



## NEWS RELEASE

### **METRO HOLDINGS REGISTERS 3QFY2019 PROFIT AFTER TAX OF S\$11.3 MILLION**

*An improvement of S\$18.3 million after excluding a one-off gain of S\$154.1 million recognised in the comparative period*

- ***Revenue boosted mainly from the sale recognition of S\$14.4 million from the residential development in Bekasi, Jakarta***
- ***Maintains strong balance sheet with Net Assets at S\$1.5 billion***
- ***Makes good progress across its various projects:***
  - ***Phase 1 of Middlewood Locks comprising 571 apartment units has been completed and units are being handed over progressively. 277 apartment units in Phase 1 and all 546 apartment units in Phase 2 are being sold to Get Living, a UK private rented sector venture. Sales and marketing of the remaining apartment units under Phase 1 are also on track. Meanwhile the development of Phase 2 is underway to transform the area to one of the most desirable neighbourhoods in Manchester, the UK***
  - ***Construction and presales of both residential development projects in Bekasi and Bintaro in Jakarta are on track***

**Singapore, 13 February 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 in the region, registered revenue growth to S\$55.4 million for the third quarter ended 31 December 2018 (“**3QFY2019**”), an improvement by S\$16.1 million compared to the same corresponding period a year ago (“**3QFY2018**”).

The Group's profit after tax ("**PAT**") of S\$11.3 million in 3QFY2019 fell from S\$147.1 million in the same corresponding period a year ago, mainly due to the absence of a share of one-off gain of S\$154.1 million from a very substantial disposal of eight property projects by Top Spring, a Hong Kong-listed associate, in 3QFY2018. Excluding the one-off gain, the PAT for 3QFY2019 improved by S\$18.3 million, as compared to a net loss after tax of S\$7.0 million in 3QFY2018.

Group Chief Executive Officer, Lawrence Chiang Kok Sung (“郑国杉”), said, “We are encouraged by the smooth progress of our overseas projects, with intensified marketing efforts for our residential developments in Indonesia and mixed-use developments in the UK. In Shanghai, China, leasing for our three office buildings in Bay Valley is underway, whilst the asset enhancement works for centrally-located Shanghai Plaza has commenced. The recent co-investments with InfraRed NF China Real Estate Fund III L.P. in real estate debt instruments in June 2018 and January 2019 will provide new recurring income streams.

Mr Chiang added, “We are well positioned in China, the UK and Indonesia and will continue to make prudent and strategic investment decisions to capture opportunities in these familiar markets and beyond.”

## **Review of Financial Performance**

### **Property Division**

The Property Division's revenue increased by S\$14.5 million to S\$16.2 million in 3QFY2019, up from S\$1.7 million in 3QFY2018 mainly with the revenue recognition of S\$14.4 million from the sale of property rights of the residential units in the development in Bekasi, Jakarta.

Average occupancy rate for Metro's four investment properties – GIE Tower in Guangzhou; Metro City and Metro Tower in Shanghai, China; and the freehold and fully-leased office property at 5 Chancery Lane in Central London, the UK – stood at 97.8% as at 31 December 2018.

Property segment results, excluding associates and joint ventures, reported a decrease of S\$1.3 million to S\$1.1 million in 3QFY2019 as compared to S\$2.4 million in 3QFY2018 mainly due to unrealised fair value loss of S\$3.3 million from long term and short term investments, partially offset by higher contribution of S\$2.2 million from sale of property rights of the residential units in the development in Bekasi, Jakarta.

Share of results of associates recorded a gain of S\$5.7 million in 3QFY2019 as compared to S\$141.2 million in 3QFY2018, mainly due to absence of a share of divestment gain of S\$154.1 million from a very substantial disposal of eight property projects by Top Spring recorded in 3QFY2018.

Share of results of joint ventures improved marginally to S\$6.0 million from S\$5.4 million over the same period, lifted by higher contributions from the ongoing joint venture projects.

## **Retail Division**

Metro retail revenue advanced 4.2% to S\$39.3 million in 3QFY2019 from S\$37.7 million in 3QFY2018, mainly due to higher sales from Singapore driven by the year-end festive season. Despite the competitive trading environment, results improved marginally in line with the higher sales as the Group continues to focus on cost discipline.

The retail division's associate company in Indonesia faced pressure from strong competition resulting in a marginal decline in profitability by S\$0.7 million.

## **Strong Balance Sheet**

Metro's balance sheet remained strong with net assets of S\$1.5 billion as of 31 December 2018.

## **Outlook**

Looking ahead, 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. The Group's joint venture in Shanghai Plaza has commenced the asset enhancement works whilst leasing activities are also underway.

In the UK, Phase 1 construction work for the 571 apartment units of the Middlewood Locks development project has been completed in October 2018 and the apartment units sold are being handed over in stages. Phase 2 will consist of four separate buildings of up to 10 floors providing 546 apartments as well as ground-level parking and landscape gardens.

The Middlewood Locks development, worth £1 billion, will eventually provide 2,215 new homes and about 750,000 square feet of commercial development space including offices, a hotel, shops, restaurants, a convenience store and gym. At the Insider North West Residential Property Awards 2019, Middlewood Locks received the award for the best Large Apartment Development of the Year (more than 100 units) for being strategically significant on a national and international level.

Mr Chiang said, “This large-scale development, which is a new residential and commercial neighbourhood, will be positioned as “the western gateway to Manchester’s CBD”, and is set to transform the area to one of the most desirable neighbourhoods in Manchester, the UK. Working closely alongside our partners, sales and marketing of remaining apartment units under Phase 1 of Middlewood Locks are on track and the construction of Phase 2 is progressing well. We are also pleased to witness an achievement of a significant milestone of our project by selling over 800 apartment units of which 277 units from Phase 1 and all 546 units from Phase 2 to Get Living, a UK private rented sector venture backed by Delancey Oxford Residential, APG and Qatari Diar. This is also a testament of our commitment and synergies with our JV partners.”

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.

## **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 is focused on key markets in the region such as China, Indonesia, Singapore 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. It has expanded its portfolio to cover a fuller spectrum of properties in China, Indonesia, Singapore and the UK.

### **Retail**

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another 10 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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## APPENDIX (A)



***The Middlewood Locks, a landmark 24.5-acre mixed development, will eventually provide 2,215 new homes and 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym***