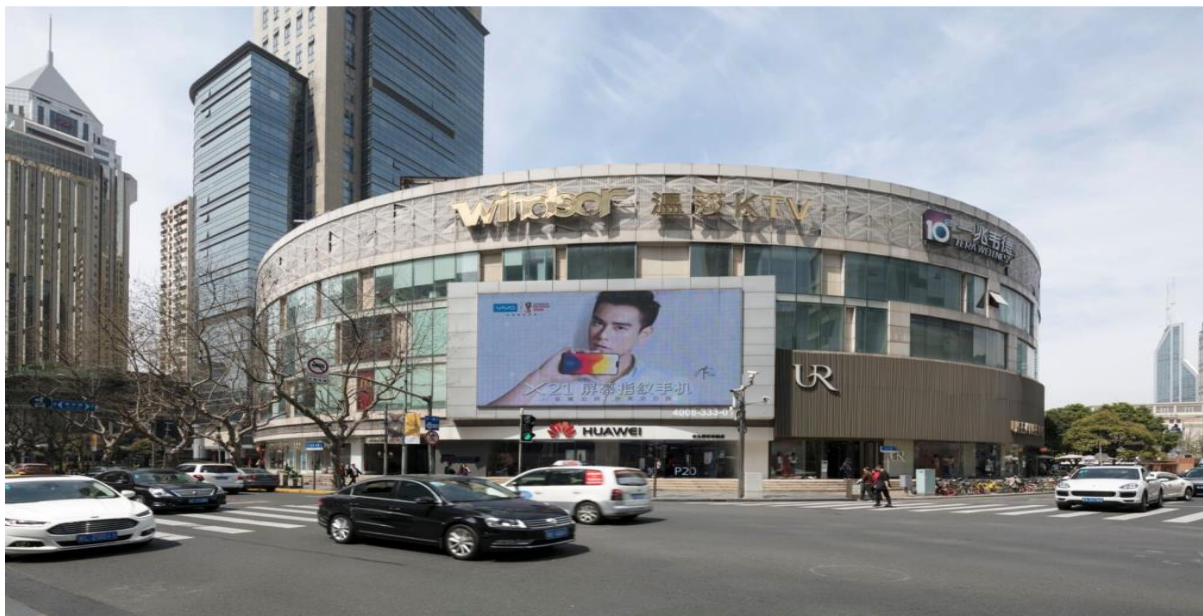


NEWS RELEASE

METRO HOLDINGS GROWS ITS PRESENCE IN CHINA BY ACQUIRING A MIXED-USED DEVELOPMENT IN SHANGHAI

- *Grows its presence in Shanghai by investing 35% equity to acquire 90% stake of a landmark mixed-use commercial building, Shanghai Plaza, for a total investment value of Rmb 2,907 million (S\$613 million)*



Shanghai Plaza, a landmark mixed-used commercial building located at the prime Huai Hai Zhong Road, Huang Pu district, Shanghai. It is located in close proximity to Xintiandi District, People's Square and the Lujiazui CBD with connectivity to major train lines and expressways.

This prime property has a gross floor area of 40,693 square meters spanning across seven floors.

Singapore, 17 May 2018 – Main Board-listed Metro Holdings Limited (“Metro” or the “Group”) (“美罗控股有限公司”), a property development and investment group backed by established retail operations in the region, has grown its presence in Shanghai, the PRC by investing 35% equity to acquire a 90% stake of a mixed-use commercial building, Shanghai Plaza (“上海广场”), for a total investment value of Rmb 2,907 million (S\$613 million), together with other joint venture partners. It is the intention of the JV to acquire the remaining 10% by 2020.

Shanghai Plaza, a landmark mixed-used commercial building, has a gross floor area of 40,693 square meters spanning across seven floors. It is located at the prime Huai Hai Zhong Road, Huang Pu district, Shanghai, which is the most central district in Shanghai and one of the most densely populated urban districts in China. The property is also close to the popular shopping district area nearby Xintiandi District, People’s Square and the Lujiazui CBD, with connectivity to major train lines and expressways. This investment is in line with the Group’s strategy to further grow its presence in China, particularly in high-growth cities such as Shanghai, where it has established a firm foothold.

Shanghai, underpinned by steady 6.9% GDP growth in 2017, remains as the gateway city for most financial institutions and technology companies. It is expected that there will be strong office demand from these financial and technology companies and expanding flexible workspace operators in the next three to five years. In addition, it has robust growth of consumer demand where its total retail sales of consumer goods has shown a 10.2% growth in 2017, where it will support the retail businesses, which in turn brought expansion opportunities in retail properties.

