METRO HOLDINGS LIMITED

FY2019 RESULTS PRESENTATION

28 MAY 2019



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About Metro



Who We Are

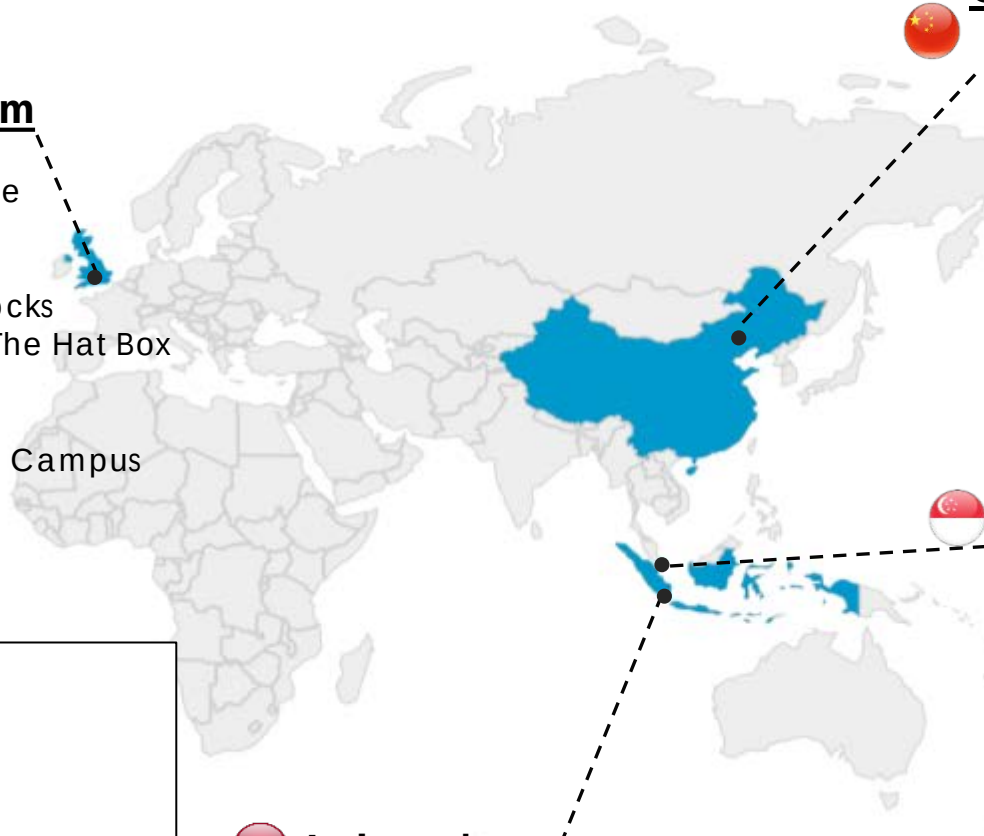


Metro Holdings was founded in 1957 by the late Mr. Ong Tjoe Kim as a textile store and has been listed on SGX-ST since 1973.

Over the years, under the leadership of the late Mr. Jopie Ong, Metro has evolved into a property investment and development group, backed by an established retail track record, with strong presence in Singapore, China, Indonesia and the United Kingdom.



Our International Presence



United Kingdom

London
- 5 Chancery Lane

Manchester
- Middlewood Locks
- Milliners Wharf The Hat Box

Sheffield
- Sheffield Digital Campus

China

Shanghai
- Metro City
- Metro Tower
- Bay Valley
- Shanghai Shama Century Park
- Shanghai Plaza

Guangzhou
- GIE Tower

Chengdu
- The Mall, part of The Atrium

Singapore

- The Crest at Prince Charles Crescent
- Tampines Grande
- 3 Metro Stores

Indonesia

- Trans Park Juanda, Bekasi
- Trans Park Bintaro
- 11 Metro Stores in Jakarta/ Bandung/Makassar/Surabaya/ Solo/Manado

Legend

Properties
- Commercial
- Malls
- Residential
- Mixed-use Development

Retail
- Retail Stores

As at 28 May 2019

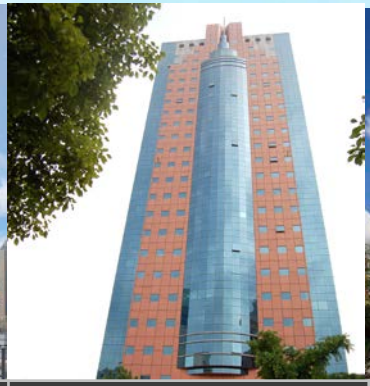
Property Investment & Development



Property Portfolio

Investment Properties






	GIE Tower, Guangzhou, China	Metro City, Shanghai, China	Metro Tower, Shanghai, China	5 Chancery Lane, London, UK
Type of Development	Commercial	Retail	Commercial	Commercial
Key Project Description	Part of a 7-storey shopping podium & 35-storey office	Lifestyle entertainment centre directly linked to MRT	Grade-A office spread across 26 floors (annex to Metro City)	Office building located in Midtown Central London
% owned by Group	100%	60%	60%	50%
Tenure	50-yr term from 1994	36-yr term from 1993	50-yr term from 1993	Freehold
Site Area	Strata-Titled	15,434 sqm	4,933 sqm	0.487 acres
Lettable Area	28,390 sqm	38,391 sqm	40,349 sqm	7,882 sqm
Occupancy Rate[(1)]	94.2%	99.7%	98.3%	100%
Valuation (100%)[(1)]	S$112 million	S$199 million	S$235 million	S$141 million

[(1)]As at 31 March 2019

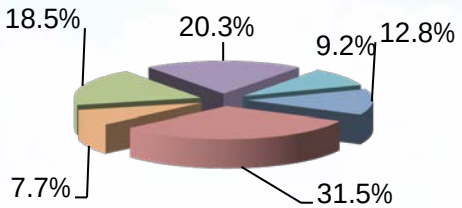
Investment Portfolio: Tenant Mix

Tenant Mix by Total Leased Area :
(as at 31 March 2019)

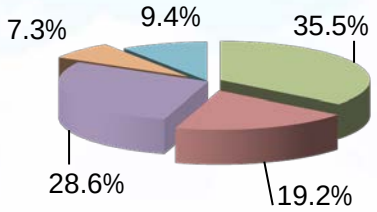


		GIE Tower, Guangzhou, China	Metro City, Shanghai, China	Metro Tower, Shanghai, China	5 Chancery Lane, London, UK
Occupancy Rate	**FY2019**	94.2%	99.7%	98.3%	100.0%
	FY2018	88.6%	97.1%	98.5%	100.0%
Expiry Profile	**1HFY2020**	16.8%	16.7%	13.0%	0.0%
	2HFY2020	22.2%	14.4%	6.7%	0.0%

