came off a high base, the sales decline could be driven by a stronger return-to-office and weaker consumption for household items[21]. This will continue to weigh on the Group's two department stores at Paragon and Causeway Point, and online platforms. Metro's retail business continues to be impacted by the higher inflation-driven costs in raw material, labour and energy amidst a highly competitive trading environment.

Metro will exercise caution and prudence while taking proactive measures to maintain strong capital management discipline, including preserving cash, optimising cash flows and liquidity, and to actively manage its existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value.

[19] *IMF, World Economic Outlook – Navigating Global Divergences, 10 October 2023*
[20] *MTI Singapore, Singapore's GDP Expanded By 0.7 Per Cent In The Third Quarter Of 2023, 13 October 2023*
[21] *Cushman & Wakefield, Marketbeat Singapore, Retail Q2 2023, 6 October 2023*

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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APPENDIX A

VisionCrest Commercial

Description	11-storey freehold Grade-A office building situated at 103 Penang Road that features a commercial retail podium on the ground floor and carparking facilities of 114 lots across two basement levels, LEED® Gold Certified
% owned by Group	20%
Land Tenure	Freehold
TOP	2008
Floors	Office 10 floors : Level 2 to Level 11 Retail 1 floor : Level 1 Car Park 2 floors : Basement 1 and 2
Total GFA (sqft)	173,627
Total NLA (sqft)	148,854
Car Park	114 spaces open for entry 24 hours a day, 12 motorcycle lots, bicycle lots
Occupancy / WALE	99.7% / 2.2 years (as of September 2023)
Key Tenants	Manulife Financial Advisers, Puma Sports SEA Trading and The Coffee Bean & Tea Leaf

Connectivity	Strategically located directly across from Istana Park, the property ensures convenient accessibility, with both the Somerset and Dhoby Ghaut MRT stations just a short five-minute walk away and three main train lines providing connection to Orchard, Raffles/Marina Bay and large residential areas. Car commute is also very convenient, with easy access to Orchard and the Central Expressway (CTE)