METRO HOLDINGS LIMITED
(Company Registration No. 197301792W)

METRO GROUP EXPANDS ITS REGIONAL FOOTPRINT BY INVESTING INTO A PORTFOLIO OF FOURTEEN OFFICE AND RETAIL PROPERTIES IN AUSTRALIA

1. INTRODUCTION

The Board of Directors of Metro Holdings Limited ("**Metro**" or the "**Company**", together with its subsidiaries, the "**Metro Group**") wishes to announce that its newly set up indirectly wholly-owned subsidiary, Metro SL Australia Investment Pte. Ltd. ("**Metro SL Australia**"), has entered into a Joint Venture Agreement (the "**JVA**") with Sim Lian Holdings Pte Ltd (**"Sim Lian"**), for the proposed acquisition of a 20% stake in a portfolio of 14 quality freehold office and retail properties in Australia (the "**Investment**") at approximately A$95.8 million (approximately S$89.7 million).

Metro SL Australia has incorporated three wholly-owned subsidiaries, namely Metro (Aus) Property Trust Pte. Ltd. ("**Metro Aus**"), Metro Property Trust (A) Pte. Ltd. ("**MPT**") and Metro Property Trust II (A) Pte. Ltd. ("**MPT II**") for the purposes of each entering into a subscription agreement for the subscription of units representing 20% of the issued units in SLH Property Trust ("**SLH Trust**"), Sim Lian Property Trust ("**SLPT**") and Sim Lian Property Trust II ("**SLPT II**") respectively (collectively, the "**Trusts**"). SLH Trust, SLPT and SLPT II are affiliates of Sim Lian. The Trusts, through its respective subsidiaries, hold a total of 14 quality freehold properties which comprise 4 office buildings and 10 retail centres in Australia (the "**Portfolio**").

Under the JVA, both parties will set up an asset management company ("**AM Co**"), where Metro SL Australia will hold 20% and the affiliate of Sim Lian will hold 80%. The AM Co will be appointed as the asset and investment manager of the Trusts to manage the Portfolio.

The Investment is in the ordinary course of Metro Group's property investment and development business.

2. INFORMATION RELATING TO THE INVESTMENT AND THE PORTFOLIO

2.1 Information on the Investment

The purchase consideration to subscribe for 20% of the issued units in the Trusts is at approximately A$95.8 million (approximately S$89.7 million) which mainly comprises the consolidated net asset value of the Trusts and will be subject to adjustments upon completion date. The purchase consideration was arrived at on a willing buyer willing seller basis after taking into account *inter alia* the expected net income to be derived from the Portfolio.

The total investment cost comprises the purchase consideration of the Trusts, the related stamp duty, other costs and expenses and will be funded by a combination of internal cash resources and external borrowings.

2.2 Information on the Portfolio

The Portfolio holds 14 quality freehold properties comprising 4 office buildings and 10 retail centres that span across 4 key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia, with a total net lettable area of 130,925 square metres, at a high committed average occupancy rate of 96.7% and with the defensive leases of a long overall weighted average lease expiry (**"WALE"**) of approximately 8 years.

The 4 office buildings are strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth, and are well positioned to capture further growth in rental and capital values. It has a total net lettable area of 44,995 square metres, and at a high committed average occupancy rate of 94.5% with a WALE of approximately 4 years.

The 10 retail centres are located regionally with over 90% of the retail space being anchored by non-discretionary retailers such as supermarkets, cafe/restaurants, pharmacies, gyms and fitness centres, hairdressers and medical clinics that cater to the day to day necessities of the community within the primary residential catchment area. It has a total net lettable area of 85,930 square metres, and at a high committed average occupancy rate of 97.8% with a WALE of approximately 11 years.

The table below sets out a summary of information on the Portfolio.

