



NEWS RELEASE

METRO HOLDINGS REGISTERS REVENUE OF S\$55.9 MILLION AND PROFIT AFTER TAX OF S\$11.0 MILLION FOR 1QFY2020

- *Revenue increases 85.4% mainly from sale recognition of property rights of S\$27.2 million from the Bekasi and Bintaro residential developments, Jakarta*
- *Maintains strong balance sheet with Net Assets at S\$1.5 billion*
- *Newly acquired and high quality properties offer good growth potential:*
 - o *Grade-A office towers at Tampines Regional Centre enjoy high occupancy, poised to benefit from increasing demand in the decentralised office market in Singapore*
 - o *Opportunity to enhance asset value in Chengdu, China, through active asset management of the recently acquired prime commercial mall (“The Mall”) within the landmark mixed-use development (“The Atrium”)*

Singapore, 13 August 2019 – Main Board-listed Metro Holdings Limited (“**Metro**” or the “**Group**”) (“美罗控股有限公司”), a property investment and development group backed by established retail operations, registered a 85.4% revenue growth to S\$55.9 million for the first financial quarter ended 30 June 2019 (“**1QFY2020**”), an improvement of S\$25.8 million compared to the same corresponding period a year ago (“**1QFY2019**”), mainly driven by the sale recognition of property rights from the residential development projects in Bekasi and Bintaro, Jakarta.

The Group's 1QFY2020 Profit After Tax ("**PAT**") was S\$11.0 million, as compared to S\$20.3 million in 1QFY2019. This was mainly due to lower fair value gains on short term and long term investments by S\$5.0 million, lower share of results of joint venture with losses incurred from The Crest, Singapore, and the absence of a S\$2.3 million gain from the sale of Acero Works, Sheffield, the United Kingdom ("**UK**"), recognised in the prior 1QFY2019, as well as higher finance costs. These were partially offset by contribution of S\$2.8 million from sale of property rights of the residential units in the development in Bekasi and Bintaro, Jakarta, and higher interest income by S\$2.4 million.

Group Chief Executive Officer, Yip Hoong Mun ("叶康文"), said, "We remain focused on extending our footprint one step at a time, steadily growing our presence across our key markets in Singapore, China, Indonesia and the UK. We have demonstrated our ability through the years to enhance value of assets and continue to seek quality assets which fit our criteria of sustainable growth and value."

"Together with Metro's experienced team and our trusted partners, we will prudently navigate the geo-political uncertainties to grow the Group's recurring income streams through selective investments."

Review of Financial Performance

Property Division

The Property Division's revenue increased by S\$27.2 million to S\$28.9 million in 1QFY2020, up from S\$1.7 million in 1QFY2019 mainly from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta.

Average occupancy rate for Metro's five investment properties – GIE Tower in Guangzhou; Metro City and Metro Tower in Shanghai, China; the fully-leased freehold office property at 5 Chancery Lane in Central London, the UK; and the newly acquired 7 & 9 Tampines Grande, Singapore – stood at 96.0% as at 30 June 2019, as compared to 96.1% from the previous year.

Property segment results, excluding associates and joint ventures, held relatively constant at S\$9.5 million in 1QFY2020 as compared to S\$9.6 million in 1QFY2019. The lower fair value gains by S\$5.0 million on short term and long term investments and higher finance costs were partially offset by contribution from sale of property rights of the residential units in the development in Bekasi and Bintaro, Jakarta, of S\$2.8 million and higher interest income.

Share of results of associates recorded a gain of S\$0.4 million in 1QFY2020 as compared to a loss of S\$1.5 million in 1QFY2019, mainly due to higher contributions from associates.

Share of results of joint ventures saw a gain of S\$7.3 million as compared to a gain of S\$16.3 million over the same period, with losses incurred from The Crest, Singapore. In the prior 1QFY2019, there was a gain of S\$2.3 million from the sale of Acero Works, Sheffield, the UK.

Retail Division

Metro's retail revenue declined by 5.3% to S\$27.0 million in 1QFY2020, mainly due to lower sales from Singapore. Operating loss decreased to S\$1.1 million in 1QFY2020 versus S\$2.8 million in 1QFY2019 mainly due to lower operating expenses. The Group will continue to focus on cost discipline amidst a highly competitive environment.

The retail division's associate company in Indonesia faced strong competition and this resulted in a slight decline in profitability by S\$0.1 million from S\$0.9 million in 1QFY2019 to S\$0.8 million in 1QFY2020.

Strong Balance Sheet

Metro's balance sheet remained strong with Net Assets of S\$1.5 billion as of 30 June 2019.

Outlook

Looking ahead, occupancy at Metro's recently acquired 50% stake in two Grade-A office towers at Tampines Regional Centre remains high at 90.6% and is poised to benefit from an increasing demand in the decentralised office market, with its standing as the first and most established regional centre in Singapore.

The Group's Property Division in China is expected to continue to receive recurring rental income from its GIE Tower in Guangzhou as well as from Metro City and Metro Tower in Shanghai. Meanwhile, leasing activities are underway for the Group's office buildings in Bay Valley, New Jiangwan City, Yangpu District in Shanghai. Asset enhancement works for the Group's joint venture in Shanghai Plaza are progressing on schedule.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (“朱维良”), added, “The Metro Group will continuously exercise astute judgement in capital recycling and look out for attractive investment opportunities. The Group's recent expansion to Chengdu is an excellent example of acquiring a quality asset, in this case, a 25% equity interest in a prime commercial mall within a landmark mixed-use development, with the potential to improve returns through active asset management and tenant mix restructuring.”

In Indonesia, construction and sales of the residential projects in Bekasi and Bintaro, Jakarta, Indonesia, which commenced in late 2017 and March 2018 respectively, are ongoing.

In the UK, Manchester residential prices are expected to grow around 3% over the next five years¹. This supports the Group's Middlewood Locks development project. Phase 1 construction work for the 571 apartment units has been completed in October 2018 and the apartment units sold are being handed over in stages whilst construction work for Phase 2 is ongoing.

¹ JLL, *Northern England Residential Forecasts 2019*

ABOUT METRO HOLDINGS LIMITED

Listed on the Main Board of the SGX-ST in 1973, Metro Holdings started out in 1957 as a textile store on 72 High Street. Over the years, Metro has grown to become a property and retail group with investments and operations in the region.

Today, the Group operates two core business segments – property investment and development, and retail – and focuses on key markets in Singapore, China, Indonesia and the UK.

Property Investment and Development

The Group's property arm owns and manages several prime retail and office properties in first tier cities in China, such as Shanghai and Guangzhou, and up-and-coming high growth cities like Chengdu. It has expanded its portfolio to cover a fuller spectrum of properties in Singapore, China, Indonesia and the UK.

Retail

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another 11 department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 1.4 million square feet of downtown and suburban retail space in Singapore and Indonesia.

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