To capitalise on the strong demand for Grade A offices as well as quality retail properties in Shanghai, Shanghai Plaza, currently a mixed-used commercial building, will undergo re-development and upgrading for both office and retail usage and will thus present the opportunity for lease restructuring which will then generate higher stable returns upon completion in the coming years.

Metro currently owns 60% of Metro City and Metro Tower in Shanghai since 1993. Metro City is a nine-level retail mall, positioned as a lifestyle entertainment centre spanning nearly 40,000 square meters, whilst Metro Tower is a 26-floor Grade A office building spanning more than 40,000 square meters. Both buildings are located in the prime district in Xujiahui, Shanghai, directly linked to an underground MRT and offering convenient access to public transportation.

In its recent acquisition in September 2017, Metro acquired a 30% stake in three office buildings in Bay Valley, spanning across 98,000 square meters, located in Yangpu district of Shanghai which is to be developed into a global innovation and technology hub.

Commenting on the Group's expansion in China, Chairman Winston Choo said, "China continues to be a core market to Metro. Shanghai, being the key gateway city, the financial and commercial hub of China, is set to overtake Hong Kong as Greater China's largest office market by 2020. This acquisition will further augment Metro's commercial portfolio and further our presence in China, particularly in Shanghai, a high-growth city driven by sustainable urbanisation trends, where Metro has established a strong foothold.

"In addition, this strategic investment through the joint venture will provide us an opportunity to leverage our retail expertise and network, so as to enhance the value offerings to this prime property as well as in this new property investment arena, where such re-development, conversion and upgrading projects in the first-tier cities of China are growing popular and increasing in demand.

“The Group is constantly reviewing our portfolio to build our presence and investment in the region to broaden our revenue stream. Through our in-depth knowledge, business network and strategic partnerships, we will create synergies that will contribute to the value enhancement of our portfolio of properties and investments. With a strong balance sheet, we remain proactive in strengthening our portfolio of quality assets to optimise shareholders’ returns.”

(Please see Appendix A for information on the property)

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 operations and investments in the region.

Today, the Group operates two core business segments – property development and investment, and retail – and is focused on key markets in the region such as China, Indonesia and Singapore. The Group has also expanded its geographical presence to the United Kingdom.

Property Development and Investment

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 and also holds significant investments in certain property businesses. This includes mixed-use and residential developments in China, Indonesia, Singapore and the United Kingdom.

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 in over 1.5 million square feet of downtown and suburban retail space in Singapore and Indonesia.

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Appendix A

Type of Project:	Joint Venture – Mixed-used Commercial Building in Shanghai
Information on the Joint Venture:	<p>Metro Group, through an indirect wholly-owned subsidiary of Metro China Holdings Pte Ltd, Shanghai Xing Chu Business Consulting Co. Ltd (“Shanghai Xing Chu”), will make a 35% equity investment to acquire a 90% stake of Shanghai Plaza (the “Property”), a mixed-used commercial building of a total investment value of Rmb 2,907 million (approximately S\$613 million), through Shanghai Xing Chu’s 35% associated company, Shanghai Yi Zhou Property Management Co., Ltd. (“Shanghai Yi Zhou”).</p> <p>Shanghai Yi Zhou, through its wholly-owned subsidiary, Shanghai Shang Min Business Consulting Co. Ltd. (“Shanghai Shang Min”) entered into a Sale and Purchase Agreement (the “SPA”) with the vendor Hangzhou Huan Bei Silk Clothing City Co., Ltd. (“Hangzhou Huan Bei”), an independent third party, to acquire a 90% stake in Shanghai Yong Ling Property Development Co. Ltd. (“Shanghai Yong Ling”) which owns Shanghai Plaza.</p> <p>The total investment cost comprising the acquisition price of the Property of Rmb 2,250 million (approximately S\$475 million) and the related renovation costs, financing costs, taxes and expenses of Rmb 657 million (approximately S\$139 million) is estimated to be Rmb 2,907 million (approximately S\$613 million). The total investment cost will be funded by shareholders’ equity, banks and/or independent financial institutions.</p>

Type of Project:	Joint Venture – Mixed-used Commercial Building in Shanghai
Location of the Property:	Shanghai Plaza is located at Number 138 Huai Hai Zhong Road, Huang Pu district in Shanghai, the PRC.
Description of the Property:	<p>Shanghai Plaza is a landmark mixed-used commercial building in a prime location situated 500 metres from the Xintiandi Business District and 700 metres from People's Square. It is also conveniently located, with close access to train lines and the main expressways.</p> <p>Shanghai Plaza's gross floor area of 40,693 square metres spans seven floors (one underground floor and six above ground floors) with 138 car park lots.</p>