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

INCORPORATION OF THREE 30% EFFECTIVE INTEREST ASSOCIATED COMPANIES FOR THE PURPOSE OF ACQUIRING THREE NEWLY COMPLETED OFFICE BUILDINGS IN SHANGHAI, THE PRC, IN THE ORDINARY COURSE OF BUSINESS

1. INTRODUCTION

Further to the announcement dated 30 August 2017, the Board of Directors of Metro Holdings Limited ("Metro" or the "Company") wishes to announce that on 27 September 2017, Firewave Management Limited ("Firewave"), an indirect wholly-owned subsidiary of the Company, and Top Spring International (BVI) Limited ("Top Spring (BVI)"), have entered into three Shareholders Agreements (the "SHAs") with each of Shine Long Limited, Huge Source Limited and Progress Link Limited (collectively the "Joint Ventures") for the purposes of acquiring and operating an office building by each of (i) Shine Long Limited and its wholly owned subsidiaries (the "Shine Long Group") (ii) Huge Source Limited and its wholly owned subsidiaries (the "Huge Source Group") and Progress Link Limited and its wholly owned subsidiaries (the "Progress Link Group") respectively. Pursuant to the SHAs, each of Top Spring (BVI) and Firewave will contribute an aggregate of Rmb 894,066,323 and Rmb 383,171,281 respectively, to the Joint Ventures as shareholder's loans in proportion to their 70% and 30% shareholdings in the Joint Ventures. Firewave's commitment is therefore Rmb 383,171,281 (the "Investment").

On the same date, each of the Shine Long Group, Huge Source Group and Progress Link Group entered into separate acquisitions agreements with sellers who are independent third parties in relation to the sale and purchase of three newly completed office buildings (respectively the "Shine Long Property", the "Huge Source Property" and the "Progress Link Property" and collectively the "Properties").

Top Spring (BVI) is a direct wholly-owned subsidiary of Top Spring International Holdings Limited ("TSI"), a company listed on the main board of The Stock Exchange of Hong Kong Limited, in which the Company has a 16.1% indirect ownership interest as at the date of this announcement. Firewave is a wholly-owned subsidiary of Crown Investments Limited, in turn a wholly-owned subsidiary of Metro China Holdings Pte Ltd. Metro China Holdings Pte Ltd is a wholly-owned subsidiary of the Company.

2. INFORMATION RELATING TO THE INVESTMENT AND THE PROPERTIES

2.1 INFORMATION ON THE INVESTMENT

The total capital requirement of the Joint Ventures (comprising the acquisition price of the Properties of Rmb 2,397,426,430 and the related tax, costs and expenses of Rmb 78,524,390) is estimated to be Rmb 2,475,950,820 (approximately S$ 505.1 million).

Top Spring (BVI) and Firewave agreed to contribute 50% of the consideration and all the related taxes, estimated costs and expenses for acquisition of the Properties by way of provision of shareholder's loans in proportion to their 70:30 shareholdings in the Joint Ventures. The aggregate amounts of shareholder's loans to be provided by Top Spring (BVI) and Firewave to the Joint Ventures are Rmb 894,066,323 and Rmb 383,171,281 respectively. The remaining 50% of the acquisition price of each of the Properties shall be settled by the respective Joint Ventures by loan(s) from banks and/or independent financial institutions.

Each of the shareholder's loans is unsecured and interest free.

Save as provided above, all capital requirements or requirement of funding of each of the Joint Ventures which exceed the respective Joint Ventures' own resources shall, to the extent practicable, be procured by bank borrowings. All costs and expenses (including interest costs) related to such borrowings shall be borne by the relevant member of the Joint Ventures. Where the shareholders of the Joint Ventures agree to give guarantees or indemnity for any liability or obligation of a relevant member of the Joint Ventures, such guarantees or indemnity shall be provided by all the shareholders in proportion to their then shareholdings in the relevant Joint Ventures on several basis.

Firewave is an indirect wholly-owned subsidiary of Metro, which is an indirect substantial shareholder of TSI, and is therefore an associate of Metro and a connected person of TSI under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As one or more of the relevant applicable percentage ratios (as defined in the Listing Rules) in relation to the SHAs exceed(s) 5% on an aggregated basis, the entering into of the SHAs and the transactions contemplated thereunder constitute connected transactions of TSI under the Listing Rules and are subject to the reporting, announcement and TSI's independent shareholders' approval requirements under the Listing Rules.

2.2 INFORMATION ON SHINE LONG GROUP, HUGE SOURCE GROUP AND PROGRESS LINK GROUP

Further to the announcement dated 30 August 2017, the Shine Long Group, Huge Source Group and Progress Link Group has each incorporated the following wholly-owned subsidiaries:

Name of subsidiary	:	Shanghai Peng Yi Business Consulting Co. Ltd. (”Shanghai Peng Yi”)
Country of Incorporation	:	The People’s Republic of China
Registered Capital	:	Rmb 30,000,000
Shareholder	:	Shanghai Lai Yi Business Consulting Co. Ltd
Equity Holding	:	100%

Name of subsidiary	:	Shanghai Peng Xiu Business Consulting Co. Ltd. (”Shanghai Peng Xiu”)
Country of Incorporation	:	The People’s Republic of China
Registered Capital	:	Rmb 50,000,000
Shareholder	:	Shanghai Lai Ci Business Consulting Co. Ltd
Equity Holding	:	100%

Name of subsidiary	:	Shanghai Peng Ji Business Consulting Co. Ltd. (”Shanghai Peng Ji”)
Country of Incorporation	:	The People’s Republic of China
Registered Capital	:	Rmb 50,000,000
Shareholder	:	Shanghai Lai Ji Business Consulting Co. Ltd
Equity Holding	:	100%

Each of Shanghai Peng Yi, Shanghai Peng Xiu and Shanghai Peng Ji has entered into the aforementioned separate acquisition agreements with sellers, who are independent third parties, in relation to the sale and purchase of the Shine Long Property, Huge Source Property and Progress Link Property, respectively.

2.3 INFORMATION ON TSI

TSI is a real estate property developer in the PRC and is principally engaged in the development and operation of urban mixed-use communities, and the development and sale of residential properties in the Pearl River Delta, the Yangtze River Delta, the Central China, the Beijing-Tianjin and the Chengdu-Chongqing regions in the PRC.

2.4 INFORMATION ON THE PROPERTIES

The Properties are operated as Grade 5A eco-offices for corporate headquarters in Bay Valley in New Jiangwan City, Shanghai. Bay Valley has a total planned construction area of 660,000 square meters with development by phases, which comprises independent buildings of headquarters, R&D centers, business centers and supporting leisure and business services.

The Shine Long Property is located at No. 36, 1688 Guoquan North Road, Shanghai, the PRC and has 9 floors with a total gross floor area of approximately 19,043.41 sq.m. with an acquisition price of Rmb 466,563,545.

The Huge Source Property is located at No. 25 and 33, 1688 Guoquan North Road, Shanghai, the PRC and has 18 floors with a total gross floor area of approximately 38,489 sq.m. with an acquisition price of Rmb 942,980,745.

The Progress Link Property is located at No. 78 and 79, 1688 Guoquan North Road, Shanghai, the PRC and has 18 floors with a total gross floor area of approximately 40,321.72 sq.m. with an acquisition price of Rmb 987,882,140.

3. RATIONALE FOR THE PROPOSED INVESTMENT

The formation of the Joint Ventures is a strategic alliance between TSI and Metro. The Investment is in Metro's ordinary course of property development business in the PRC and is in line with the Company's stated intention to build Metro and its group of companies' ("Metro Group's") 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 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 commitment for the Investment is approximately Rmb 383.2 million (approximately S$ 78.2 million), and was arrived at based on arm's length negotiations and by reference to the acquisition price of the Properties.

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

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 2018.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Lawrence Chiang Kok Sung, the Executive Director and Group CEO of the Company, was a director of TSI till 1 September 2017. He holds 1,890,000 shares and 600,000 share options in TSI. Save as disclosed, 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 incorporation of Shanghai Peng Yi, Shanghai Peng Xiu and Shanghai Peng Ji will result in them being associated companies of the Metro Group, 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 Lee Chin Yin
Joint Company Secretaries
27 September 2017