美羅 METRO

METRO HOLDINGS LIMITED

FY2021 RESULTS PRESENTATION

25 MAY 2021

Diversification For Resilience

CONTENTS

1. Diversification For Resilience

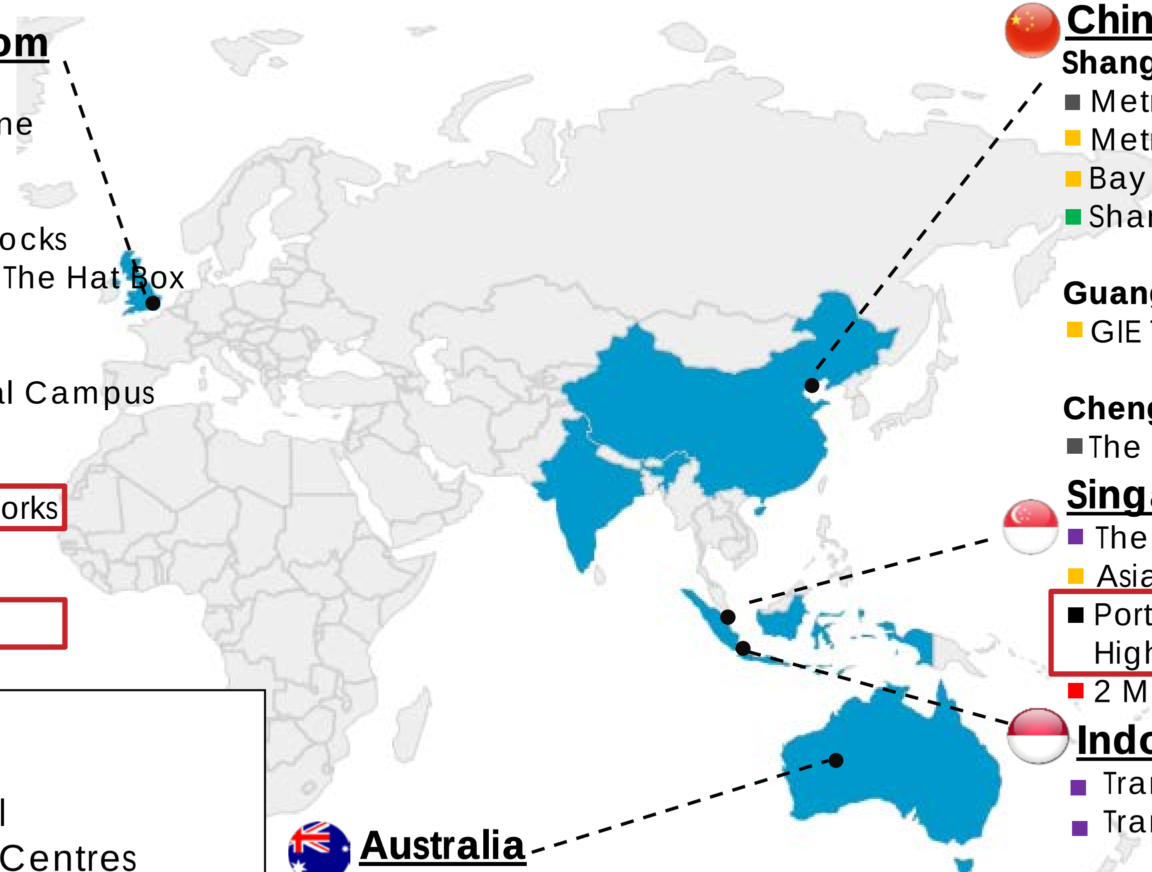
1. Who We Are

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 an international presence across Singapore, China, Indonesia, the United Kingdom (“UK”) and Australia.

1. Diversification Through Geography & Sector

美羅 METRO



United Kingdom

London
- 5 Chancery Lane

Manchester
- Middlewood Locks
- Milliners Wharf The Hat Box

Sheffield
- Sheffield Digital Campus

Bristol
- Dean Street Works

Warwick
- Red Queen

China

Shanghai
- Metro City
- Metro Tower
- Bay Valley
- Shanghai Plaza

Guangzhou
- GIE Tower

Chengdu
- The Atrium Mall

Singapore

- The Crest at Prince Charles Crescent
- Asia Green
- Portfolio of 14 Industrial, Business Park, High-Spec Industrial & Logistics Properties
- 2 Metro Stores

FY 2021

Indonesia

- Trans Park Juanda, Bekasi, Jakarta
- Trans Park Bintaro, Jakarta

Australia

New South Wales
- 50 Margaret Street, Sydney
- Jordan Springs
- Lake Munmorah
- Ropes Crossing Village

Victoria
- 390 St Kilda Road, Melbourne
- Tarneit Gardens
- Coltman Plaza
- Lara Village

Queensland
- 100 Edward Street, Brisbane
- Town Square Redbank Plains
- Everton Park Woolworths
- Everton Park Home Centre
- Woolworths Rothwell

Western Australia
- 59 Albany Highway, Victoria Park
- Dalyellup

Legend

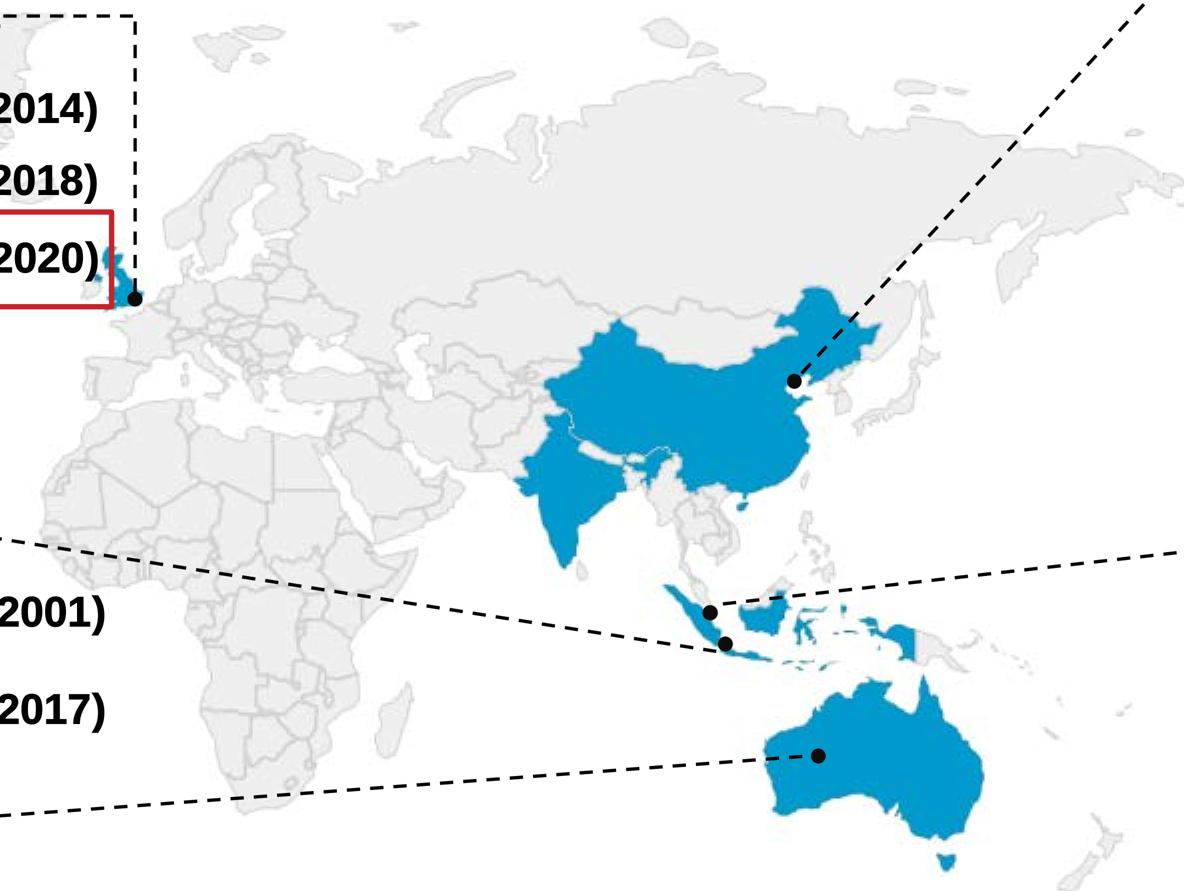
Properties
- Commercial
- Malls/Retail Centres
- Residential
- Mixed-use Development
- Student Accommodation
- Logistics & Industrial

Retail
- Retail Stores

As at 25 May 2021

1. Diversification Through Partnerships

METRO



United Kingdom

- Scarborough Group International (2014)
- LEE KIM TAH GROUP (2018)
- WOH HUP BUILDING WITH INTEGRITY (2020)

Indonesia

- CTCORP TRANSCORP (2001)
- LEE KIM TAH GROUP (2017)

Australia

- SIM LIAN HOLDINGS / SIM LIAN-METRO CAPITAL (2019)

China

- 上海徐家汇商城(集团)有限公司 SHANGHAI XUJIAHUI CENTRE (GROUP) CO.,LTD. (1993)
- 华凌 HUALING GROUP (2004)
- InfraRed NF (2007)
- 莱蒙國際 TOPSPRING (2011)
- sunac 融创 至臻·致远 (2018)
- CICC 中金公司 (2019)
- ARA ARA ASSET MANAGEMENT LIMITED (2019)

Singapore

- WingTai Asia (2012)
- EVIA REAL ESTATE (2019)
- BOUSTEAD Projects (2020)

FY 2021

Note: Year in brackets refer to year where partnership was established

As at 25 May 2021

Diversification For Resilience

2. Property Investment & Development

2. Investment Properties





	GIE Tower, Guangzhou, China	Metro City, Shanghai, China	Metro Tower, Shanghai, China	5 Chancery Lane, London, UK	Asia Green, Singapore
Type of Development	Commercial	Retail	Commercial	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	Two blocks of premium Grade-A eight-storey office towers
% owned by Group	100%	60%	60%	50%	50%
Tenure	50-yr term from 1994	36-yr term from 1993	50-yr term from 1993	Freehold	99-yr term from 2007
Partners	n.a.	上海徐家汇商城(集团)有限公司 SHANGHAI XUJIAHUI CENTRE (GROUP) CO.,LTD.	上海徐家汇商城(集团)有限公司 SHANGHAI XUJIAHUI CENTRE (GROUP) CO.,LTD.	LEE KIM TAH GROUP	EVIA REAL ESTATE
Lettable Area	28,390 sqm	38,599 sqm	39,295 sqm	7,882 sqm	26,724 sqm
Occupancy Rate[1]	92.8%	98.3%	89.4%	100%	88.9%[3]
Valuation (100%)[2]	RMB545m (S$112m)	RMB914m (S$187m)	RMB1,120m (S$230m)	GBP80m (S$148m)	S$405m

[1] As at 31 March 2021 [2] As at 31 March 2021, SGDRMB = 4.878, GBPSGD = 1.850

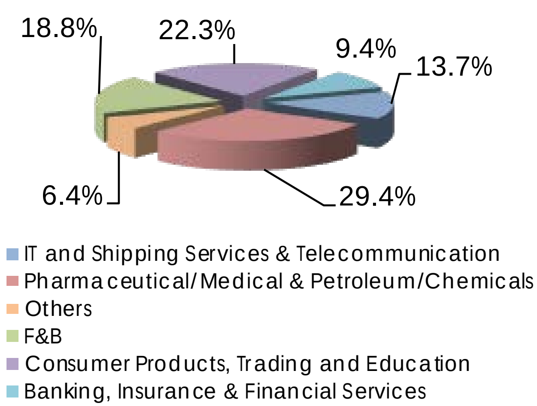
[3] Committed occupancy includes JustCo

2. Investment Properties

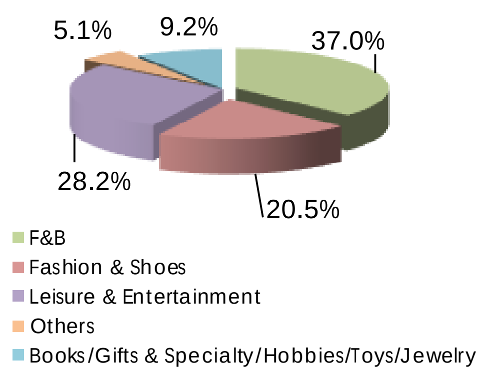
Tenant Mix by
Total Leased Area:
(as at 31 March 2021)

		GIE Tower 广州电子大厦, Guangzhou, China	Metro City美罗城, Shanghai, China	Metro Tower美罗大厦, Shanghai, China
Occupancy Rate	**FY2021**	92.8%	98.3%	89.4%
	FY2020	93.8%	94.8%	94.3%
Expiry Profile	**1HFY2022**	8.8%	10.9%	5.8%
	2HFY2022	25.4%	18.5%	29.4%

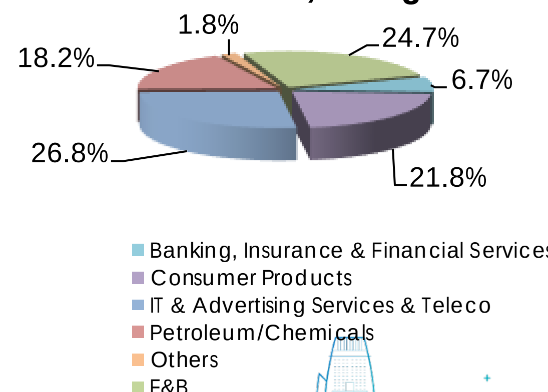
GIE Tower, Guangzhou



Metro City, Shanghai



Metro Tower, Shanghai

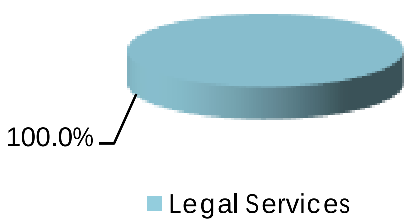


2. Investment Properties

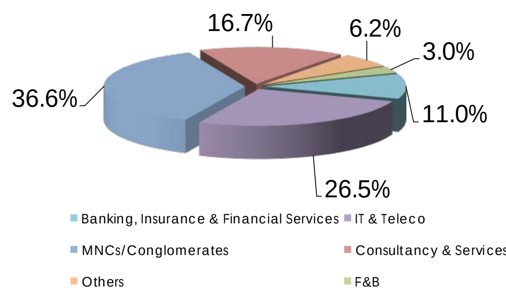
Tenant Mix by
Total Leased Area:
(as at 31 March 2021)

		5 Chancery Lane, London, UK	Asia Green, Singapore
Occupancy Rate	**FY2021**	100.0%	78.1%
	FY2020	100.0%	88.6%
Expiry Profile	**1HFY2022**	0.0%	10.7%
	2HFY2022	0.0%	33.9%

5 Chancery Lane, London



Asia Green, Singapore



2. Investment Properties

	Bay Valley 洋浦, Shanghai, China	Shanghai Plaza 上海广场, Shanghai, China
Type of Development	Commercial	Mixed-use
Key Project Description	Office buildings (C7, 87% of A4 & 12% of C4) located in New Jiangwan City, Yangpu District	Retail mall, centrally located at Huai Hai Zhong Road, Huang Pu district
% owned by Group	30%	35%
Tenure	50-yr term from 2008	50-yr term from 1992
Partners	萊蒙國際 TOPSPRING	华凌 HUALING GROUP; SUNAC 融创 至臻·致远
Lettable Area	58,733 sqm	39,305 sqm
Occupancy Rate(1)	100%	86.8%(3)
Valuation (100%)(2)	RMB1,550m ($318m)	RMB3,119m (S$639m)
Current Status	Fully leased	AEI completed and mall opened 29 Sep 2020. Leasing activities are underway

(1) As at 31 March 2021
(2) As at 31 March 2021, SGDRMB = 4.878
(3) Includes WeWork

2. Investment Properties


Office building at 100 Edward Street, Brisbane

	The Atrium Mall晶融汇, Chengdu, China	Portfolio of 15 Office & Retail Properties, Australia[3]
Type of Development	Retail	Commercial & Retail
Key Project Description	LEED® Gold certified commercial mall, which is part of a landmark mixed-use development	Portfolio of 15 quality freehold properties comprising 4 office buildings and 11 retail centres across 4 key states in Australia, namely New South Wales, Victoria, Queensland & Western Australia
% owned by Group	25%	20%
Tenure	40-yr term from 2007	Freehold
Partners	CICC 中金公司; ARA ASSET MANAGEMENT LIMITED	SIM LIAN HOLDINGS; SIM LIAN-METRO CAPITAL
Lettable Area	25,186 sqm	137,755 sqm
Occupancy Rate[1]	82.3%	94.8%
Valuation (100%)[2]	RMB1,740m (S$357m)	A$935m (S$957m)
Current Status	AEI completed and mall officially opened in December 2020	14 properties acquired in November 2019. Ropes Crossing acquired in November 2020

(1) As at 31 March 2021
(2) As at 31 March 2021, SGDRMB = 4.878, AUDSGD = 1.024
(3) See slide 5 for complete list of 15 properties

2. Trading 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 1,260 apartment and 170 SoHo units with total GFA[1] of 61,619 sqm
Partners	WINGTAI ASIA	CTCORP LEE KIM TAH GROUP	CTCORP LEE KIM TAH GROUP
GDV[2]/Valuation (100% basis)	S$516.3m[3]	IDR1.99trn[4]	IDR1.33trn[4]
Current Status	100% sold[5]	All 5 residential towers have topped-off and apartment sales are underway	1 of 2 residential towers have topped-off 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
[5] As at 8 April 2021

2. Trading Properties

	Bay Valley洋浦, Shanghai, China
Type of Development	Commercial
% owned by Group	30%
Key Project Description	Office buildings (13% of A4 & 88% of C4) located in New Jiangwan City, Yangpu District with total GFA[1] of 39,121 sqm
Partners	莱蒙國際 TOPSPRING
GDV[2]/Valuation[3] (100% basis)	RMB1,073m (S$220m)
Current Status	Leasing activities are underway

[1] GFA refers to Gross Floor Area
[2] GDV refers to Gross Development Value
[3] As at 31 March 2021, SGDRMB = 4.878

2. Trading 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 13,252 sqm
Partners	Scarborough Group International	Scarborough Group International	Scarborough Group International
GDV[2] (100% basis)	n.a.	£700m	£40m
Current Status	Planning approval for Phase 2 have been submitted, working on feasibility appraisal	Phase 1: 571 units completed and sold units 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; Planning for Phase 3 underway	Acero Works (7,460 sqm) sold in May 2018; Development works are now focused on Endeavour (5,792 sqm)

(1) GFA refers to Gross Floor Area
(2) GDV refers to Gross Development Value

美罗 METRO

3. Investments In FY2021

3. Purpose-Built Student Accommodation, UK

Red Queen, Warwick

Dean Street Works, Bristol

Description	Establishes student accommodation fund ("Paideia Capital UK Trust") with seed acquisitions in Warwick & Bristol	
Partners	LEE KIM TAH GROUP	WOH HUP BUILDING WITH INTEGRITY
% owned by Group	30%	
Fund Manager	Paideia Partners Pte. Ltd. (33.3% owned by Metro)	
Initial Aggregate Committed Capital	£60.0m	
Asset Name, Location	Red Queen, Warwick	Dean Street Works, Bristol
Acquisition Date	21 December 2020	29 January 2021
Total Consideration	£21.5m	£30.1m
No. of Beds	210 beds	44 studios, 181 en-suite beds
Occupancy Rate[1]	90%	100%

[1] As at 31 March 2021

3. Portfolio of 14 Industrial, Business Park, High-Spec Industrial And Logistics Properties, Singapore

GSK Asia House

Continental Building

Bombardier Aerospace

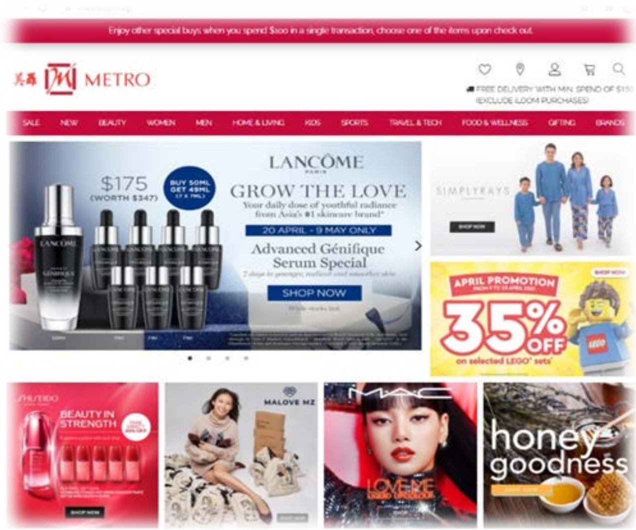
Description	Deepens Singapore presence by investing into a quality portfolio of 5 Business Park/High-Spec Industrial, 6 Industrial and 3 Logistics Properties
Partners / Fund Manager	BOUSTEAD Projects / Boustead Industrial Fund Management Pte. Ltd.
% owned by Group	26%(1)
NLA (sqft)	1,748,105
Land Tenure	Average lease tenure 32 years
Average Occupancy Rate(2)	99%
Weighted Average Lease Expiry(2)	~7.5 years
Total Consideration (26%)	S$76.6m
Acquisition Date	31 December 2020

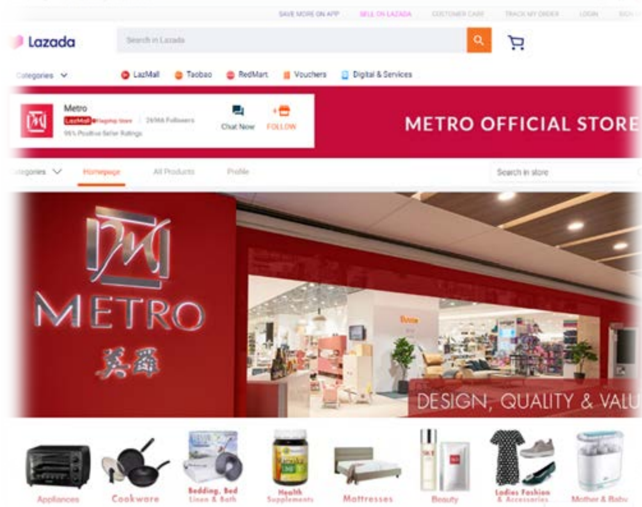
(1) 26% of the Units and 7.0 per cent. Notes due 2031 of Boustead Industrial Fund
(2) As at 31 March 2021

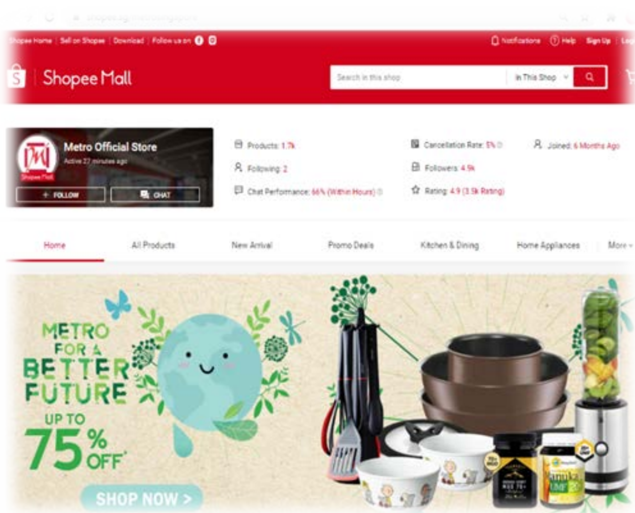
4. Retail Operations

4. Retail Operations

- Retail division continues to operate amidst difficult trading conditions;
- During Circuit Breaker from April-June 2020, Metro Causeway Point & Paragon closed but sales continued via Metro Online, LazMall and Shopee Mall.







4. Corporate Social Responsibility

- Despite COVID-19 headwinds, Metro raised S$250,000 in a month for the "Metro Is Singapore" COVID-19 Initiative;
- Metro partners Beyond Social Services to provide more than 300 laptops for low-income Singaporean students' home-based learning;
- Charity drive ran from 1st to 31st August 2020;
- Metro donated 2.5% of department store and online sales revenues;
- Board Directors, management, staff & key shareholders also contributed.

5. Financial Highlights

5. FY2021 Key Financial Highlights

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.

Property division – Reports higher PBT of S$49.6 million in FY2021, up from S$30.0 million in FY2020

- 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;
- Fair value gain on investment property, GIE Tower, Guangzhou, of S$0.5 million in FY2021, as compared to fair value loss of S$2.5 million in FY2020;
- Unrealised fair value gain of short term investments of $4.9 million in FY2021, as compared to unrealised fair value loss of $7.3 million in FY2020;
- 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 associate's 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 associate's operating losses (net of tax) by S$3.1 million; and
- 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 Tampines Grande, Singapore and the China investment properties mainly Metro City and Metro Tower in Shanghai. The China properties, mainly The Atrium Mall in Chengdu, Metro City and Metro Tower in Shanghai recorded higher fair value gain (net of tax) in FY2021, which was partially offset by absence of fair value gain from Tampines Grande, Singapore.

5. FY2021 Key Financial Highlights

Retail division – Reports Net Loss before Tax of S$2.1 million, from a Net Profit Before Tax of S$9.8 million in FY2020 that includes a one-off divestment gain of S$10.6 million

- 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 an operating loss of S$0.2 million in FY2020 which was comparable to the operating loss of S$0.4 million in FY2021, after rental rebates granted by landlords, property tax rebates and jobs support scheme, totalling S$9.3 million. FY2021 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.

Strong Balance Sheet

- Net Assets of S$1.6 billion and total assets of S$2.3 billion as at 31 March 2021, as compared to S$1.5 billion and S$2.2 billion respectively as at 31 March 2020.

5. Key Financial Highlights – 2HFY2021

Revenue	PBT
S$60.6 million	S$23.8 million
▼ 25.7% YoY	▲ 69.7% YoY
2HFY2020	2HFY2020
S$81.5 million	S$14.0 million

Remarks:

(1) Revenue from the property division for 2HFY2021 decreased to S$13.1 million from 2HFY2020's S$34.3 million, mainly due to lower revenue recognition by S$21.8 million from the 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$0.6 million from S$2.8 million in 2HFY2020 to S$3.4 million in 2HFY2021. The retail division's revenue of S$47.5 million in 2HFY2021 was comparable to S$47.2 million in 2HFY2020.

(2) PBT increased by S$9.8 million to S$23.8 million in 2HFY2021, mainly attributable to:

- Fair value gain on investment property, GIE Tower, Guangzhou, of S$0.5million in 2HFY2021 as compared to fair value loss of S$2.5 million in 2HFY2020;
- Rental rebates granted by landlords, property tax rebates and jobs support scheme, totaling S$3.3 million in 2HFY2021;
- Unrealised fair value gain of short term investments of S$2.0 million in 2HFY2021, as compared to unrealised fair value loss of $8.0 million in 2HFY2020;
- Share of associates' loss decreased by S$17.4 million from S$30.4 million in 2HFY2020 to S$13.0 million in 2HFY2021 mainly due to fair value gain (net of tax) on investment properties owned by associates of S$5.9 million in 2HFY2021, as compared to fair value loss (net of tax) of S$10.1 million in 2HFY2020;

and partially offset by

- Absence of divestment gain of S$10.6 million from the disposal of the Group's 50% equity interest in its retail associate, PT MRM in Indonesia;
- Recognised impairment loss on the retail right-of-use of assets of S$4.6 million in 2HFY2021 to reduce the carrying value of these assets in view of the continuing challenges faced by the retail segment amidst the uncertainty of recovery in the COVID-19 pandemic; and
- Lower share of profit of joint ventures by S$7.7 million from S$39.8 million in 2HFY2020 to S$32.1 million in 2HFY2021, mainly due to lower contributions from The Crest by S$6.9 million.