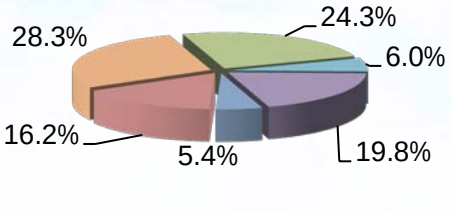
GIE Tower, Guangzhou



Metro City, Shanghai



Metro Tower, Shanghai



5 Chancery Lane, London



Property Portfolio

Development Properties







	The Crest, Prince Charles Crescent, Singapore	Trans Park Juanda, Bekasi, Jakarta, Indonesia	Trans Park Bintaro, Jakarta, Indonesia
Type of Development	Residential	Residential	Residential
% owned by Group	40%	90%	90%
Key Project Description	469 units with total GFA[1] of 50,854 sqm	5,622 units with total GFA[1] of 162,754 sqm Five 32-storey residential towers within a mixed development	2 residential towers comprising 1,400 apartment and 170 SoHo units with total GFA[1] of 61,619 sqm
Site Area	23,785 sqm	4.5 hectares	n.a.
GDV[2]/Valuation (100% basis)	S$516.3 million[3]	IDR1.99 trillion[4]	IDR1.33 trillion[4]
Current Status	>85% sold	Bekasi mall has opened and apartment sales are underway	Piling complete, super structural work and apartment sales are underway

[1] GFA refers to Gross Floor Area
[2] GDV refers to Gross Development Value
[3] 100% land cost for project
[4] 100% purchase consideration

Property Portfolio

Development Properties







	Shanghai Shama Century Park, Shanghai, China	Bay Valley, Shanghai, China	Shanghai Plaza, Shanghai, China
Type of Development	Residential	Commercial	Mixed-use
% owned by Group	30%	30%	31.5%
Key Project Description	284 units with total GFA[(1)] of 49,357 sqm and 240 car park units	Three office buildings with total GFA[(1)] of almost 98,000 sqm	Retail mall, centrally located at Huai Hai Zhong Road, Huang Pu district with total GFA[(1)] of 40,693 sqm
Site Area	n.a.	39,141 sqm	n.a.
GDV[(2)]/Valuation (100% basis)	RMB87.2 million[(3)]	RMB2.5 billion[(4)]	RMB2.25 billion[(5)]
Current Status	>95% strata sold	Leasing activities are underway	Mall undergoing asset enhancement

(1) GFA refers to Gross Floor Area
(2) GDV refers to Gross Development Value
(3) 100% Valuation as at 31 December 2018
(4) 100% purchase consideration
(5) 90% purchase consideration

Property Portfolio

Development Properties







	Milliners Wharf The Hat Box, Manchester, UK	Middlewood Locks, Manchester, UK	Sheffield Digital Campus, Sheffield, UK
Type of Development	Residential	Mixed-use	Commercial
% owned by Group	25%	25%	50%
Key Project Description	Phase 1 sold (144 apartments); Phase 2 (~60 apartments)	2,215 units and commercial space including offices, hotel, shops, restaurants and a gym with total GFA(1) of 222,967 sqm	Two office buildings with total GFA(1) of 12,191 sqm
Site Area	1.06 acres	24 acres	1.03 acres
GDV(2) /Consideration (100% basis)	n.a.	£700 million(2)	£40 million(2)
Current Status	Planning for Phase 2 underway	Phase 1: 571 units completed and being handed over; 277 units in Phase 1 and all 546 units in Phase 2 sold to Get Living, a UK private rented sector venture	Acero Works (7,460 sqm) sold in May 2018; Development works are now focused on Vidrio House (4,731 sqm)

(1) GFA refers to Gross Floor Area
(2) GDV refers to Gross Development Value
(3) 100% purchase consideration

Recent Investments In FY2020

(Post March 2019)



7 & 9 Tampines Grande, Singapore





Description	Two blocks of premium Grade-A eight-storey office towers with retail and F&B on the ground floor, BCA Green Mark Platinum and LEED® Gold Certified
% owned by Group	50%
Site Area (sqft)	86,110
Total GFA (sqft)	361,660
Land Tenure	99 years from 2007 (87 years left)
Total Consideration (100%)	S$91.2 million[(1)]
Acquisition Date	18 April 2019
Connectivity	25-minutes from CBD, 10-minutes from Changi Airport and 5-minutes from Tampines MRT interchange that is part of both East-West and Downtown lines
Status	~91% committed occupancy, Office Tower 1 leased to Hitachi, Office Tower 2 is multi-let tenants, Ground floor retail

(1) 100% purchase consideration of the equity component

The Mall, part of The Atrium, Chengdu, China





Description	LEED® Gold certified commercial mall, which is part of a landmark mixed-use development
% owned by Group	25%
Site Area (sqm)	123,170
Total GFA (sqm)	45,352
NLA (sqm)	26,078 with 387 carpark lots
Total Consideration (100%)	RMB800 million[(1)]
Acquisition Date	15 May 2019
Connectivity	Located in the heart of Chengdu's CBD & the Dacisi business corridor, close to the Chunxi & the Hong Xing Road pedestrian malls such as Taikoo Li Chengdu. Mall is well connected by 2 train stations & over 20 bus lines
Status	Mall to undergo asset enhancement and tenant mix re-structuring

(1) 100% purchase consideration of the equity component

Retail Operations



Retail Operations

Continue to improve top line with emphasis on margin protection and improving assortment of merchandise while enhancing customers shopping experience

Singapore:-

- Metro Woodlands
- Metro Paragon
- Metro Centrepoint

Indonesia:-

- Metro Pondok Indah
- Metro Plaza Senayan
- Metro Taman Anggrek
- Metro Gandaria City
- Metro Puri Mall
- Metro Trans Studio Mall Cibubur (Newly opened – Q1FY2020)
- Metro Bandung Supermal
- Metro Trans Makassar
- Metro Ciputra World Surabaya
- Metro Park Solo
- Metro Grand Kawanua Manado





Financial Highlights



FY2019 Key Financial Highlights

Registered Profit Before Tax (PBT) of S$107.0 million in FY2019, as compared to PBT of S$170.7 million in FY2018 that includes a one-off very substantial divestment gain of S$164.5 million from its associate company

Property division - PBT decreased by S$59.5 million to S$113.4 million in FY2019, from S$172.9 million in FY2018

- Lower contribution from associates by S$114.8 million, mainly due to absence of the Group's share of Top Spring's very substantial disposal gain of S$164.5 million (after tax);
- Lower other net income by S$18.4 million, mainly from absence of the divestment gain of Nanchang of S$15.8 million in FY 2018; partially offset by
- Higher contribution from joint-ventures by S$64.5 million, mainly from increase in fair value gains on investment properties from Metro Tower and Metro City, Shanghai, and 5 Chancery Lane, London in FY2019 and absence of share of The Crest's Additional Buyer's Stamp Duty in FY2018; and
- Fair value gain on investment property, GIE Tower, Guangzhou, of S$14.7 million in FY2019, up from S$0.4 million in FY2018

Retail division – Registered Net loss before Tax of S$6.4 million, from a Net Loss of S$2.2 million in FY2018

- Singapore's retail division recorded a higher loss due to impairment of fixed assets and provision for stock obsolescence and lower contribution by S$1.0 million from Indonesian retail associate

Strong Balance Sheet

- Net Assets of S$1,539 million as at 31 March 2019, as compared to S$1,482 million as at 31 March 2018



Key Financial Highlights- 4QFY2019

Revenue	PBT
S$40.0 million	S$58.1 million
▲16.6% YoY	▲554.4% YoY
4QFY2018	4QFY2018 (restated)
S$34.3 million	S$8.9 million

Remarks:

(1) Increase in revenue by 16.6% mainly due to the property division recognising revenue of S$6.1 million from the sale of property rights of the residential development properties in Bekasi, Jakarta

(2) Profit Before Tax increased by S$49.2 million, mainly attributable to:

- Fair value gain on investment property, GIE Tower, Guangzhou, of S$14.7 million in 4QFY2019, up from S$0.4 million in 4QFY2018;
- Improved contribution from associates (net of tax) by S$27.3 million, mainly because in 4QFY2018 Top Spring made provision for doubtful debts and impaired available for sale investments and had higher operating costs, which was partially offset by S$10.3 million additional share of gain from the very substantial disposal of eight property projects; and
- Higher contribution from joint ventures (net of tax) by S$28.9 million, mainly due to fair value gains on investment properties; partially offset by
- Lower other net income mainly due to absence of divestment gain of S$15.8 million from the disposal of the 30% equity interest in Nanchang associate in 4QFY2018



Key Financial Highlights- FY2019

Revenue

S$172.0 million

▲26.1% YoY

FY2018

S$136.3 million

PBT

S$107.0 million

▼37.3% YoY

FY2018 (restated)

S$170.7 million(1)

Basic EPS

11.5 cents

▼40.1% YoY

FY2018 (restated)

19.2 cents

NAV Per Share

S$1.83

▲2.8% YoY

FY2018 (restated)

S$1.78

Return on Total Assets

5.3 %

▼45.9% YoY

FY2018 (restated)

9.8%

Return on Equity

6.4%

▼43.4% YoY

FY2018 (restated)

11.3%

Remarks:

(1) Includes S$164.5 million (net of tax) share of a gain arising from a very substantial disposal of eight property projects by Top Spring in FY2018

Key Financial Highlights- FY2019

Proposed Dividend(1)

S$37.3 million

▼ 10.0% YoY

FY 2018

S$41.4 million

Comprises:

- Ordinary Dividend
  - 2.0 cents
- Special Dividend
  - 2.5 cents

Dividend Cover

2.56x

▼ 33.5% YoY

FY2018 (restated)

3.85x

Remarks:

(1) FY2019's proposed dividend subject to shareholders' approval at the AGM in July 2019



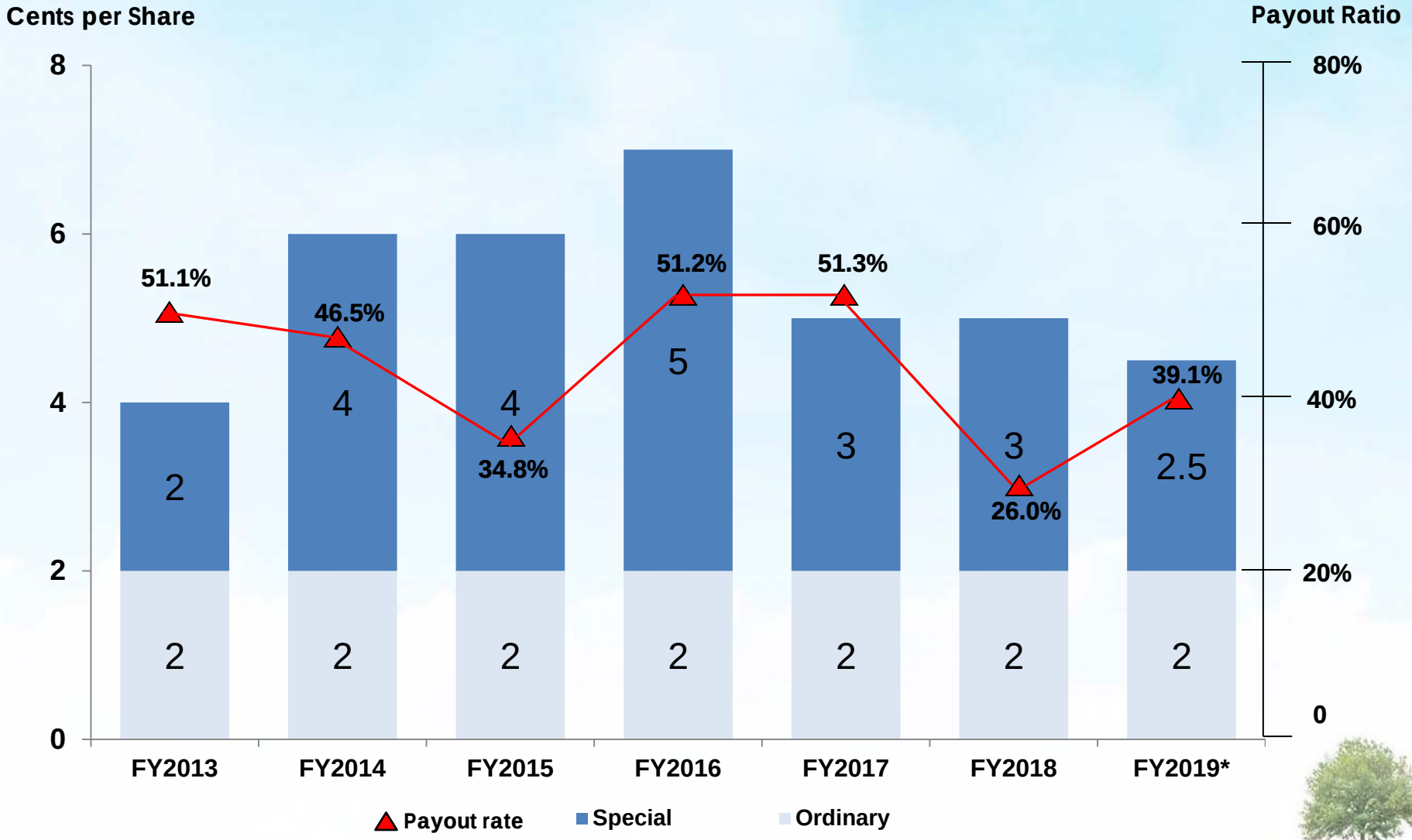
Consolidated Income Statement

(S$ '000)	4th Quarter Ended			Full Year Ended		
	31-Mar-19	31-Mar-18 (restated)	Change	31-Mar-19	31-Mar-18 (restated)	Change
Revenue	40,030	34,327	16.6%	171,964	136,326	26.1%
Profit Before Tax	58,122	8,882	554.4%	107,022	170,702	(37.3%)
Comprising:						
Metro City, Metro Tower, GIE Tower, 5 Chancery Lane (Incl Fair Value)	47,817	5,487	771.5%	74,977	30,701	144.2%
Key Associates – Top Spring, Nanchang, Bay Valley, Shanghai Plaza (Incl Fair Value & Divestment Gain)	(3,009)	(5,533)	(45.6%)	(5,567)	129,250	n.m.
Residential Project – The Crest, Bekasi	723	(763)	n.m.	10,922	(16,799)	n.m.
Retail	(3,572)	(931)	283.7%	(6,355)	(2,172)	192.6%
Investments (InfraRed Fund II, MGSA, etc)	15,235	7,604	100.4%	31,415	26,672	17.8%
Others	928	3,018	(69.3%)	1,630	3,050	(46.6%)
Profit After Tax	51,170	1,259	n.m.	95,684	159,695	(40.1%)

Balance Sheet Highlights

(S$ million)	As at 31-Mar-19	As at 31-Mar-18 (restated)	Change
Investment Property	112.0	100.2	11.8%
Associates	758.1	544.2	39.3%
Joint Ventures	237.7	419.9	(43.4%)
Other Non-current Assets	103.3	84.8	21.8%
Current Assets	693.5	552.8	25.5%
Total Assets	**1,904.6**	**1,701.9**	**11.9%**
Current Liabilities	166.4	192.1	(13.4%)
Long Term and Deferred Liabilities	199.1	27.7	618.8%
Total Net Assets	**1,539.1**	**1,482.1**	**3.8%**
Shareholders' Funds	1,515.2	1,473.6	2.8%
Non-controlling Interests	23.9	8.5	181.2%

Dividend Payout



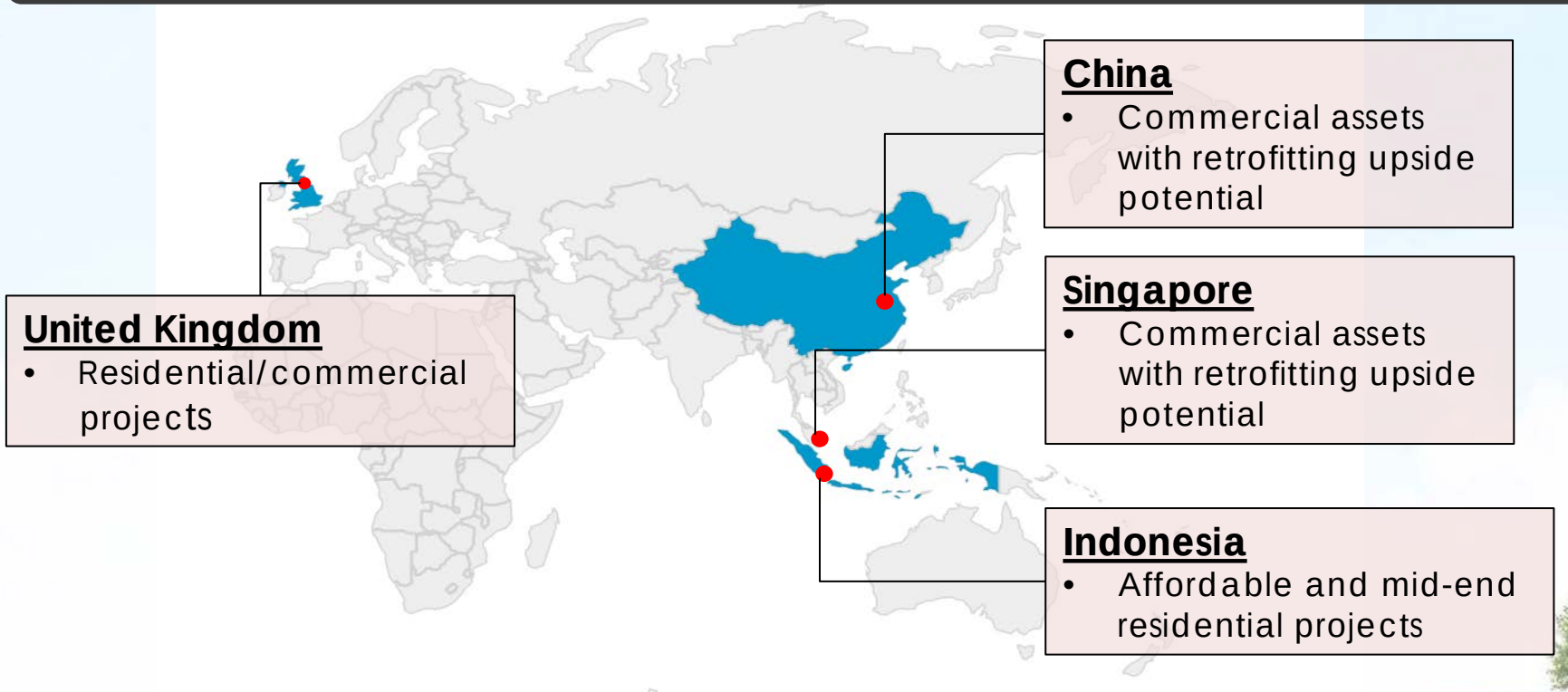
** FY2019's proposed dividend subject to shareholders' approval at the AGM in July 2019*

Growth Strategies



Growth Strategies (Property)

1. Continue to grow presence in Singapore, China, Indonesia and the United Kingdom
2. Explore regional countries for diversification
3. Balanced portfolio of investment and development assets



United Kingdom
- Residential/commercial projects

China
- Commercial assets with retrofitting upside potential

Singapore
- Commercial assets with retrofitting upside potential

Indonesia
- Affordable and mid-end residential projects

Growth Strategies (Property)

4 Strategic alliances with existing and new partners

5 Continue to achieve efficiency in capital recycling

6 Leverage on strong balance sheet and capital market

PARTNERS

上海徐家滙商城(集團)有限公司
SHANGHAI XUJIAHUI CENTRE (GROUP) CO.,LTD.

萊蒙國際
TOPSPRING

CTCORP

Scarborough Group International

华凌
HUALING GROUP

LEE KIM TAH GROUP

TRANSCORP

WINGTAI ASIA

InfraRed NF

CICC 中金公司

ARA ASSET MANAGEMENT LIMITED

EVIA REAL ESTATE

Growth Strategies (Retail)

1. Capitalise on retail brand name in Singapore and Indonesia
2. Continue to focus on multi-media strategy and deployment of technology to enhance customers shopping experience
3. Consolidate operational efforts to achieve higher efficiency and productivity





Thank You



Market Outlook

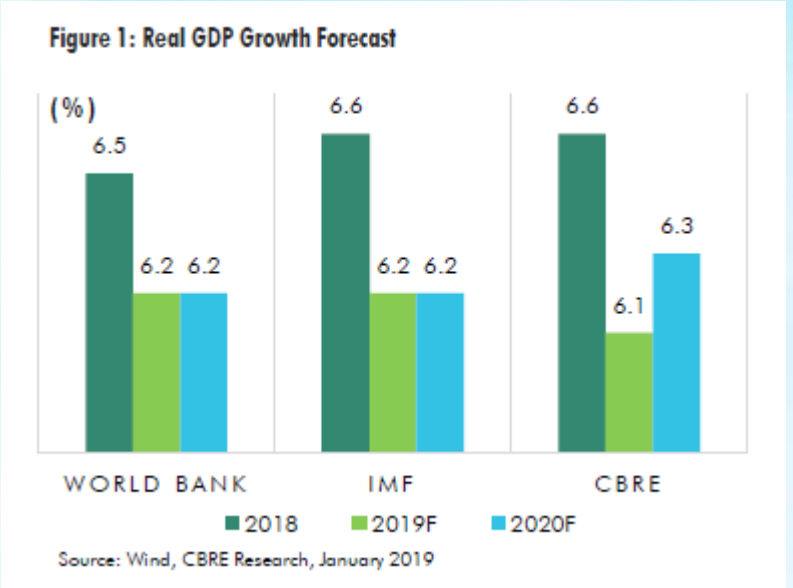


Market Outlook: China, Real Estate

Market Headwinds Strengthen

CBRE, Greater China Real Estate Market Outlook 2019

- Economic headwinds strengthened in 2018 amid deleveraging, supply-side reform and U.S.-China trade conflict
- GDP growth weakened to 6.4% in Q4 2018, the lowest rate of growth since Q2 2009
- Economic data published in December indicated slower export, manufacturing, consumption, real estate investment and sales growth