S/N	**Property**	**State**	**Net lettable area[1] (square metres)**
1	50 Margaret Street, Sydney, NSW 2000	New South Wales	8,765
2	390 St Kilda Road, Melbourne, VIC 3004	Victoria	16,265
3	100 Edward Street, Brisbane City, QLD 4000	Queensland	7,129
4	59 Albany Highway, Victoria Park, WA 6100	Western Australia	12,836
Sub-total Office Buildings			**44,995**
1	Jordan Springs Shopping Centre, 61–63 Water Gum Drive, Jordan Springs, NSW 2747	New South Wales	6,246
2	Lake Munmorah Shopping Centre, 275 Pacific Highway, Lake Munmorah, NSW 2259	New South Wales	5,661
3	Tarneit Gardens Shopping Centre, 747 Tarneit Rd, VIC 3029	Victoria	6,419
4	6 Coltman Plaza, Lucas, VIC 3350	Victoria	5,517
5	Lara Village Shopping Centre, 2-4 Waverley Road, Lara, VIC 3212	Victoria	6,441
6	Town Square Redbank Plains, 357-403 Redbank Plains Road, Redbank Plains, QLD 4301	Queensland	26,977
7	Everton Park Woolworths, 768 Stafford Road, Everton Park, QLD 4053	Queensland	5,683
8	752 Stafford Road, Everton Park, QLD 4053	Queensland	11,520
9	Woolworths Rothwell, 763 Deception Bay Road, Rothwell, QLD 4022	Queensland	4,965
10	Dalyellup Shopping Centre, 54 Tiffany Centre, Dalyellup, WA 6230	Western Australia	6,501
Sub-total Retail Centres			**85,930**
Overall Portfolio			**130,925**

[1] As at 30 June 2019

2.3 Information on Sim Lian

Sim Lian is a group of companies with established businesses in property development and investment, construction, asset management, and financial investments across Singapore, Malaysia and Australia. Founded in 1976, it consists of Sim Lian Holdings Private Limited and Sim Lian Group Limited.

Sim Lian Holdings Pte Ltd is a property development and investment company with a focus on commercial and retail developments. This is complemented by its asset management arm which has deep expertise and a strong track record in the Singapore and Australia real estate markets.

Sim Lian Group Ltd is an established construction, property development and investment company. The Group was listed on the Mainboard of the Singapore Exchange for 16 years from 2000 to 2016, and has a broad portfolio of residential, commercial, industrial, retail and mixed-use developments, built on the core foundations of prime location, quality workmanship and efficient space planning.

2.4 Information on Subsidiaries and Associated Entities

Metro Australia Holdings Pte Ltd, a wholly-owned subsidiary of Metro, has incorporated the following wholly-owned subsidiary:

Name of subsidiary	:	Metro SL Australia Investment Pte. Ltd. ("Metro SL Australia")
Country of incorporation	:	Singapore
Issued and Fully Paid Up Capital	:	S$2
Shareholder	:	Metro Australia Holdings Pte Ltd

Metro SL Australia has incorporated the following three wholly-owned subsidiaries:

Name of subsidiary	:	Metro (Aus) Property Trust Pte. Ltd. ("Metro Aus")
Country of incorporation	:	Singapore
Issued and Fully Paid Up Capital	:	S$2
Shareholder	:	Metro SL Australia Investment Pte. Ltd.

Name of subsidiary	:	Metro Property Trust (A) Pte. Ltd. ("MPT")
Country of incorporation	:	Singapore
Issued and Fully Paid Up Capital	:	S$2
Shareholder	:	Metro SL Australia Investment Pte. Ltd.

Name of subsidiary	:	Metro Property Trust II (A) Pte. Ltd. ("MPT II")
Country of incorporation	:	Singapore
Issued and Fully Paid Up Capital	:	S$2
Shareholder	:	Metro SL Australia Investment Pte. Ltd.

Metro Aus, MPT and MPT II have acquired the following associated entities:

Name of entity	:	SLH Property Trust
Country of constitution	:	Singapore
Unitholders	:	20% - Metro (Aus) Property Trust Pte. Ltd. ("Metro Aus") 80% - SLH (Australia) Pte Ltd

Name of entity	:	Sim Lian Property Trust
Country of constitution	:	Singapore
Unitholders	:	20% - Metro Property Trust (A) Pte. Ltd. ("MPT") 80% - Sim Lian (Quest) Pte Ltd

Name of entity	:	Sim Lian Property Trust II
Country of constitution	:	Singapore
Unitholders	:	20% - Metro Property Trust II (A) Pte. Ltd. ("MPT II") 80% - Sim Lian (Quest II) Pte Ltd

3. RATIONALE FOR THE INVESTMENT

3.1 Expand the Group Regional Footprint and Drives the Diversification of the Investment Portfolio

The Investment marks Metro's entry into Australia commercial real estate market as part of the Group's strategy to expand its regional footprint. The Australian real estate market is mature, transparent and provides opportunities for growth underpinned by domestic consumption and population growth. The Investment will complement the existing markets which the Group has presence in, namely, China, Indonesia, the United Kingdom and Singapore.

The Portfolio holds 14 quality freehold properties which comprises 4 office buildings and 10 retail centres that span across four key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia, with a total net lettable area of 130,925 square metres. This will enable the Group to drive the diversification of its investment portfolio across the region. In addition, with the size and geographical spread of the Portfolio, the Group will be able to achieve an immediate scale in a new market and establish a strategic presence in the Australian market.

3.2 Strengthen the Group's Investment Portfolio with Quality Properties to Generate Stable Income Stream

Strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth, the 4 office buildings enjoy high committed average occupancy rate of 94.5% and a WALE of approximately 4 years, are anchored by quality office tenants.

The 10 retail centres located at the populated residential catchment areas regionally with over 90% of the retail space being anchored by non-discretionary retailers such as supermarkets, cafe/restaurants, pharmacies, gyms and fitness centers, hairdressers and medical clinics that cater to the day to day necessities of the community and at a high committed average occupancy rate of 97.8% with a WALE of approximately 11 years.

Given the high overall committed average occupancy rate of 96.7% and with the defensive leases of long WALE of 8 years of the Portfolio, these quality properties will generate stable and recurring income stream to the Group immediately.

3.3 Strategic Partnership

Sim Lian has deep expertise in Australia market and a dedicated asset management team to manage the Portfolio. The Investment will serve as a first collaboration and strategic partnership between Sim Lian and Metro Group. With the intended set up of the jointly-owned AM Co to manage the Portfolio, it will further enhance and align the joint-venture interests to maximise the returns of the Portfolio via multiple asset management strategies and to grow the Portfolio, where each can contribute its expertise and complement each other, particularly in the Australia real-estate sector.

3.4 In line with Metro's Investment and Growth Strategy

The Investment represents an excellent proposition to establish a strategic presence in the Australian market with an immediate scale in a new market. Given the high occupancy rate and long WALE of the Portfolio, it will further enhance the quality, diversity and income profile of Metro's investment portfolio and at the same time to generate stable and recurring income stream to the Group immediately.

In 1995, the Group acquired a two-hectare site in Cairns, Australia, for the development of a resort ("The Oasis Resort"). The luxury resort hotel, with 306 rooms and eight suites, has won many awards. The Oasis Resort was then divested in 2005.

The Investment is in the ordinary course of the property investment and development business of the Metro Group and is in line with the Company's stated intention to continue to broaden the Metro Group's revenue streams and facilitate sustained profitability through selective positioning, new investments in property development and strategic alliances with experienced and local partners. The Investment, while not significant to the Metro Group as a whole, will nonetheless enable the Metro Group to further extend its regional footprint.

4. CONSIDERATION

The Metro Group's 20% capital commitment for the Investment is approximately A$95.8 million (approximately S$89.7 million) and was arrived at based on arm's length negotiations.

The Metro Group's commitment and expenses relating to the transaction will be funded from internal cash sources and external borrowings.

5. NTA/FINANCIAL EFFECTS

The above Investment is not expected to have any significant effect on the consolidated net tangible asset per share and the consolidated earnings per share of the Metro Group for the current financial year ending 31 March 2020.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company (to the best of the knowledge of the Company) has any interest, direct or indirect, in the above matter other than through their shareholding interests in the Company.

7. COMPLIANCE WITH RULE 704(17)(C) OF THE LISTING MANUAL

As the Investment will, upon completion, result in SLH Trust, SLPT and SLPTII and its respective subsidiaries becoming associated entities of Metro, this announcement is made pursuant to and for the purposes of compliance to Rule 704(17)(c) of the Listing Manual.

By Order Of The Board

Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries
8 November 2019