5. Key Financial Highlights – FY2021

Revenue

S$97.3 million

▼ 53.7% YoY

FY2020

S$210.3 million

PBT

S$47.6 million

▲ 19.7% YoY

FY2020

S$39.7 million

Basic EPS

4.4 cents

▲ 12.8% YoY

FY2020

3.9 cents

NAV Per Share

S$1.86

▲ 2.8% YoY

FY2020

S$1.81

Return on Total Assets(1)

1.6 %

◀▶ 0.0% YoY

FY2020

1.6%

Return on Equity(1)

2.4%

▲ 14.3% YoY

FY2020

2.1%

Remarks:

(1) In calculating return on equity and return on total assets, the average basis has been used

5. Key Financial Highlights – FY2021

Proposed Dividend[1]

S$18.6 million

▲ 12.5% YoY

FY2020

S$16.6 million

Comprises:

- Ordinary Dividend
  - 2.0 cents
- Special Dividend
  - 0.25 cents

Dividend Cover

1.97x

▲ 1.0% YoY

FY2020

1.95x

Remarks:

(1) FY2021's proposed dividend subject to shareholders' approval at the AGM

5. Consolidated Income Statement

(S$ '000)	2nd Half Year Ended			Full Year Ended		
	31-Mar-21	31-Mar-20	Change	31-Mar-21	31-Mar-20	Change
Revenue	60,606	81,533	(25.7%)	97,323	210,254	(53.7%)
Profit Before Tax	23,815	14,030	69.7%	47,562	39,731	19.7%
Comprising:						
Metro City, Metro Tower, GIE Tower, The Atrium, 5 Chancery Lane, Tampines Grande (Incl Fair Value)	28,293	25,661	10.3%	46,097	44,168	4.4%
Key Associates – Top Spring, Bay Valley, Shanghai Plaza, Australia Portfolio, PBSA, Boustead (Incl Fair Value)	(6,292)	(43,745)	(85.6%)	(20,494)	(52,612)	(61.0%)
Residential Projects – The Crest, Bekasi, Bintaro	8,096	17,460	(53.6%)	26,617	24,162	10.2%
Retail(1)	(434)	9,680	n.m.	(2,057)	9,756	n.m.
Investments (InfraRed Fund II/III, MGSA, etc)	(3,377)	5,772	n.m.	4,121	20,914	(80.3%)
Others	(2,471)	(798)	209.6%	(6,722)	(6,657)	1.0%
Profit After Tax	17,172	11,476	49.6%	36,995	33,080	11.8%

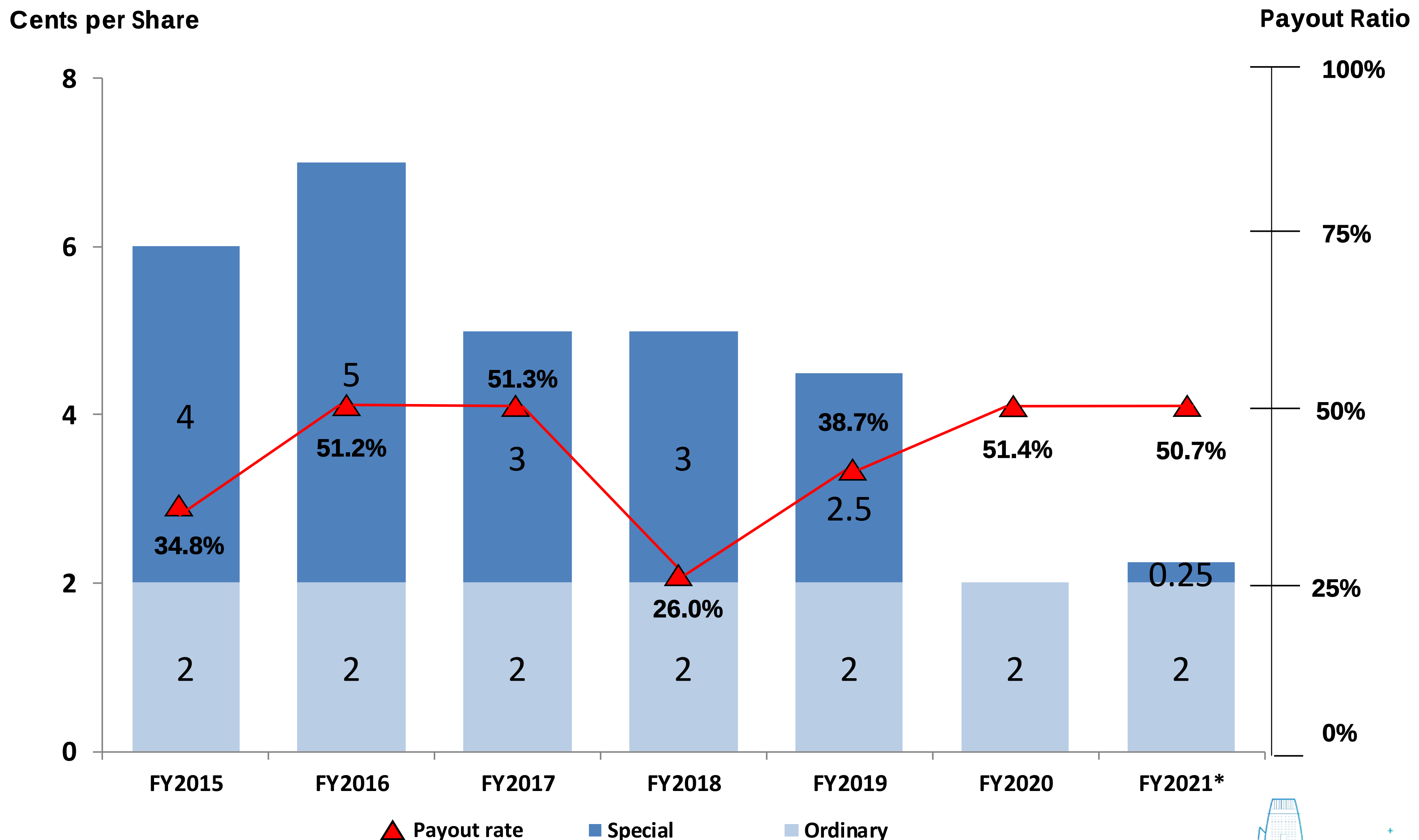
Remarks:

(1) Included divestment gain of S$10.6 million from the disposal of the Group's 50% equity interest in its associate in Indonesia in FY2020

5. Balance Sheet Highlights

(S$ million)	As at		Change
	31-Mar-21	31-Mar-20	
Investment Property	111.7	109.0	2.5%
Associates	773.3	795.6	(2.8%)
Joint Ventures	367.9	337.3	9.1%
Other Non-current Assets	138.2	165.0	(16.2%)
Current Assets	956.2	829.4	15.3%
Total Assets	**2,347.3**	**2,236.3**	**5.0%**
Current Liabilities	390.4	208.6	87.2%
Long Term and Deferred Liabilities	391.5	499.0	(21.5%)
Total Net Assets	**1,565.4**	**1,528.7**	**2.4%**
Shareholders' Funds	1,536.6	1,500.1	2.4%
Non-controlling Interests	28.8	28.6	0.7%

5. Dividend Payout



** FY2021's proposed dividend subject to shareholders' approval at the AGM*

6. Vision & Growth Strategies

6. Our Vision

Metro aims to be a leading property investment and development group in the region, building on the synergies of our rich retail experience, strong foothold in our core markets, and our strategic partnerships

6. Growth Strategies (Property)

1. Continue to grow presence in Singapore, China, Indonesia, the United Kingdom and Australia
2. Further diversify across sector and asset classes for resilience
3. Balanced portfolio of investment and development assets

China
- Commercial assets with retrofitting upside potential

Singapore
- Commercial assets with retrofitting upside potential
- Industrial, business park, high-spec industrial & logistics

United Kingdom
- Commercial
- PBSA
- Mixed-use residential

Indonesia
- Affordable & mid-end residential

Australia
- Quality office
- Defensive retail

6. Growth Strategies (Property)

4 Strategic alliances with existing and new partners

5 Continue to achieve efficiency in capital recycling

6 Strengthen financial position whilst proactive asset management of our investment portfolios, and leveraging on the Group's resources and unutilized credit facilities

PARTNERS

上海徐家汇商城(集团)有限公司 SHANGHAI XUJIAHUI CENTRE (GROUP) CO.,LTD.

莱蒙國際 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

SIM LIAN HOLDINGS

SIM LIAN-METRO* CAPITAL

WOH HUP BUILDING WITH INTEGRITY

BOUSTEAD Projects

* Asset management company 80%-owned by an affiliate of Sim Lian Holdings Pte Ltd and 20%-owned by Metro SL Australia Investment Pte. Ltd.

6. Growth Strategies (Retail)

1. Capitalise on retail brand name in Singapore
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

Diversification For Resilience

7. Market Outlook

Market Outlook: Singapore, Office

Office Rents In 2021 Could Recover To 2019's Levels

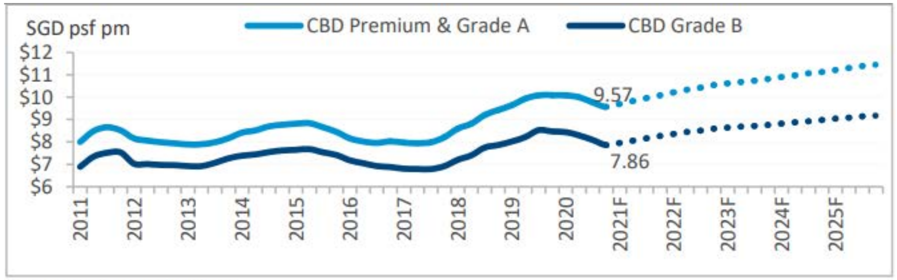
Colliers, Office Rents Pivot, 6 April 2021

- The Grade A office market has remained relatively resilient despite Singapore experiencing its worst recession since independence. According to Colliers International research, Grade A offices are forecasted to grow at a rate of 5.5% to S$10.09 (US$7.63) psf. Despite the introduction of remote working, many employers are starting to adopt a hybrid working arrangement – proving physical office spaces are an essential factor for companies to secure their corporate identity with workspaces
- An increase in new workspace demand is also expected to be driven by the technology sector as well as the overall business recovery in addition to the recent award of digital banking' licenses. CBD Grade A vacancy rate of 5.0% in 1Q 2021 is expected to tighten in the next 2 years as the supply for Grade A offices is predicted to remain relatively muted before the next office supply hike in 2023

CBRE, The Future of Work – Resetting Asia Pacific Office Strategy, 2021

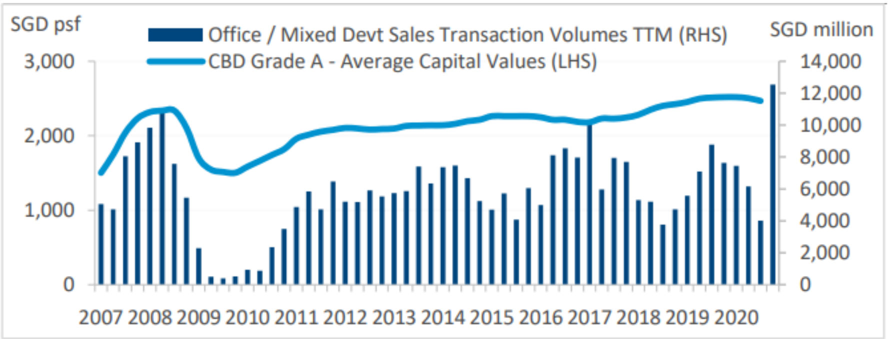
- More companies are establishing hub-and-spoke models and setting up decentralised offices to control costs and cater to employees' needs as well as to enhance Business Continuity Planning through dispersing staff across different offices.
- CBRE's analysis of office leasing demand shows that take-up in major business districts and decentralized locations has been steadily increasing and has surpassed that in CBDs for the past few years

Singapore's CBD Grade A & B Gross Effective Rents



Source: Colliers International.

Singapore's CBD Grade A Capital Values & Island-wide Transaction Volumes



Source: Colliers International. Note: Valuation-based methodology is used to derive capital values. Investment volumes only include transactions over SGD5 million. "TTM" refers to trailing 12 months.
*Adjusted for any change in basket of properties.

