METRO HOLDINGS LIMITED
(Company Registration No. 197301792W*)*

PROPOSED INVESTMENT IN A PROPERTY FUND FOR THE PURPOSE OF INVESTING IN REAL ESTATE DEVELOPMENTS AND INVESTMENTS IN THE PRC, IN THE ORDINARY COURSE OF BUSINESS

1. INTRODUCTION

The Board of Directors of Metro Holdings Limited ("Metro" or the "Company") wishes to announce that Firewave Management Limited ("Firewave"), a wholly-owned subsidiary of Crown Investments Ltd, in turn a wholly-owned subsidiary of Metro China Holdings Pte Ltd, has entered into an Agreement of Limited Partnership (the "ALP") pursuant to which Firewave has agreed to invest US$50 million (the "Proposed Investment") in InfraRed NF China Real Estate Fund II (A), L.P. ("Fund II"). In addition, Firewave has agreed to invest an additional up to US$7 million (the "Further Commitment") subject to certain conditions. Metro China Holdings Pte Ltd is a wholly-owned subsidiary of the Company.

2. INFORMATION RELATING TO THE PROPOSED INVESTMENT

2.1 INFORMATION ON THE PROPOSED INVESTMENT

The ALP provides for Firewave to make contributions, comprising capital contributions and loans, to Fund II up to Firewave's total commitment of up to US$57 million (approximately S$76.8 million) as and when required by Fund II. The Metro Group also has discretion to co-invest with Fund II in its investments.

2.2 INFORMATION ON FUND II

Fund II invests in equity or debt instruments in a portfolio of real estate developments and investments in Greater China, principally in the People's Republic of China (the "PRC") but also including Hong Kong, the Macau Special Administrative Region and Taiwan. It is managed by InfraRed NF China Investors II Limited.

Fund II is the follow-on fund to the US$707.7 million InfraRed NF China Real Estate Fund, L.P. ("Fund I"), which employed a successful approach to investing in equity and debt (mezzanine) investments in Greater China.

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Similar to Fund I, Fund II will be sponsored by InfraRed NF China Holdings Limited, which is a joint venture between InfraRed Capital Partners, a global real estate and infrastructure fund management business with over US$8 billion of equity under management, and Nan Fung Group, a privately owned group of companies and business interests engaged principally in the business of property development, property investment, construction, property management, investment and financing.

The Metro Group had previously partnered with Fund I to co-invest in EC Mall, Metropolis Tower, 1 Financial Street and the Tesco Lifespace malls, which have all been successfully divested.

3. RATIONALE FOR THE PROPOSED INVESTMENT

The Proposed Investment is in Metro's ordinary course of property development business in China and is in line with the Company's stated intention to build Metro and its group of companies' ("Metro Group") presence and investment in the region through a selective positioning, new investments in property development and strategic alliances with a view to broadening the revenue stream of the Metro Group and facilitating sustained profitability for the Metro Group moving forward. In particular, the Proposed Investment will enable the Metro Group to expand its property interests in the PRC which is a market that the Metro Group is currently in and has made significant investments.

4. CONSIDERATION

The Metro Group's total commitment for the Proposed Investment is US$57 million (approximately S$76.8 million) and was arrived at based on arm's length negotiations.

The Metro Group's commitment will be funded primarily from internal cash sources.

5. NTA/FINANCIAL EFFECTS

The Proposed 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 2016.

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6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

By Order Of The Board

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries
16 June 2015