Opportunities Amidst The Improved Funding Environment

CBRE, Greater China Real Estate Market Outlook 2019

- Despite a range of headwinds including U.S.-China trade conflict and tighter monetary conditions, China commercial real estate transaction volume reached a record high of RMB251.7 billion in 2018, a 4% increase from 2017
- While these same factors will impact the market this year, investment demand is likely to remain firm, with foreign and domestic buyers expected to continue to seek opportunities in China, supported by an easing monetary policy environment

Market Outlook: Shanghai, Office

Softer Demand From Subdued Economic Growth

Colliers, Shanghai Grade-A Office Market Update Q4 2018

- 7.37 million sqm of new supply is scheduled to be completed over 2019 to 2023, with approximately 2.68 million sqm expected to be completed in 2019
- Vacancy rate is expected to reach 23.9% by end-2019, before making a steady decline during 2021-2023 to 19.8%
- Rents are expected to fall 4.4% YoY in 2019 and remain flat in 2020, before rising steadily over 2021-2023
- New projects with high quality, decent accessibility and lower rents should remain competitive in the market

Supply Remains The Biggest Challenge

Savills, Shanghai Office – February 2019

- Longer digestion periods for new projects and higher vacancies in old buildings stepped up pressure on landlords from increasing new stock
- Jing'an International Centre, which was launched in Q4 2018, added 65,000 sqm of new office space, bringing the full-year supply to 778,500 sqm
- More than 1.0 million sqm of Grade-A office space is scheduled to launch in 2019
- Core market rents increased by 0.3% on an index basis in 2018, currently averaging RMB9.0 per sqm per day
- Shanghai's business environment to improve amidst favourable measures to invigorate the private sector



Market Outlook: Shanghai, Retail

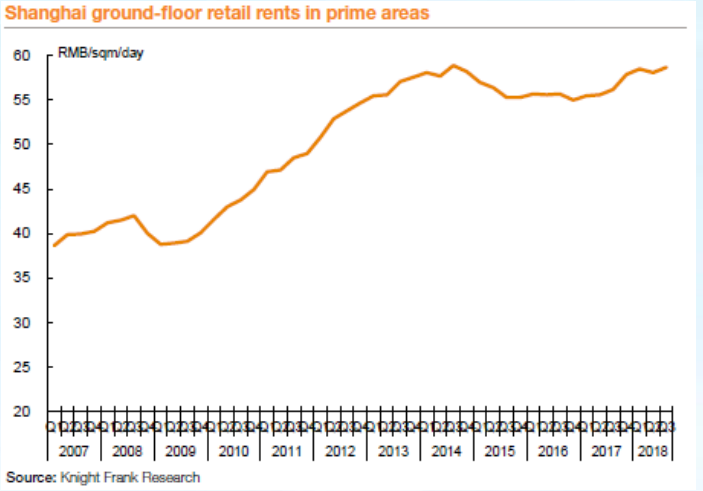
Leisure and entertainment brands to energise retail spaces

Savills, Shanghai Retail – April 2019

Colliers, East China Retail Market Update H2 2018

- Retail sales grew by 6.3% YoY in the first two months of 2019, as compared to 6.7% over the same period in 2018
- Only one new project, Orstar City, was launched in Q1 2019, adding 44,000 sq m of space to the market
- In Q1 2019, vacancy rates increased by 0.2% QoQ to 6.8% in prime retail areas, and 1.1% QoQ to 7.9% in non-prime retail areas
- Demand for leisure and entertainment brands in malls have been increasing in recent quarters as landlords look to energise retail spaces, drive footfall, and increase consumer engagement and time spent in their retail spaces
- Tenants such as family entertainment centres, indoor theme parks and diversified niche sports have been identified as key attractions
- Colliers expects supply pressure to ease over 2019 to 2023, supported by personal income tax cut, combination of online and offline retailing, and retailers' transformation
- Shanghai's average rents are expected to have a moderate correction over 2019-2020 and as most of the new projects are located in non-prime areas, rents should then grow steadily over 2021-2023 as supply eases amid firm demand

Rising Prime Rents



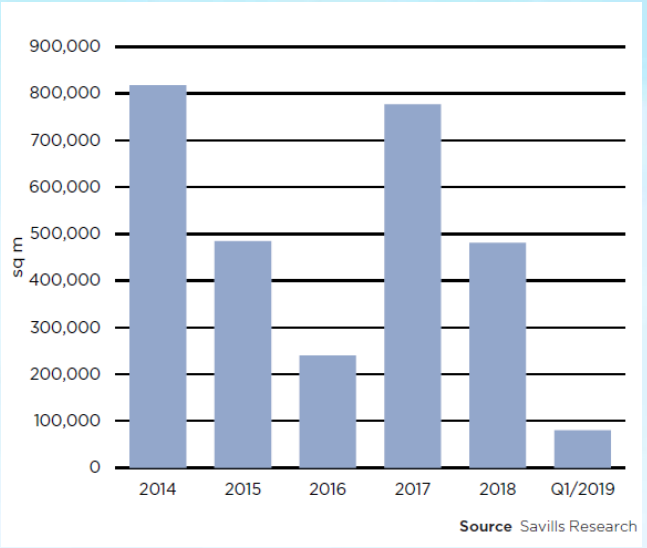
Market Outlook: Chengdu, Retail

First-store economy stimulates urban vitality

Savills, Chengdu Retail – April 2019

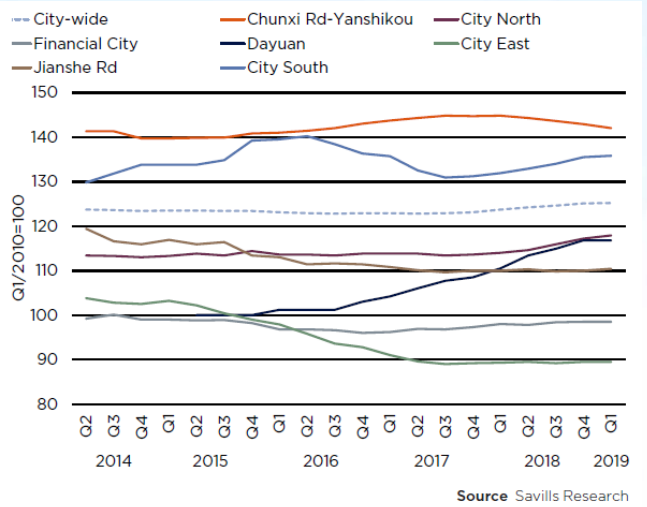
- Retail sales of consumer goods in Chengdu reached RMB117.7 billion, up 8.9% YoY in the first two months of 2019
- One new shopping mall, Ito Plaza, opened in Q1 2019, adding 80,000 sqm to Chengdu's retail stock
- City-wide shopping mall stock now stands at 5.8 million sqm
- Demand for retail space remained stable in Q1 2019, with a net absorption of 60,848 sqm, while city-wide vacancy rates rose by 0.1 ppt to 4.6%
- As a result of the Chengdu government's "First-store Economy" Plan, the market continued to welcome several international brands to Chengdu in Q1 2019
- Going forward, around 400,000 sqm of new supply is expected to be added to Chengdu's retail market in the rest of 2019
- Underpinned by an overall positive market sentiment, the strong level of absorption pushed the city-wide average first-flor shopping mall rent to RMB431.5 per sqm per month with an increase of 0.5% QoQ