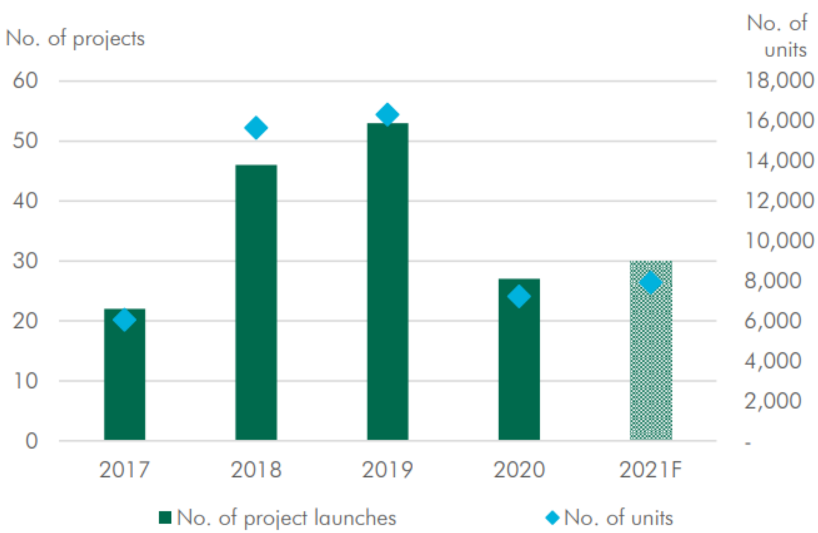
Market Outlook: Singapore, Residential

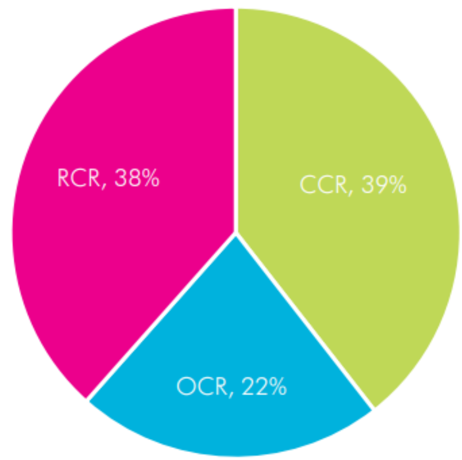
Sales & Price Performance To Stay Positive

CBRE, Asia Pacific Real Estate Market Outlook, Singapore 2021

- Singapore's residential market in 2020 performed well, exceeding expectations despite going through a countrywide lockdown and weathering against the recession. The residential market in 2020 ended off on a positive note with 9,982 new homes sold, surpassing 2019's transactional volume by 0.7% YoY. Similarly, in the resale market; 10,729 resale units were transacted, 19.9% higher than the previous years
- Singapore's 2021 residential market is expected to remain robust with 30 potential projects, comprising 7,940 units for sales, supporting demand for upcoming new launches. Experts note that location and developers' track record will help differentiate projects, along with realistic strategic pricing which will help drive a higher take-up rate
- CBRE Research expects the Private Residential Property Index to continue to edge up and may achieve a 0% to 2% growth in 2021. New home sales are likely to fall in the region of 8,000 to 9,000 units. Though we are expecting a relatively healthy pipeline of launches, most of the new projects are in the CCR (Core Central Region) & RCR (Rest of Central Region), where their higher price quantum may limit the potential pool of buyers

Project Launches & Their Respective Locations





Source: URA REALIS, CBRE Research

Note: CCR – Core Central Region, RCR – Rest of Central Region, OCR – Outside Central Region

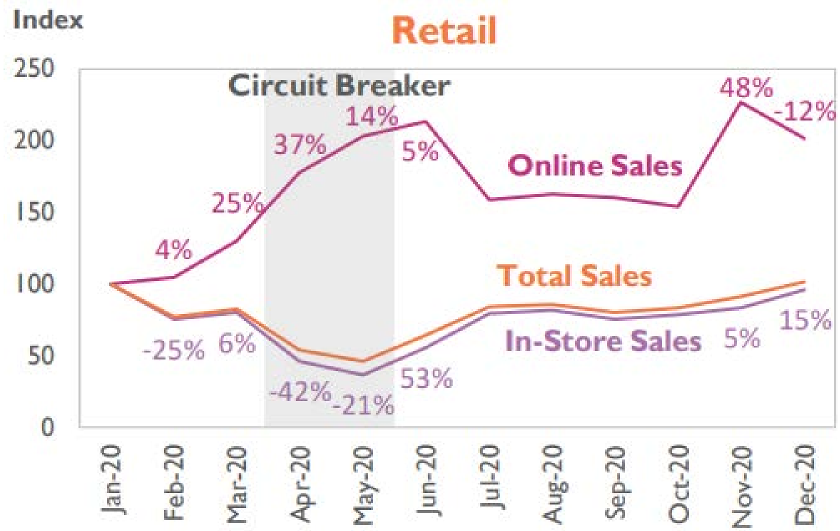
Market Outlook: Singapore, Retail

Retail Sales Have Recovered to About 91% of Pre-COVID Levels[1]

Singapore Department of Statistics, 1Q2021

- Despite continued weakness and seeing its worst performance since 1986 due to the ongoing COVID-19 pandemic and the Circuit Breaker period, the retail industry has seen some sectors recovering well and surpassing pre-COVID levels; mainly supported by higher demand for groceries and products such as computers and related peripheral equipment, household appliances and sporting goods as people spend more time at home due to working-from-home arrangements
- Retail industries such as Department Stores, Wearing Apparel & footwear and watches & jewelry were severely affected due to low tourist arrivals as a result of travel restrictions; attributing to a YoY decline in sales of between 32% and 42% in 2020
- Online retail sales doubled in 2020, making up about 12% of the total retail sales as compared to 6% in 2019. The increase is mainly driven by industries with higher online sales namely, Computer & Telecommunications Equipment, Furniture & Household Equipment, Supermarkets and Hypermarkets

Online & In-Store Sales (Including Dine-in) Sales Indices (Jan 2020 = 100) For The Retail Sector, Jan – Dec 2020



1 Pre-COVID levels refers to the average sales levels for the Jun – Dec 2019 period, which was used as a year-on-year comparison for the post CB period

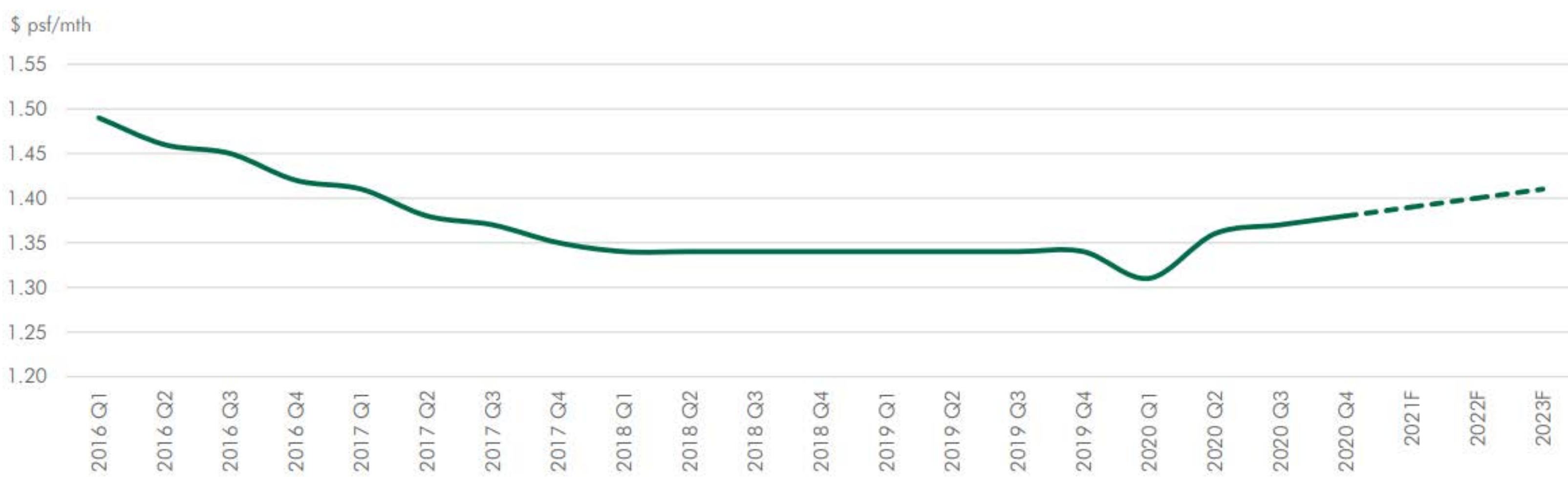
Market Outlook: Singapore, Logistics

Logistics Has Remained A Resilient Asset Class Amid The Pandemic

CBRE, Asia Pacific Real Estate Market Outlook, Singapore 2021

- Rents returning to pre-COVID-19 levels at the end of 2020 was mainly driven by the government's stockpiling, third-party logistics service providers, e-commerce and food logistics players; With social distancing measures still in place, CBRE expects third-party logistics service providers and e-commerce segments to continue to thrive in 2021 even as government stockpiling continues to ease off
- According to CBRE Research, prime logistics rents are forecasted to grow at a rate of 0.7% YoY in 2021 with cold chain logistics poised to be an additional demand driver as food logistics continue to be the main demand driver. There is also potential for specialised cold chain logistics as Singapore positions itself to be a vaccine distribution hub
- Logistics is expected to remain resilient in the year ahead; retaining its attractiveness, especially for buildings with higher specifications while owners of ageing properties may want to consider a facelift to remain competitive and relevant

CBRE Prime Logistics Rents



Source: CBRE Research

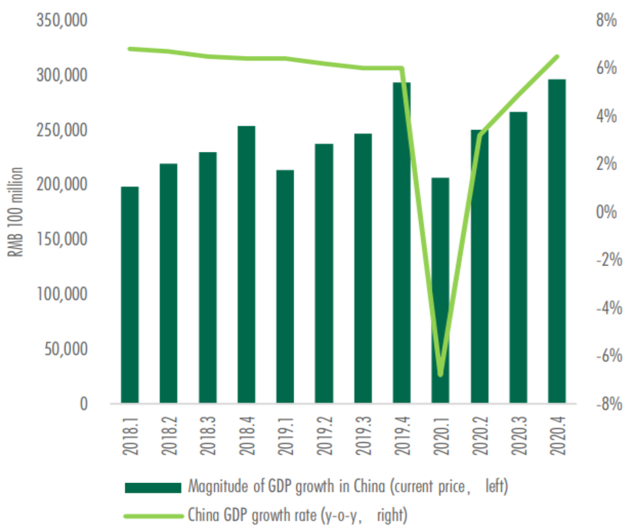
Market Outlook: China, Office

Investment Continues To Rebound As Leasing Activity Gathers Momentum

CBRE, Marketview China, 4Q2020

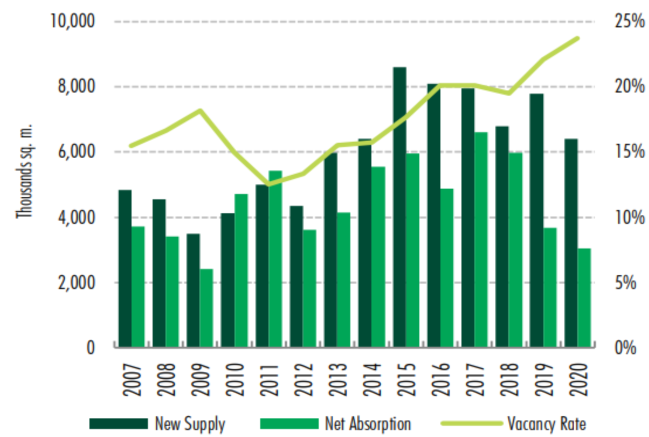
- The swift containment of the COVID-19 pandemic in early 2020 supported a quick economic rebound over the remainder of the year. GDP returned to expansionary territory in 2Q2020, registering full-year growth of 2.3% with key industries including manufacturing, fixed asset investment, imports, exports and retail sales all reporting annual growth
- China's final consumption expenditure to GDP rate was about 55% in 2020, 1.6% higher than the 10-year average and 11.2% above the capital formation rate in 2020
- CBRE expects China to register GDP growth of 8.2% in 2021 as the country's strong rebound from the pandemic continues.
- China's overall office vacancy rate stood at 23.7%, an increase of 0.4% QoQ and 1.6% YoY. Guangzhou was the only market with a vacancy rate below 10%

China's Gross GDP Volume & Growth Rate



Source: National Statistics Bureau, CBRE Research, Q4 2020.

China's Office New Supply, Net Absorption & Vacancy



Source: CBRE Research, Q4 2020

Market Outlook: Shanghai, Office

Office Leasing Continued To Recover

JLL, Asia Pacific Property Digest, 4Q2020

- CBD rents fell 1.3% QoQ and 6.7% YoY as continued new supply pressured landlords to remain negotiable. Domestic financial and professional services companies jumped at the opportunity to upgrade their Grade B CBD offices to Grade A
- Three new completions have added 137,000 sqm to Shanghai's Office market in 4Q2020. While CBD vacancy rose 2.0 ppts YoY to 12%; attributed to new supply in the Changning submarket
- According to JLL, leasing demand is expected to continue improving as the pandemic remains under control and the economy recovers. Leasing recovery is also likely to be driven by industries such as TMT, financial services, healthcare and foreign financial companies that have benefitted from the pandemic or have been supported by key policy initiatives

Grade A Office Vacancy Rates Fell On The Back Of Recovered Demand

Savills, Shanghai Office, April 2021

- Citywide Grade A office vacancy rate fell 1.0 ppt in 1Q2021 to 15.8% while effective rents declined 0.3% in 1Q2021 to an average RMB7.3 per sqm per day
- Actual foreign direct investment in Shanghai increased by 6.2% in 2020, versus a 42% plunge globally, indicating that the city remains attractive to foreign companies and economically resilient despite the pandemic
- Decentralised rents recovered 0.3% in 1Q2021, supported by office demand for cost-saving, expansion and consolidation

Market Outlook: Shanghai, Retail

First Rental Raise In A Year

Savills, Shanghai Retail, April 2021

- As the market shakes off the impact of COVID-19, retail sales have grown by 48.3% YoY in the first two months of 2021, compared to a plunge of 20.3% in retail sales YoY in 2020
- There were no new project launches in the market in 1Q 2021, keeping the total shopping mall and department store stock at 13.8 million sqm
- Citywide vacancy rate decreased by 0.7 ppt in 1Q2021 to 9.5%
- Several luxury brands opened new stores during the quarter, indicating that Shanghai's retail market remains attractive to major international brands
- Service brands accounted for 38.9% of newly leased space mainly contributed from the increasing proportion of children-related facilities, leisure and entertainment tenants
- With the anticipation of 14 new project launches for the rest of 2021, the market can expect 1.5 million sqm of new supply. Citywide vacancy rates are likely to hover around 10% in the short to mid-term as delayed supply eventually launches and increases market competition

Shanghai Citywide Vacancy Rates, 2Q2016 To 1Q2021

Source Savills Research

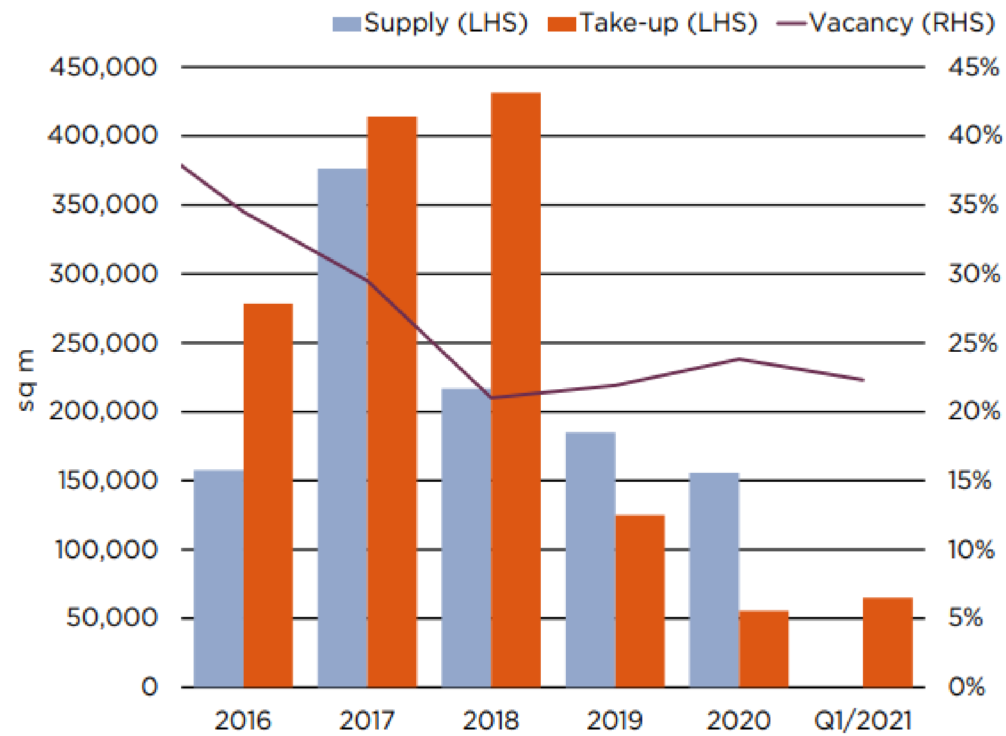
Market Outlook: Chengdu, Office

Consumer Services See Increasing Demand

Savills, Chengdu Office, April 2021

- Chengdu's GDP has increased by 4.0% YoY, reaching RMB 1.7 trillion in 2020; while the tertiary industry growth value has decreased by 3.6 ppt YoY to RMB 1.1 trillion in the same year
- With most market demand driven by the finance, IT and consumer services sectors at a rate of 20%, 19% and 16% respectively, market recovery has been prominent
- New lease transactions have also skyrocketed, pushing the net absorption area to over 60,000 sqm; this has led to the decrease in overall vacancy rate by 1.5ppt QoQ to 22.3%
- While there is no new Grade A office supply in 1Q 2021. The annual new supply of the Grade A office market in Chengdu is expected to exceed that of 2020
- A short-term increase in the market vacancy rate is expected as a result of several high-quality projects located in the CBD and Dayuan. Improvement of major domestic economic indicators and active demand from the finance, IT and other industry sectors indicate a steady development of Chengdu's office market

Chengdu Grade A Office Supply, Take-Up & Vacancy Rates From 2016 To 1Q2021



Source Savills Research

Market Outlook: Chengdu, Retail

Chengdu Shopping Mall Average Vacancy Rate Continues To Decrease In 1Q2021

Savills, Chengdu Retail, April 2021

•Chengdu's retail sales of consumer goods surged by 30% YoY, reaching RMB 137.46 billion from January to February 2021

•A new shopping mall establishment in 1Q2021 with a total GFA of 144,000 sqm saw Chengdu's total shopping mall stock to 6.60M sqm

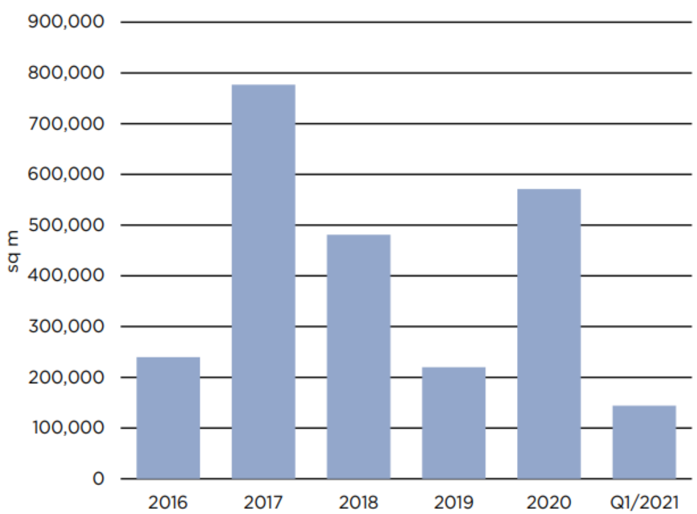
•The citywide average vacancy rate of shopping malls fell 0.5 ppt QoQ to 8.8% in 1Q2021

•Due to COVID-19, Chengdu's retail market demand shrank over the quarter, and net absorption decreased to -139 sqm

•Some projects, which were expected to open this year, are very likely to postpone their opening date due to the virus. However, the total new supply volume of 2020 may still greatly outstrip that of last year

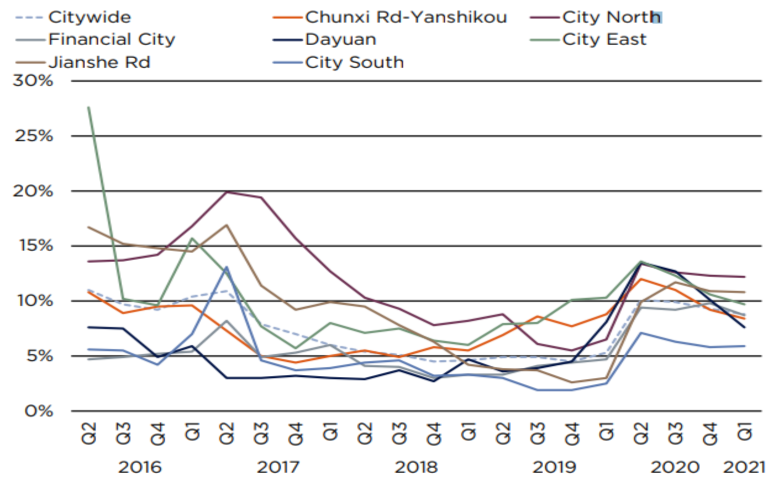
•For the rest of 2021, Chengdu's retail market supply is expected to reach about 500,000 sqm with the average shopping mall vacancy rate remaining relatively steady. It is also likely for the citywide vacancy rate to fall steadily as the future supply for the retail market slows down in the next few years

Chengdu Shopping Mall Supply, 2016 To 1Q2021



Source Savills Research

Chengdu Retail Submarket Vacancy Rates, 2Q2016 To 1Q2021



Source Savills Research

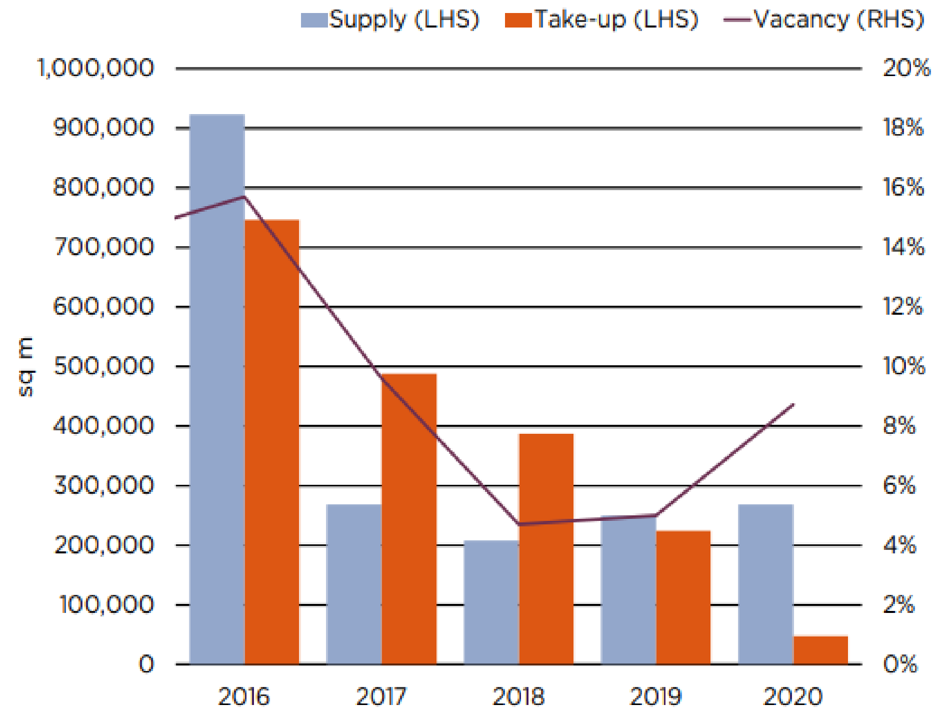
Market Outlook: Guangzhou, Office

Annual Leasing Demand Eases Off

Savills, Guangzhou, February 2021

- Guangzhou has not been spared from the impact of COVID-19 as the overall leasing demand market fell to 47,434 sqm. However, Guangzhou's GDP increased by 2.7% YoY to RMB 2,501.9 billion towards the end of 4Q2020
- The citywide vacancy rate continued to grow to 8.7%, an increment of 1.1 ppts QoQ and 3.8 ppts YoY. Citywide average rent stands decreased to RMB 166.4 per sqm and the rental index has fallen by 0.9% QoQ and 4.6% YoY
- The total stock of the Guangzhou Grade A office market had grown to 5.5 million sqm by the end of 2020
- Landlords continue to be flexible in rental negotiations, to retain or attract tenants; this includes lowering rent and extending rent-free periods
- Guangzhou office market has remained positive in 4Q 2020. A supply peak of Guangzhou Grade A office property is expected in 2021, as approximately 1.4 million sqm of new supply is scheduled for completion. Vacancy rates are forecasted to grow steadily as competition amongst different buildings intensifies due to the temporary oversupply and tenants are due to enjoy better bargaining power for more favourable financial terms

Guangzhou Grade A Office Supply, Net Take-Up & Vacancy Rate, 2016 To 2020



Source Savills Research

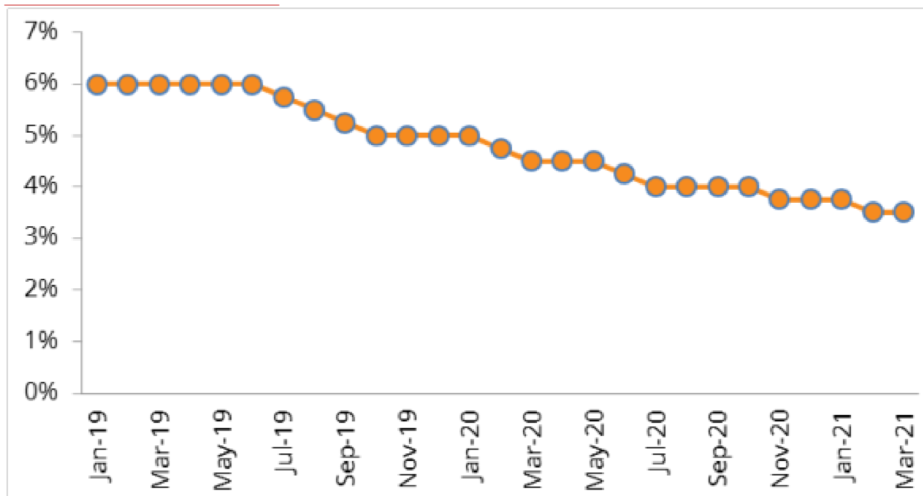
Market Outlook: Indonesia, Residential

Interest Rate At All-Time Low

Colliers Quarterly, Jakarta, 7 April 2021

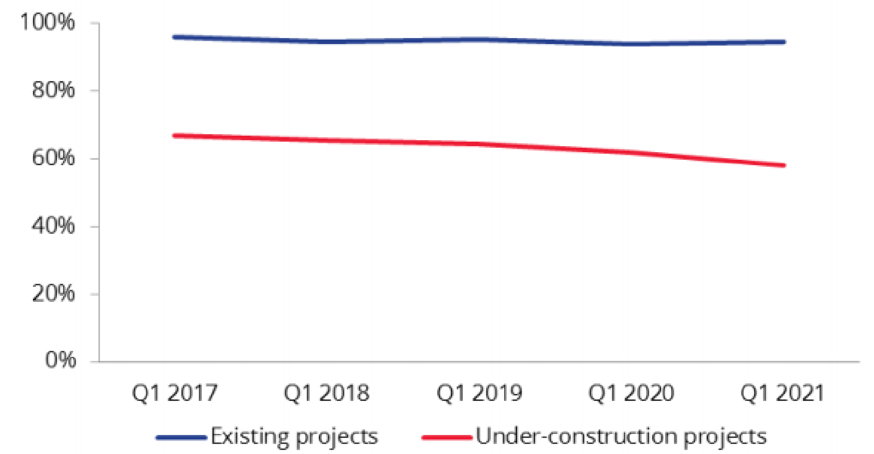
- Bank Indonesia has cut its benchmark rate aggressively since mid-2019 from 6.0% to 3.5%. To spur the property market, the bank eased the LTV regulations for mortgages up to 100% and eradicate the stages of mortgages disbursement regulations for indent property
- In the second half of 2020, the average take-up rate of apartments in Jakarta has decreased. While in 1Q2021, the average take-up rate has contracted slightly by -0.12% QoQ to 87.1%. The decline was a result of newly completed projects with an absorption rate below 10%
- Similarly, the sales performance of under-construction projects had also subsided by 0.5% QoQ to 58.2%. According to Colliers' findings, discounts and flexible payment terms are some of the strategies found to be effective in retaining buyers' interests and driving sales performances
- There were no new projects completed in 1Q2021, resulting in the total supply stagnating at 215,291 units. However, developers are expected to be able to boost their sales performance due to the introduction of VAT exemption by policymakers for existing ready-to-use projects with a price point below IDR5 billion until August 2021

Interest Rates



Source: Bank Indonesia

Take-Up Rates



Source: Colliers International

Market Outlook: UK, Office

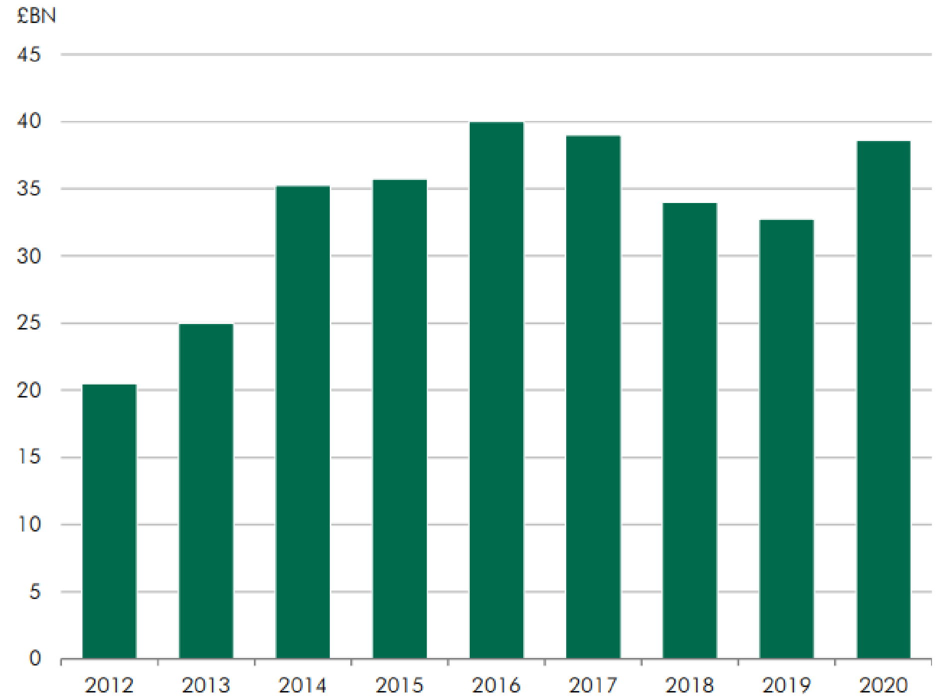
Office Investment Recovers As Uncertainties Recede

CBRE, UK Real Estate Market Outlook, 1Q2021

- Although UK office investment volumes dwindled by 56% YoY for Q2 and Q3 2020, a rebound is expected in the final quarter of 2020 and into 2021
- Office leasing activity in regional office markets in 2021 will likely be boosted by the public sector which equates to almost 1m sqft of take-up
- Demand is expected to come from a wide variety of sources, including sovereign wealth funds, overseas institutions and European funds. Overseas private investors are also expected to be particularly active
- Equity targeting Central London office property is estimated at £38.6bn, a YoY increase of around £6bn in 2019
- UK office capital values are forecasted to continue sliding at -4.3% in 2021, indicating a delayed decline relative to the forecast 2020 outturn of -6.3%. Experts predicted the total returns for all UK office to remain broadly flat for 2021 at -0.5% following a negative expected outturn in 2020 of -2.7%

Estimated Equity Targeting London Office Investment Stock

FIGURE 04: ESTIMATED EQUITY TARGETING LONDON OFFICE INVESTMENT STOCK



Source: CBRE Research, November 2020

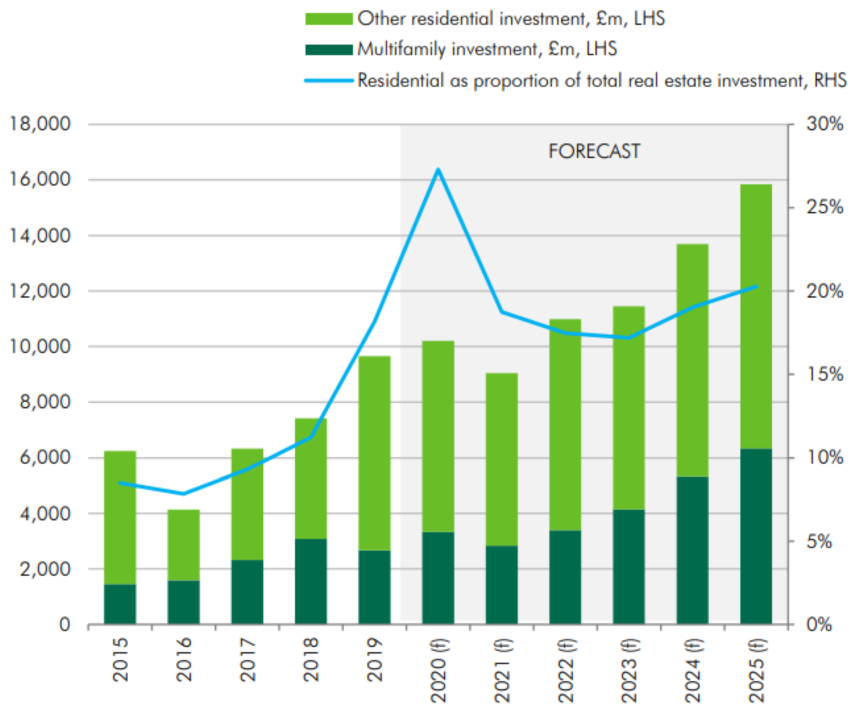
Market Outlook: UK, Residential

Residential Will Continue To Outperform

CBRE, UK Real Estate Market Outlook, December 2020

- The residential sector has remained resilient in the face of the pandemic. Despite COVID-19 restrictions, investment into the residential sector has been strong in 2020. There is a high level of equity targeting the Multifamily sector (approximately According to MSCI, the total residential returns for the year to 3Q2020 were 2.4%
- The resilient residential sector trend is expected to continue into 2021; Referring to CBRE valuation data, rent collection and occupancy rates has remained robust, averaging 97% (April – Aug 2020) and 83% respectively (April – Sept 2020)
- There is a high level of equity targeting the Multifamily sector (approx. £40bn according to CBRE estimates – an indication that more equity is targeting UK multifamily property than Central London office property). Lending remains highly competitive
- Due to the resilience and strong long-term fundamentals, the residential investment market is expected to exceed its figures every year of the forecast period (to 2025); driven by both existing investors who are expanding their portfolios to new entrants looking to diversify from traditional commercial real estate

UK Residential Investment, 2015 – 2025 (F)



Source: CBRE Research, Q3 2020

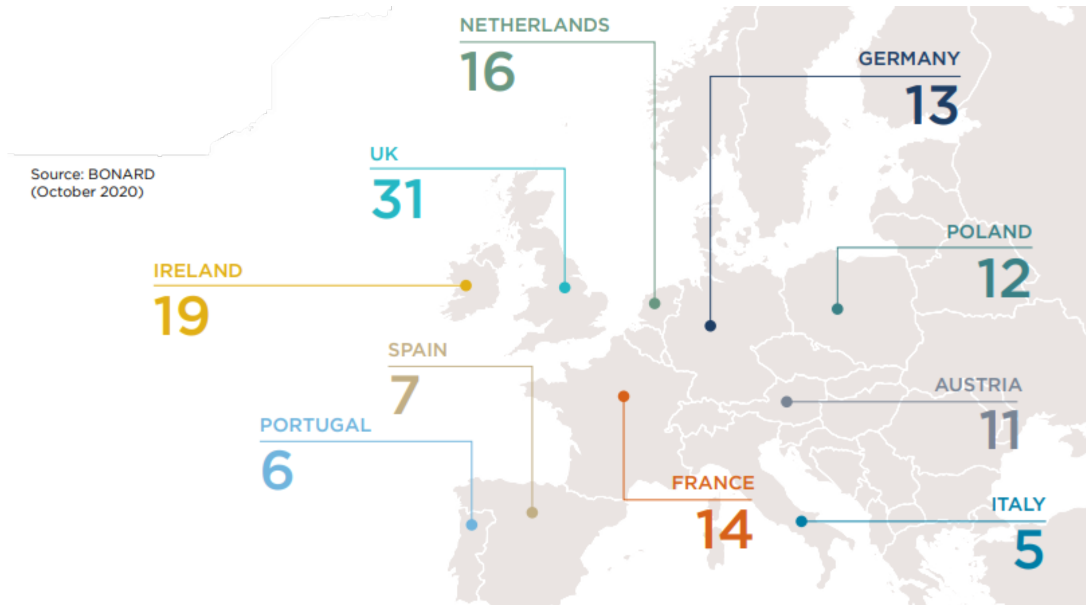
Market Outlook: UK, PBSA

Rising Demand For Higher Education Is Underpinning The Growth Of Student Accommodation Sector

Savills, Outlook 2021

- In the EU, the number of full-time university students rose by over 1 million between 2013 and 2018. The trend is aligned with the region's government effort in driving higher education attainment along with the EU's 2020 strategy to have at least 40% of age 30 to 34 complete a higher education course
- The growth of the student market has boosted investors' interest in stable, long income streams. Investment has more than doubled between the years 2010 and 2019, from an average of EUR 3.2 billion to EUR 7 billion per annum
- Despite steady growth in availability, the provision of PBSA beds has not matched the rising demand
- Across Europe, the number of PBSA beds per 100 students is low, even in the UK market which is considered to be more mature than other European markets
- Data from Bonard show that less than one in three students in the UK has access to a PBSA bed. This falls to one in ten in Germany and less than one in twenty in Italy and Portugal
- While local conditions are vital in the university markets, the student housing market can provide appealing opportunities for long-term investors

PBSA Provision Rate % (Proportion Of Beds To Students)



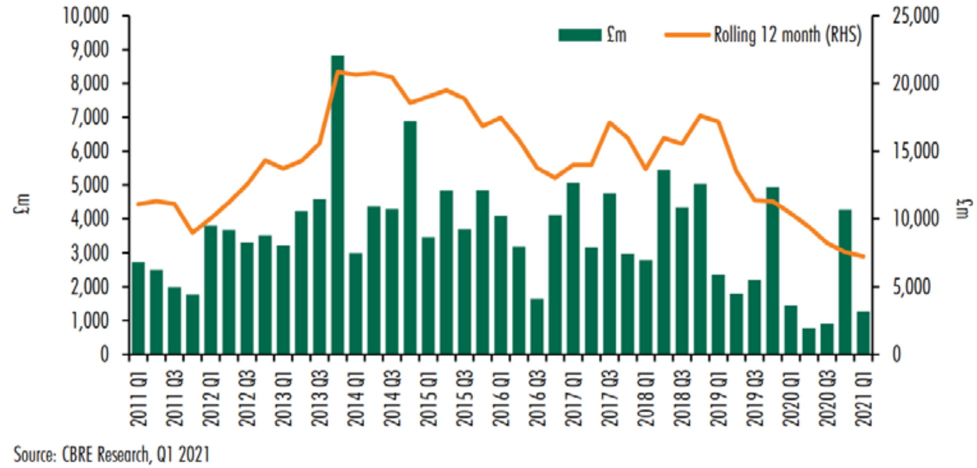
Market Outlook: Central London, Office

Signs Of Recovery For The London Office Market

CBRE, Central London Office, 1Q2021

- Despite take-up at below the 10-year quarterly average, Central London saw an increase in leasing transactions and also the highest take-up for the first time since the pandemic at 1.3 m sqft
- Vacancy rate had increased to 8.9% in Q1 from 8.1% in 4Q2020
- There were more than 1m sqft of development and refurbishment space completed during 1Q2021 and a further 5.1 m sqft under construction due to completed before the end of 2021 of which 44% has been pre-let or is under offer. In addition, a total of 7.0 m sqft is under construction and due to complete either in 2022 or 2023
- At the end of Q1, active occupier requirements across Central London totalled 6.5 m sqft up from 5.3 m sqft at 4Q2020
- Following a strong 4Q in 2020, capital transactions were more subdued in 1Q. A total of £1.3 bn was invested across 28 transactions in Central London offices in the last quarter, a QoQ decline of 70% and 58% on a 10-year average

