NEWS RELEASE

METRO HOLDINGS REPORTS PROFIT AFTER TAX OF S$19.8 MILLION FOR 1HFY2021

- ***Increase in share of profit of joint ventures mainly from higher contributions from The Crest***
- ***Steady recurring income base through a portfolio of resilient investment properties across key markets***
- ***Maintains a strong balance sheet with Net Assets at S$1.5 billion***
- ***Completes asset enhancement of Shanghai Plaza and Phase 1 of The Atrium Mall in Chengdu, with both properties open in September 2020***

***Singapore, 12 November 2020* –** 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, reported Profit After Tax ("**PAT**") for the first half year ended 30 September 2020 ("**1HFY2021**") of S$19.8 million, an 8.2% decrease as compared to S$21.6 million in the same corresponding period a year ago ("**1HFY2020**"). This was mainly due to lower revenue and share of associates' loss of S$7.5 million amidst the COVID-19 pandemic, partially offset by an increase in share of profit of joint ventures by S$16.0 million mainly from higher contributions from The Crest.

The Group registered revenue of S$36.7 million for 1HFY2021, a decrease of 71.5% as compared to 1HFY2020. The decrease was largely due to lower sales of property rights of the residential development projects in Bekasi and Bintaro, Jakarta, the absence of contribution from Metro Centrepoint, which closed in October 2019 upon lease expiry, as well as lower sales in the departmental stores in Singapore during the lockdown.

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Group Chief Executive Officer, Yip Hoong Mun ("叶康文"), said, "We have built a diversified base of investment properties in our key markets, providing us with a stable source of recurring income to be resilient amidst the current business environment. Asset enhancement works were completed for both Shanghai Plaza and Phase 1 of The Atrium Mall in Chengdu, with both properties opened in September 2020. Average occupancy remains high at 92.3% for the Group's five investment properties in Singapore, Shanghai, Guangzhou and London. Our Australian portfolio comprising 14 quality freehold properties of four office buildings and 10 retail centres also enjoys high occupancy."

Review of Financial Performance

Property Division

The Property Division's revenue decreased by S$55.6 million to S$11.5 million in 1HFY2021, mainly due to lower sales of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, which have been impacted by the ongoing COVID-19 pandemic.

Property segment results, excluding associates and joint ventures, was lower at S$9.7 million in 1HFY2021 as compared to S$17.2 million in 1HFY2020, mainly due to lower gross profit contribution from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta, in line with lower revenue.

Share of results of associates registered a loss of S$7.5 million in 1HFY2021 as compared to a profit of S$0.9 million in the previous corresponding period, mainly due to higher share of operating losses (net of tax) attributed to Shanghai Plaza as well as fair value loss (net of tax) on investment properties owned by associates in China.

Share of profit of joint ventures increased by S$16.0 million to S$32.1 million in 1HFY2021 mainly due to higher share of operating profits (net of tax) arising from higher contributions from The Crest.

Retail Division

Metro's retail division continues to operate amidst challenging market conditions and the Group has taken appropriate measures to rationalise the retail business. Revenue from Metro's retail division decreased from S$61.7 million in 1HFY2020 to S$25.2 million in 1HFY2021, mainly due to absence of contribution from Metro Centrepoint, which closed in October 2019 upon lease expiry, as well as lower sales in the departmental stores in Singapore during the lockdown. As a result of the lower revenue, Metro's retail unit recorded a segment loss of S$0.8 million. The impact from the COVID-19 pandemic was partially cushioned by rental rebates granted by landlords, property tax rebates and job support scheme.

Mr Yip added, "Amidst a challenging retail backdrop, our two Singapore stores will continue to leverage on Metro's online platforms. Metro Retail has focused on omni-channel and e-commerce for more than five years, complementing the Group's 63-year-old brick-and-mortar business to meet the evolving needs of retail consumers. The COVID-19 pandemic has accelerated this trend, and we expect this online growth to continue."

Strong Balance Sheet

Metro's balance sheet remained strong with net assets of S$1.5 billion as of 30 September 2020.

Outlook

Moving forward, Metro's investment properties will continue to drive resilient growth through stable and recurring income.

In China, the occupancy of the Group's investment properties, GIE Tower in Guangzhou, as well as Metro City and Metro Tower in Shanghai, remains high. Meanwhile, the asset enhancement works for Shanghai Plaza in Shanghai and Phase 1 of The Atrium Mall in Chengdu have been completed and both properties were opened in September 2020. The Group continues to execute its marketing strategy for Shanghai Plaza and the three office buildings in Bay Valley, Shanghai, as well as at The Atrium Mall in Chengdu, and occupancy is gradually improving. For the near-term, Metro's associate Top Spring International Holdings Limited continues to be subject to the China and Hong Kong market headwinds.

In Singapore, sales of remaining units in the residential project, The Crest at Prince Charles Crescent, continue to be subjected to macroeconomic factors, while leasing is underway at the premium Grade-A office towers at the Tampines Regional Centre.

In Indonesia, sales for both Bekasi and Bintaro residential units continued through online channels as the physical sales offices were unable to operate during the second quarter of 2020 due to social restrictions. On 9 September 2020, Jakarta's governor announced that large-scale social restrictions would be tightened further to contain the spread of the COVID-19 pandemic and this will have an impact on the sales and collections of the Group's two projects.

In the United Kingdom (the "**UK**"), the Central London office sector take-up decreased to 1.3 million sq ft in 2Q 2020 and office vacancy rates rose to 6.1%[1]. Notwithstanding the weaker office sector, Metro's office property at 5 Chancery Lane continues to be fully leased through 2023. At a city level, Manchester is registering flat house prices in 2021 before growing 3.5% in 2022, as limited availability of new homes to purchase underpins values[2]. The Group's Middlewood Locks marketing suite has reopened in line with Government guidance and continues to operate concurrently through online channels.

[1] *Knight Frank, London Office Market Report, Q2 2020*
[2] *JLL, UK Residential Forecasts 2020 – 2025, November 2020*

In Australia, occupancy at the Group's 20%-owned portfolio of 14 quality freehold properties comprising four office buildings and 10 retail centres remains high. The four office buildings benefit from being strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth, while the 10 retail centres are anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities.

Metro Chairman, Lt Gen (Rtd) Winston Choo ("朱维良"), added, "Amidst the evolving COVID-19 situation, Metro will continue to monitor the situation closely and take proactive measures to strengthen the Group's financial position and conserve cash, and at the same time, actively manage our existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value."

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 and through its online platforms. 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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