Chengdu Shopping Mall Supply



Source Savills Research

Chengdu Retail Submarket Rent Index



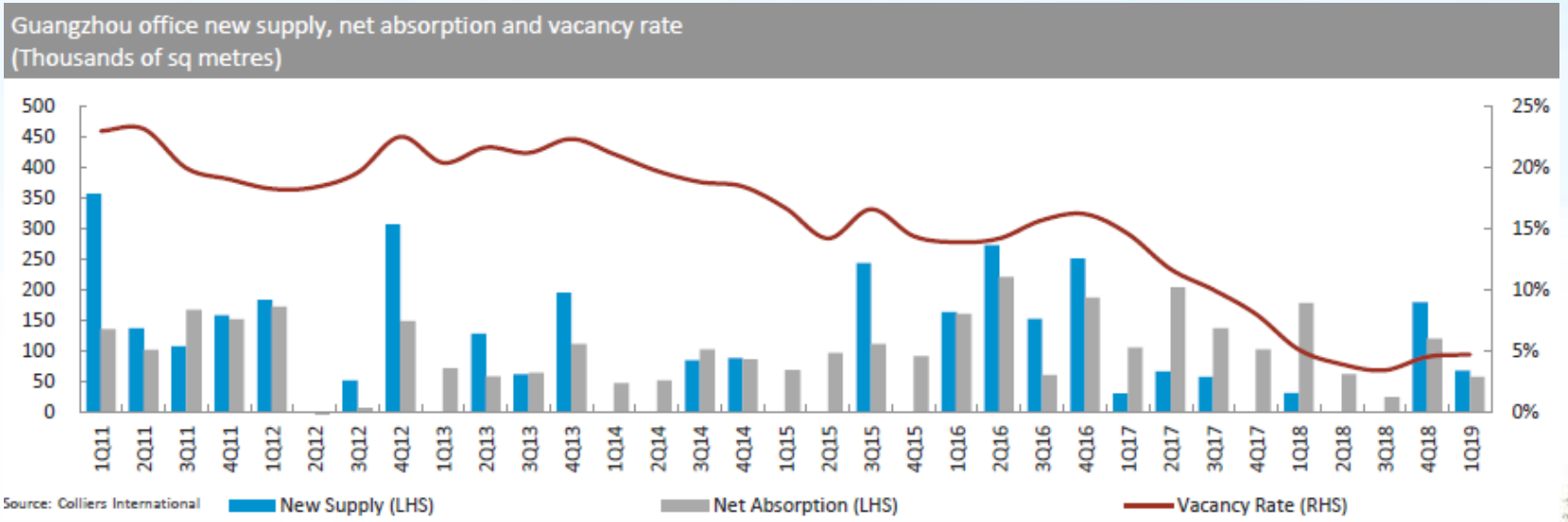
Source Savills Research

Market Outlook: Guangzhou, Office

Uncertainty of economy likely to limit rental growth

Colliers, Guangzhou Q1 2019

- In Q1 2019, leasing demand came mainly from the technology sector, which accounted for over 50% of newly let office space in the period. Meanwhile, demand from retail and trading groups was muted, perhaps due to the impact of uncertainty from the US-China trade dispute
- Colliers believes some occupiers will take a wait-and-see approach amid economic headwinds
- In 2019, over 825,000 sqm of new supply is scheduled to enter the market, of which 56% is scheduled in Pazhou and International Financial City
- With more high quality new office buildings entering emerging business districts, average rents should rise by 1.0%
- With falling new supply from 2021 to 2023, Colliers expects rent growth to pick up steadily



Market Outlook: Manchester, Residential

UK's most significant residential investment market

JLL, Northern England Residential Forecasts 2019

- Manchester City Centre recorded over £1.6 billion invested over the past 24 months in new purpose built private rental developments in the city centre, mainly on a forward funding basis
- A total of ~5,600 purpose built private rental units are now under construction making Manchester by far the largest multifamily rental market outside London
- JLL estimates that currently up to 3,000 units are needed per year for a growing city centre population expected to rise from 55,000 currently to 100,000 by 2026. And given that delivery in the last five years has averaged less than 1,000 new units per annum, a ramp up in supply is long overdue
- JLL expects price growth of 3% pa over the next five years compared with a national average of 2.2% pa. Rental growth in Manchester is forecast to average 3.1% pa compared with 2.4% pa across the UK

House price growth (% pa)	2019	2020	2021	2022	2023	2019-23[(1)]
Manchester	2½	2½	3	3½	3½	15.9
Greater London	½	2	4	4	3½	14.8
UK	½	1	3	3½	3	11.4

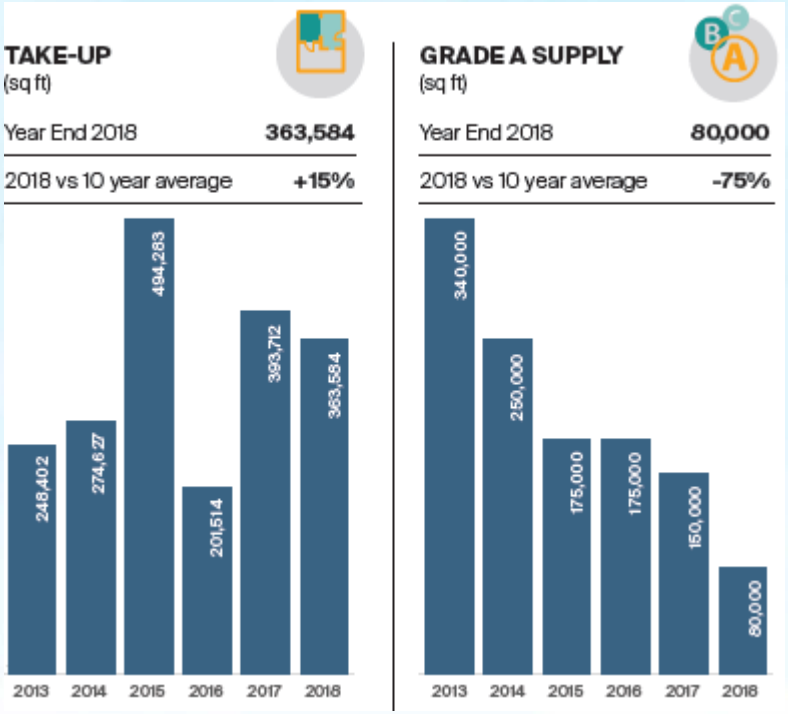
Source: JLL
[(1)]Cumulative growth

Market Outlook: Sheffield, Office

Exciting infrastructure, investment and opportunity

Knight Frank, Sheffield Office Market 2018

- Occupier take-up reached 363,584 sq ft in 2018, 15% ahead of the 10-year average
- During the year, co-working provider Spaces leased c.25,000 sq ft at Acero Works, which was sold in May 2018 to Britannia Invest A/S for £26.6 million. The BREEAM 'Excellent' building forms part of Sheffield Digital Campus
- Grade-A availability continued to fall in 2018, dipping below the 100,000 sq ft mark by year end
- The tight supply environment is set to continue with HSBC taking new space within Phase 1 of Heart of the City II and 1 Charter Square to be delivered in 2019. Only 26,000 sq ft of this will come to market vacant
- Prime yields remained at 6.00% throughout the year. Compared with the major UK cities, Sheffield offices now offer a discount of up to 125 bps