Central London Investment Transactions



Source: CBRE Research, Q1 2021

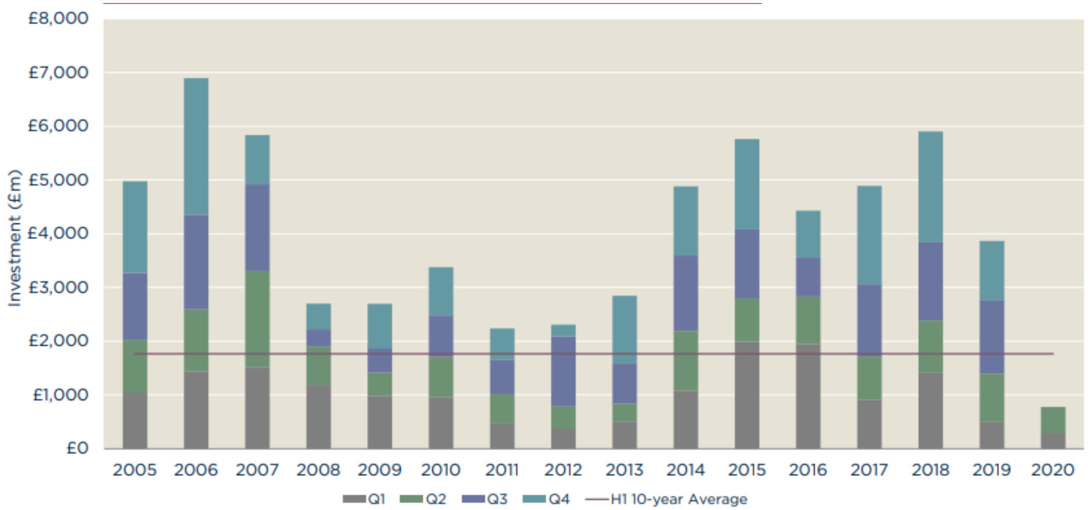
Market Outlook: Sheffield, Office

Regional Offices Provide An Attractive Yield Gap To Central London

Savills, UK Regional Office Market Report, Summer 2020

- The COVID pandemic and the subsequent lockdown restrictions have resulted in investor caution; reflected by prime yields for regional offices moving out by 25 basis points and currently standing at 5%
- Investor's appetite for prime assets and medium to long-term income remains strong; this is evident by UK Legal & General's continued investment in urban regeneration schemes, including a £150 million investment into Sheffield City Council and Urbo's West Bar Square development in 1H2020. UK institutions; being the most active investor has accounted for 40% of the investment volumes
- According to Savills, it is expected that UK institutions and overseas investors will continue to invest actively in the market
- The UK's technology sector is continually innovating and growing, with the total number of technology companies in the UK rising by 14% during 2018 alone. Much of this growth comes from startups which often base themselves in the regional cities to save on rent costs, as well as cluster with similar occupiers

UK regional office investment (£m)



Source Savills Research

Market Outlook: Manchester, Office

Manchester – Strongest Take-Up Of All Big 6 Regional Office Markets

JLL, Property Predictions 2021

Savills, UK Regional Office Market Report, 2020

- In 2020, the office market in Manchester once again saw it resilient throughout the year – a trend experts expect will continue during 2021
- Significant activity is expected in the second half of the year as a result of pent-up demand
- Manchester city centre prime rents have increased from £36.50 per sqft to £38.50 per sqft in 2020. Rental quotes for prime locations in the city is currently standing at £40 per sqft
- The level of supply continues to remain low, while vacancy rate hovers around 5%. Subsequent completion of four new office buildings in 2021will provide more choices across the city
- Demand for higher quality will continue to be on the rise. Developers will also be shifting their focus on sustainability of offices as they work towards net zero carbon buildings
- Manchester is also home to one of the largest tech clusters in the UK which hosts more than 62,000 skilled workers. Their new tech 'neighbourhood' Bruntwood SciTech’s Circle Square development will be a key location for this sector to develop and expand going forward
- Ultimately, the growth of the technology sector shows no signs of slowing and the UK’s regional office markets present many attractive opportunities for both startup and established tech firms looking for high-quality office space surrounded by similar occupiers

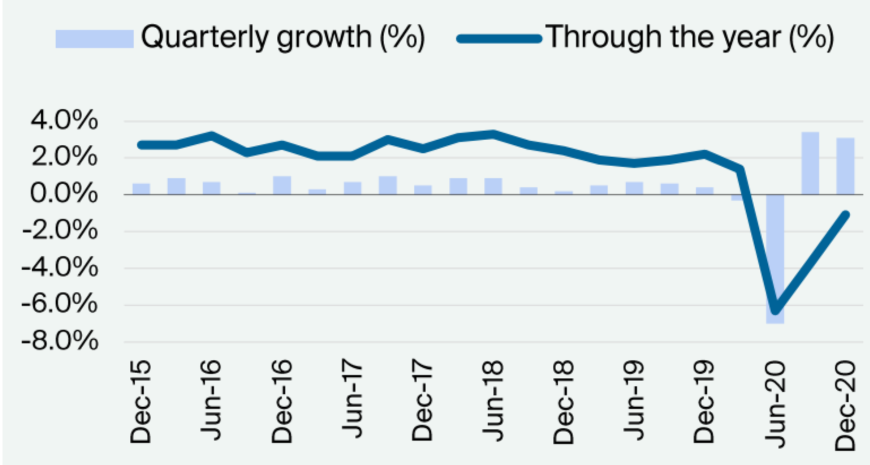
Market Outlook: Sydney, Office

Economic Recovery Is Underway…

Knight Frank, Sydney CBD Office Market, March 2021

- Growth in business investment, consumer spending and employment had exceeded expectations, suggesting an economic rebound from the pandemic
- Australian GDP rose by 3.1% in the December quarter; well above the 2.5% predictions by market commentators. The trend was driven by household spending, which grew 4.3% in the quarter as a result of pent-up demand in Victoria following the easing of restrictions towards the end of October
- National employment figures are just 0.4% below pre-pandemic levels in February 2020, with January 2021 being the fourth consecutive month of increasing employment; demonstrating an economic turnaround
- Overall leasing volumes in Sydney remain impacted by pandemic conditions, but the sentiment is improving as more office workings being transition back to the workplace
- An activity halt due to the pandemic containment measures has attributed to the total vacancy rate at 8.6% in January 2021, up from 5.6% in July 2020, while total net absorption decline by 54,671 sqm over the same period
- Pipeline of new development stock under construction total over 220,000 sqm including a pipeline to be delivered over the next two years

Australian GDP Growth



Source: Knight Frank Research, ABS

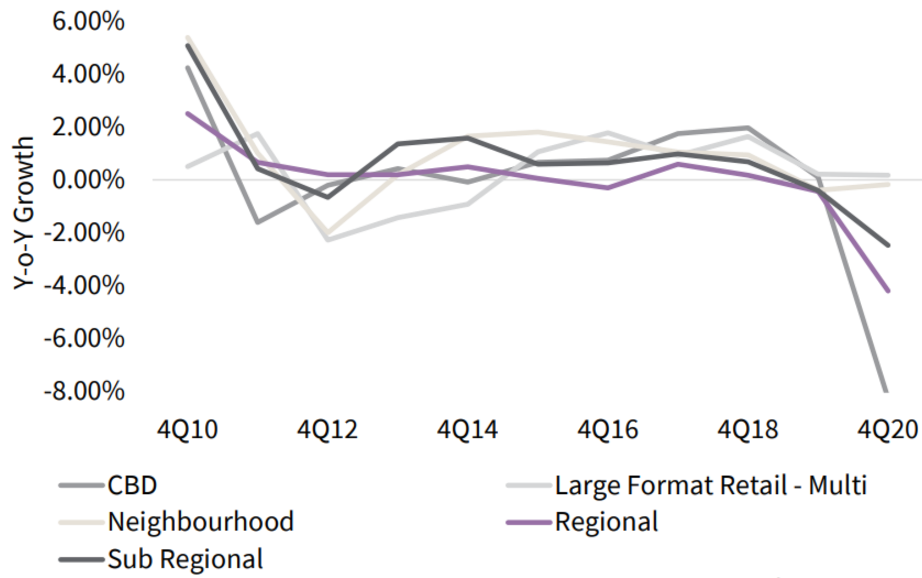
Market Outlook: Sydney, Retail

Considerable Uncertainty Towards The Outlook For Income & Vacancy

JLL, Retail Market Overview, 4Q2020

- All retail categories have rebounded beyond pre-COVID-19 levels, except for cafes, restaurants and takeaway food category
- Household goods recorded the strongest growth of all categories, surging by 17.9% YoY
- Completions were soaring at 68,000 sqm in 4Q2020, totaling 176,00 sqm; displaying the strongest year of supply since 2017
- Rents in the majority of sub-sectors has declined on a quarterly and annual basis, except for neighbourhoods and large format retails
- Major retail transactions totaled A$1.4 billion over 4Q2020 – the highest quarterly sales volume recorded since 3Q2018

Average Gross Rents By Sub-sector



Source: JLL Research as at 4Q20

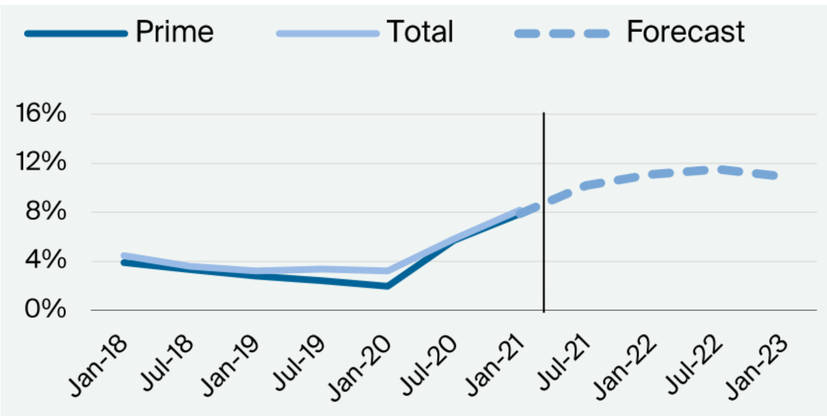
Market Outlook: Melbourne, Office

Noticeable Decline In 2020 Leasing Activity

Knight Frank, Melbourne CBD Office Market Report, March 2021

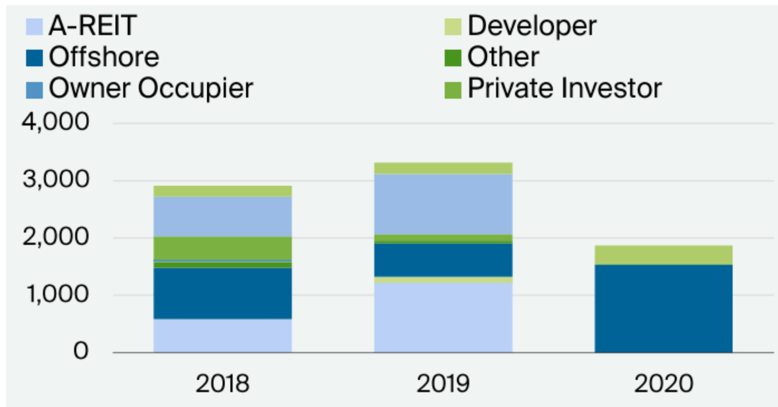
- The number of new leasing deals recorded in 2020 was 35% less than what was recorded in 2019, while the amount of sqm leased during 2020 (170,000 sqm) represented just 55% of what was recorded during 2019 (304,500 sqm)
- Professional services and finance & insurance are the main sectors driving the Melbourne CBD office leasing market, accounting for half (49%) of all leasing activity during the 12-months
- It is noted that American tech giant, Amazon has signed on as an anchor tenant for a 48,000 sqm premium development that is currently under construction, which translates to the underlying strength of the Melbourne CBD office market
- CBD office vacancy rate increased from 5.8% in July 2020 to 8.2% in January 2021 and is anticipated to increase further in 2021 as some businesses start scaling back their office space requirements. Development commencement dates are expected to be pushed back in 2021 due to demand fueled by uncertainty caused by COVID-19
- Moving forward, sales volume is expected to grow in 2021 as the city recovers from the pandemic and the CBD office market continues to appeal to overseas investors. Long leased assets are also expected to come to market in 2021 as a result of the low cost of debt, driving lower yields and higher pricing for vendors

CBD Office Vacancy



Source: Knight Frank Research/PCA

CBD Office Sales Transactions



Source: Knight Frank Research

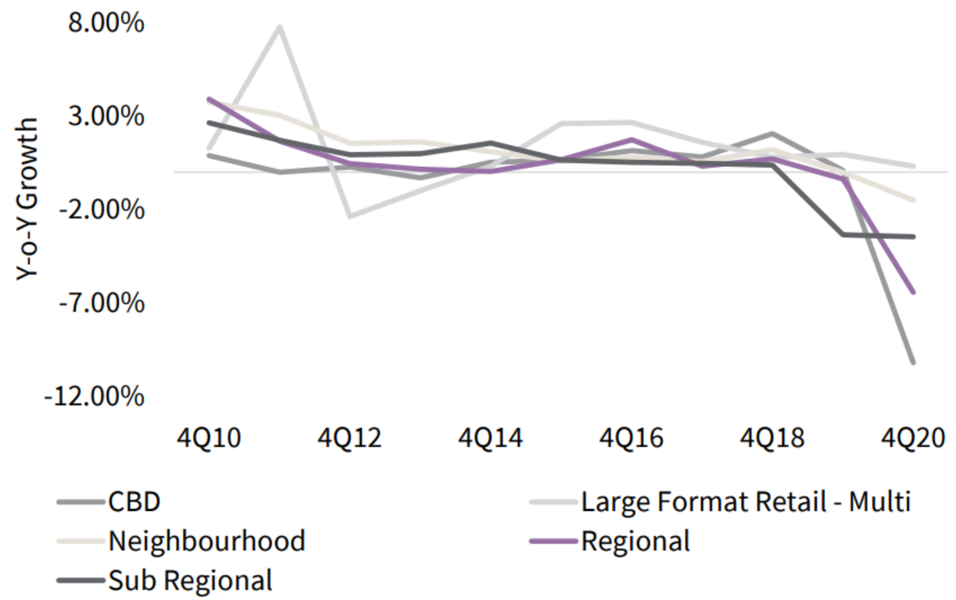
Market Outlook: Melbourne, Retail

Restrictions Ease, Driving A Significant Rebound In Spending

JLL, Retail Market Overview, 4Q2020

- The Victorian government began easing restrictions on retails and hospitality sectors in late October, reviving spending over 4Q2020
- Melbourne will see the completion of 58,000 sqm in new retail space across five projects, including four neighbourhood projects at 43,300 sqm
- Due to challenging leasing conditions, gross rents continues its descend with CBD seeing the greatest dip in gross rents (-10.2% YoY), followed by the regional (-6.4% YoY), sub-regional (-3.5% YoY) and neighborhood (-1.5% YoY) sub-sectors
- On the contrary, investment volumes have climbed to A$593 million across 10 transactions; accounting for 61% of the total sales volume in 2020