Market Outlook: Central London, Office

Remarkable resilience despite political uncertainty

Knight Frank, Central London Quarterly Offices Q4 2018

- Central London office take-up reached 14.80 m sqft in 2018, outperforming expectations and marking the highest annual total since 2014
- In Q4 2018, Central London supply fell to 14.16 m sqft, which is 13% below the long-term average and equates to a vacancy rate of 6.2%
- Prime headline rents across the majority of submarkets remained stable over the final quarter of 2018, with the exception of Soho and Fitzrovia, which increased to £87.50 per sqft
- Prime West End and City rents have remained stable at £105.00 per sqft and £70.00 per sqft, respectively
- Although 2019 presents ongoing political uncertainty around Brexit, international investors were undeterred and London remains by far the biggest global destination for foreign investment in real estate
- Investment turnover in 2018 reached £16.30 billion, which although marginally down on 2017, is still 15% ahead of the long-term average
- Knight Frank expects this trend to continue in 2019, as London remains a more attractive destination for South Korean investment than Europe or the United States

Market Outlook: Singapore, Residential

Stronger case for readjustment of cooling measures

Savills, Singapore Residential Sales – March 2019

- From October to December 2018, developers launched 1,657 uncompleted private residential units while new sales totaled 1,836
- Despite the July 2018 cooling measures, the overall marketing landscape that emerged in the fourth quarter was that projects with good location attributes and competitive prices could still achieve healthy initial launch take-up rates
- Sales of existing homes in the secondary market fell for the second straight quarter and posted a steep 26.5% quarter-on-quarter (QoQ) decline to 2,024 units
- From the Urban Redevelopment Authority's (URA) latest statistical release, overall private home prices eased 0.1% QoQ in Q4/2018, the first quarterly decline since Q2/2017. However, the market is viewing this slight decline as a blip rather than the start of a trend reversal
- Prices for the basket of high-end non-landed homes tracked by Savills dipped 0.2% QoQ in Q4/2018 and averaged at S$2,403 per sq ft (psf) by end-2018
- As of end-2018, the pipeline supply of island-wide private residential properties with planning approvals had increased 2.3% QoQ to 51,498 units. Of this number, 34,824 units or 67.6% of stock remained unsold
- Whilst sales for maiden project launches hovered in the 22% to 29% range in 2018, Savills expects those numbers to downshift to 15% to 22% in 2019



Market Outlook: Singapore, Retail

Moderating economic growth, seasonal CNY effects

- The Singapore economy grew 1.3% YoY in 1Q2019, moderating from the 1.9% growth in 4Q2018[1]; GDP growth is expected to grow 1.5% to 3.5% in 2019[2]
- Singapore's retail sales index for February 2019 decreased 10.0% YoY, while department stores dropped 11.8% YoY[3]. This was due mainly to higher sales in February 2018 associated with the Chinese New Year festive season
- Both tourism receipts and tourist arrivals set new records for the third consecutive year in 2018, recording a 1.0% and 6.2% growth, respectively[4]
- STB maintains an optimistic outlook for 2019, expecting tourism receipts to grow a further 1% to 3% and international visitor arrivals to rise between 1% and 4%[4]

(1) Ministry of Trade and Industry Singapore, April 12, 2019 – "Singapore's GDP grew by 1.3 per cent in the first quarter of 2019"
(2) Ministry of Trade and Industry Singapore, February 15, 2019 – "MTI maintains 2019 GDP growth forecast at 1.5 to 3.5 per cent"
(3) Singstat, February 2019 – Retail sales index and food & beverage sales index
(4) Singapore Tourism Board, February 13, 2019 – "Third consecutive year of growth for Singapore tourism sector in 2018"

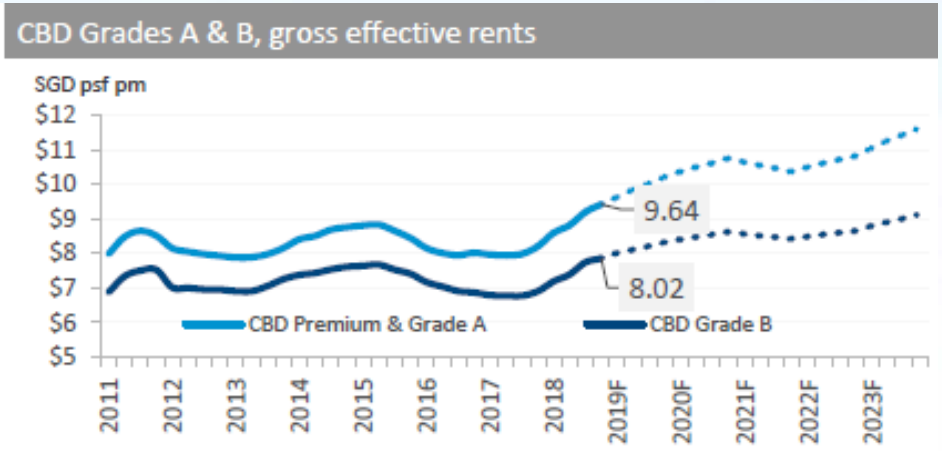
Market Outlook: Singapore, Commercial

Steady rental growth

Colliers, Singapore Office Q1 2019

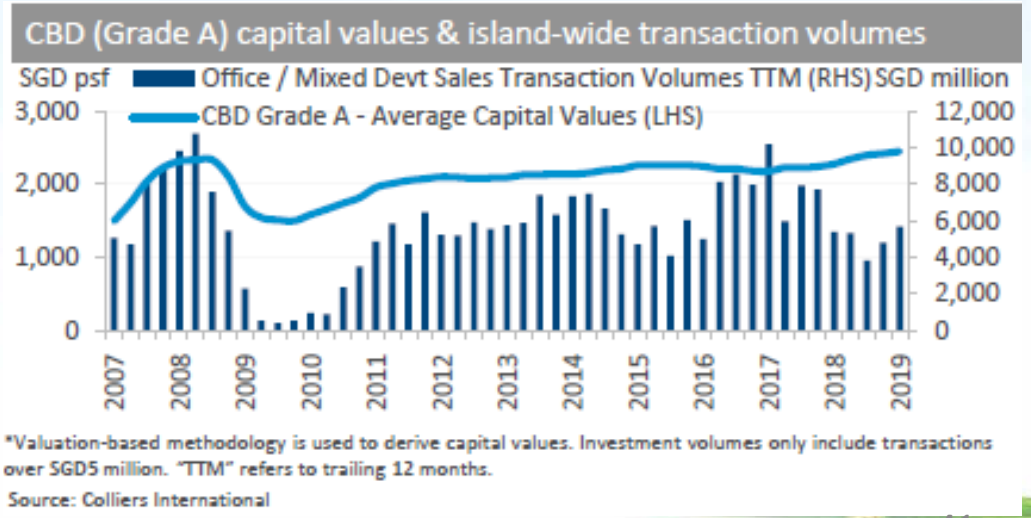
CBRE, Singapore Real Estate Market Outlook 2019

- CBD Grade-A office rental growth remained stable at 2.3% QoQ in Q1 2019, raising monthly rent to S$9.64 (US$7.12). Increasing landlord confidence underpinned lower incentives and rental uplift
- Q1 2019 net absorption was driven by technology and flexible workspace sectors, as vacancy tightened to 3.9%
- CBD Grade-A rental growth is expected to grow 8% in 2019 and 5% in 2020, moderating from 15% in 2018, and to experience a slight decline in 2021 in anticipation of higher supply in 2022, before a rebound thereafter
- CBRE sees Grade-A (core CBD) vacancy tightening from 6.2% to 5.1% as at end 2018, highlighting the robust take-up of prime and new office space. With a very limited pipeline of such spaces in the horizon, vacancy for this submarket is expected to compress further. As core CBD office rents continue to rise and with dropping availability of prime space, occupiers are expected to widen their location criteria in office requirements in order to secure suitable premises. This could help drive up leasing demand for Grade-B/B+ offices in choice locations.



Source: Colliers International

[1,2] As reported by the Straits Times on 17 April 2019 and Business Times on 9 April 2019 respectively.



*Valuation-based methodology is used to derive capital values. Investment volumes only include transactions over SGD5 million. "TTM" refers to trailing 12 months.

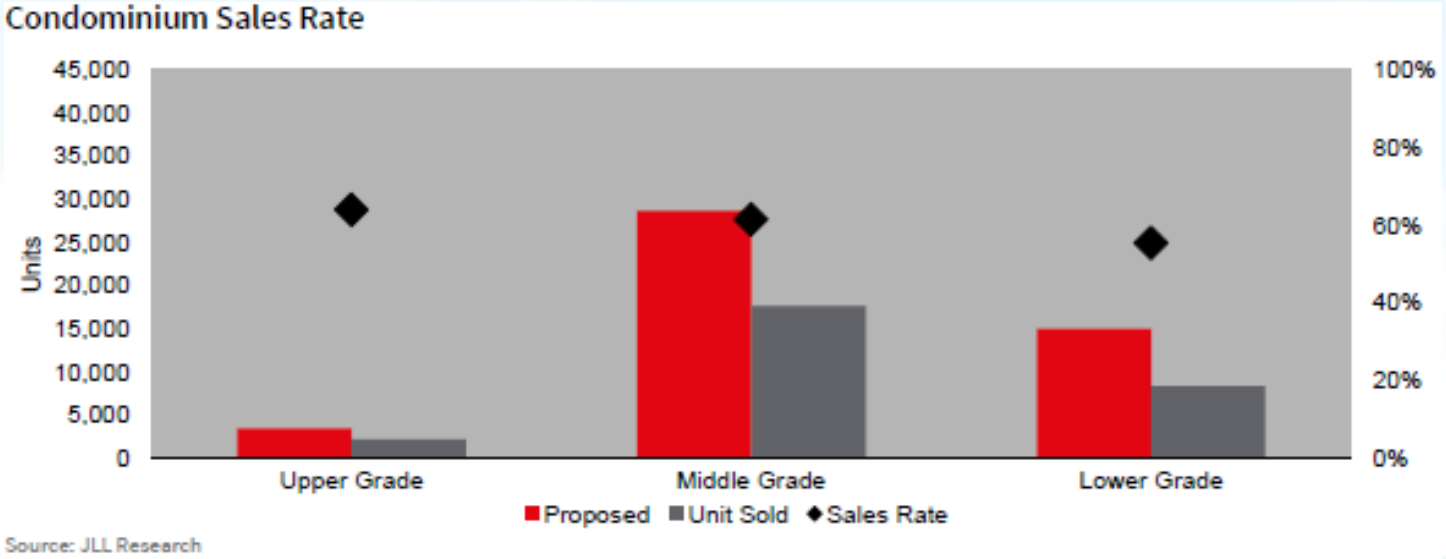
Source: Colliers International

Market Outlook: Indonesia, Residential

Overall sales remain low; election on the minds of buyers

JLL, Jakarta Property Market Review Q4 2018

- The LRT and MRT projects are of particular interest to residential developers and a number of projects with access to these transport corridors are already in the pipeline. The LRT in particular is providing opportunities for developers of high rise residential to create or participate in Transit Oriented Developments (TODs)
- Buyers remained cautious in 4Q18 with the overhang of the April 2019 election. As the fasting month immediately follows, it may be the second half of 2019 before JLL sees a significant recovery in market activity
- Condominium prices in the luxury segment have remained relatively flat for some time in the face of weak demand. The middle and lower segments have seen some moderate increases

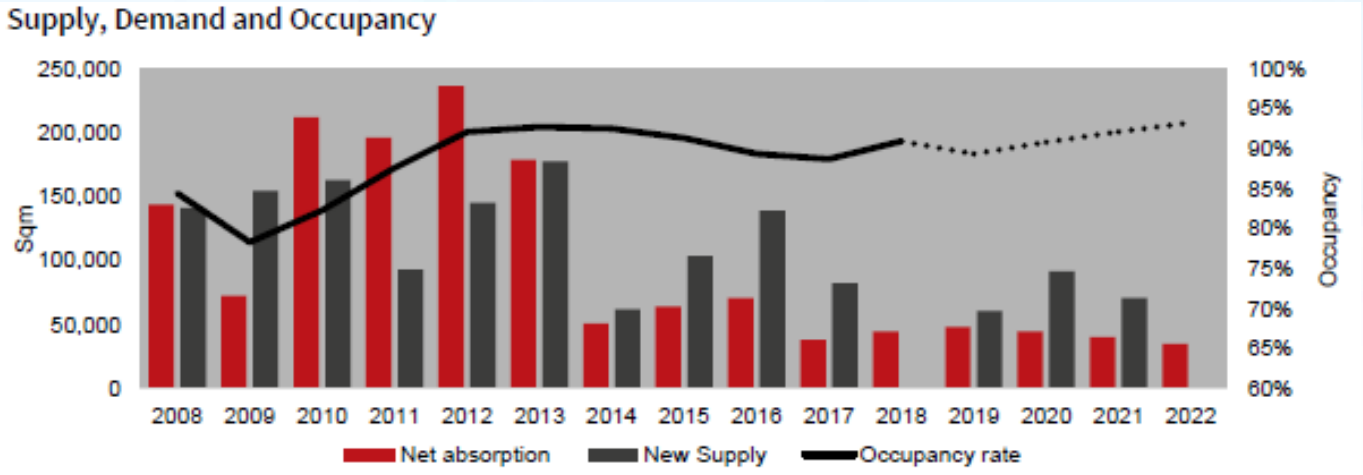


Market Outlook: Indonesia, Retail

Mobile payment platforms expanding; no new malls completed

JLL, Jakarta Property Market Review Q4 2018

- Occupancy levels in Jakarta's prime malls remained high in 4Q18 and options for expanding tenants remained limited – particularly given the lack of supply. The most active retail segments continued to be F&B, entertainment and fast fashion. These tenant types ensure many malls continue to enjoy strong footfall despite challenges of e-commerce
- The final months of 2018 were also notable for the increased promotion and use of mobile payment platforms. Go-Pay (by Go-Jek) and OVO (by Lippo) have been pushing their respective platforms hard with discounts and cashback offers on purchases. Mobile payment usage is likely to increase rapidly in 2019 as operators streamline their platforms
- Net absorption was recorded at relatively low levels on both a QoQ and YoY basis. Due to a lack of available space, tenants looking to expand sometimes have nowhere to go and JLL expects any new supply to cause a spike in net absorption



Source: JLL Research