Average Gross Rents By Sub-sector



Source: JLL Research as at 4Q20

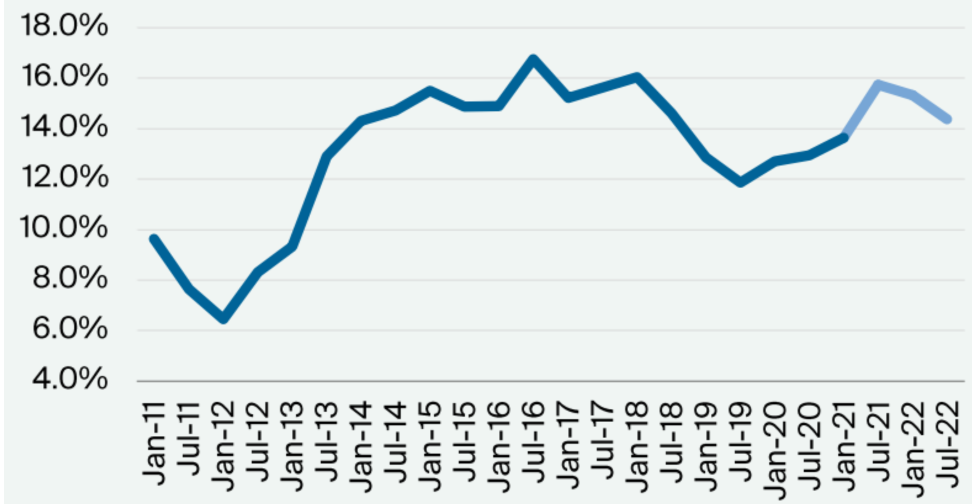
Market Outlook: Queensland, Office

Recovery Faster Than Expected

Knight Frank, Brisbane CBD Office Market Report, April 2021

- The market recovery pace exceeded expectations as the economy began to reopen in 3Q. Queensland's economy is also set to surpass previous output levels by 3Q2021
- Employment rate in Queensland rebounded quickly after its 8.4% plunge in 2Q2020
- Smaller tenants will continue to dominate leasing activity in 2020 and into 2021 with 65% of the deals being sub-500 sqm
- Professional Services firms make up 35% of Brisbane office market take-up, followed by TMT (Technology, Media & Telecom) at 8.5% and Financial & Insurance at 7.5%
- Queensland is expected to see 160,000 sqm of supply in the next 4 years, including the completion of 105,000 sqm under construction in the next 2 years
- Net absorption in 1H2020 is forecasted to be negative, nudging vacancy rates upwards. The vacancy rate is expected to remain relatively elevated into 2022 before decreasing in 2023

Brisbane CBD Vacancy



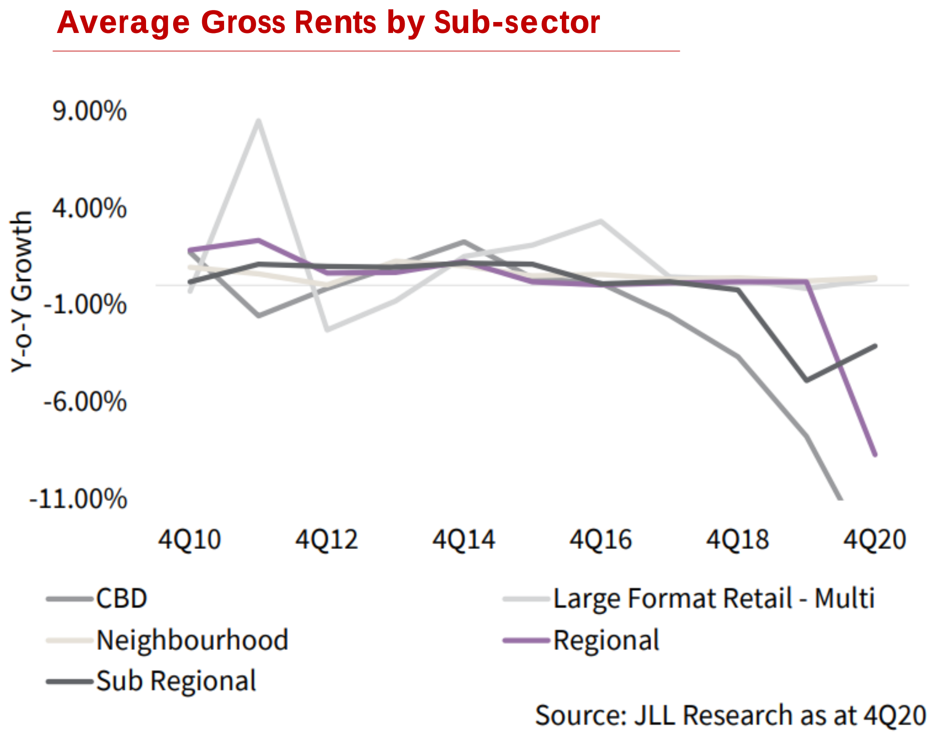
Source: Knight Frank Research/PCA

Market Outlook: Queensland, Retail

Retail Turnover Growth Remains Strong In Queensland

JLL, Retail Market Overview, 4Q2020

- As restrictions continue to ease, Queensland's retail turnover growth remains robust, with household goods (20.7% YoY) being the main driving factor for spending growth in Queensland as well as nationwide
- Other categories attributable to the growth includes 'Other' retailing (16.8% YoY) and food retailing (11.9% YoY)
- Annual supply stood at its lowest level since 2011 and a project due to complete over the quarter, totaling 28,000 sqm
- Softer leasing demand continues to weigh on rental growth. Gross rents fell in the CBD (-0.5%) and regional (-2.0%) sub-sectors over the quarter but remained stable across all other sub-sectors
- Transaction volumes recorded in the fourth quarter were the strongest since pre-COVID with retail investment volumes totaling A$333.4 million over 4Q2020. The transactional activity was concentrated in the large format retail sub-sector (54%)



Market Outlook: Western Australia, Office

Western Australia Fairs Relatively Well Amidst Pandemic

Knight Frank, Perth CBD Office Market Report, October 2020

- The relatively strong performance of WA has been partly driven by stronger household consumption; with retail sales rising by 17.9% over the year, outpacing the growth rate for Australia at 7.1%
- Leasing activity slowed down in 1H2020 due to the pandemic and prospective deals shelved
- Total net absorption fell by 12,107 sqm over the six months to July
- Perth CBD's vacancy rate grew to 18.4%, up from 17.5% between January to July 2020 and is expected to continue rising, however with its growth limited by new supply
- Rentals are expected to remain fairly stable in the next 12 to 18 months, while effective rents are likely to decline materially as incentives increase further
- Perth remains an attractive market for long-term investments with relatively strong economic fundamentals and low-interest rates; it is likely to spur a revival in investment activity as the leasing market becomes clearer

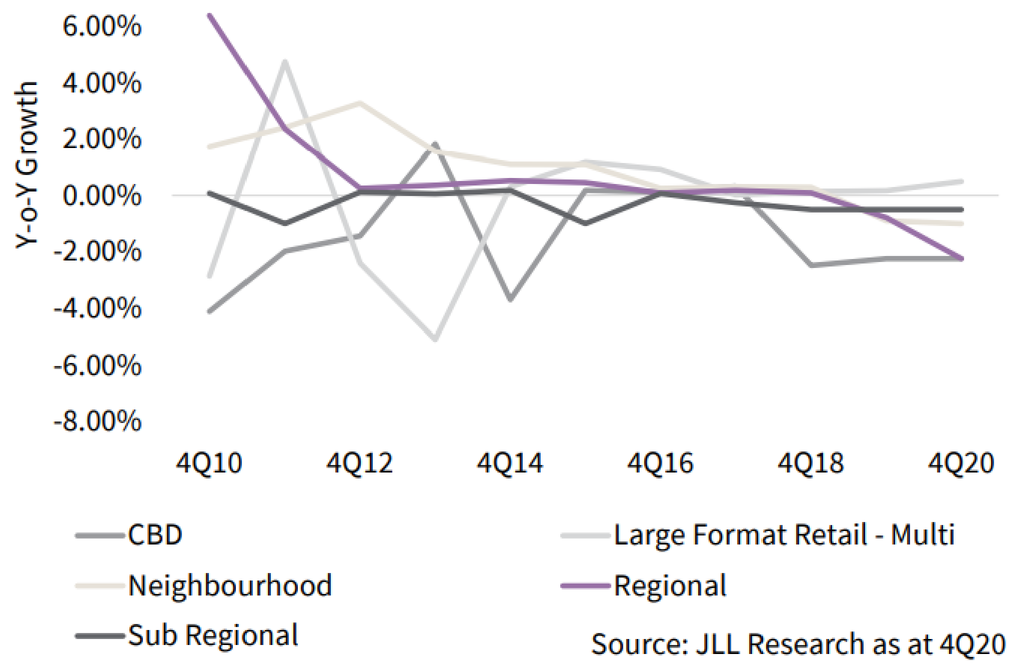
Market Outlook: Western Australia, Retail

WA Retail Spending Growth & Consumer Sentiment Continues To Surge

JLL, Retail Market Overview, 4Q2020

- Consumer sentiment continues to accelerate, rising to its highest level in 10 years
- 4Q2020 sees the completion of 5 major developments (≥1,000 sqm) totalling 38,100 sqm with the largest completion at 14,500 sqm and A$29 million
- Retail rents remain under pressure, with average rents trending downwards across all sub-sectors, except for large-format retail which increased marginally
- Despite the investment figure sitting below the 10-year average; investment volumes have totaled A$194.5 million, over the last 12 months

Average Gross Rents By Sub-sector



Source: JLL Research as at 4Q20

8. Appendix

8. Key Milestones

1957
First Metro store opened on 72 High Street, Singapore

1973
Metro Holdings Ltd was listed on SGX

1982
Transmarco Group was created and listed to handle the wholesale and brand retail operations

1988
Metrobilt ventured into China

1989
Official launch and ground-breaking ceremony of **Ngee Ann City**, Singapore

1991
Metro opened first retail store in Jakarta, Indonesia

1992
- Launch of **Shanghai Roway** residential project in Shanghai, China
- **GIE Tower**, a Grade-A office in Guangzhou, China, was launched

1993
Metro Tower & Metro City, a Grade-A office & entertainment complex in Shanghai, China, was launched

1995
- Launch of **The Oasis Resort** in Cairns, Australia, a 314-room hotel managed by Accor Group

2001
Completion and opening of **Gurney Plaza**, a mixed-use development in Penang, Malaysia

2004
Invested in **ICT Plaza**, a retail mall in Xinjiang, China

2007
- **Metro City Beijing** opened
- Partnership with InfraRed NF to invest in **1 Financial Street** and **Metropolis Tower** in Beijing, China

2009
Opened **EC Mall** in Beijing, China

8. Key Milestones

2010
Acquired **Frontier Koishikawa** in Tokyo, Japan

2011
Invested in **Top Spring International**

2012
- Acquired a site to develop a residential project, **The Crest** in Singapore
- Invested in the mixed-use development **Nanchang Fashion Mark**, China

2013
Acquired a serviced apartment **Shama Century Park**, Shanghai, China

2014
- Expanded our geographical boundaries to the UK, invested in **Fairbriar Real Estate Limited**
- Development of **HatBox** and **Middlewood Locks** in Manchester, UK

2015
Group invested in **InfraRed NF China Real Estate Fund II**

2016
Development of **Sheffield Digital Campus** in Sheffield, UK

2017
- Acquired three office buildings in **Bay Valley,** Shanghai, China
- Invested in **Trans Park Juanda, Bekasi** in Jakarta, Indonesia

2018
- Entered London with acquisition of **5 Chancery Lane**, UK
- Invested in **Trans Park Bintaro**, Jakarta, Indonesia
- Invested in **Shanghai Plaza**, Shanghai, China
- Established maiden **S$1 billion Multicurrency Debt Issuance Programme**
- Issued **S$150 million 4.00% notes** due 2021

2019
- Issued **S$200 million 4.30% notes** due 2024
- Acquired **Asia Green** in Singapore
- Expanded to Chengdu, China, with investment into **The Atrium**
- Acquires 20% stake in **portfolio of 14 freehold office and retail properties** in Australia

2020
- Acquisition of **Ropes Crossing Village Shopping Centre** in NSW, Australia
- Establishes **UK Student Accommodation Fund** with seed acquisition in Warwick
- Deepens presence in Singapore by investing into a portfolio of **14 Industrial, Business Park, High-Spec Industrial and Logistics Properties**

2021
- Acquires **second UK PBSA asset** in Bristol

Diversification For Resilience