

ASSET ACQUISITIONS AND DISPOSALS::METRO GROUP EXPANDS ITS REGIONAL FOOTPRINT INTO AUSTRALIA

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Please refer to the attached files for further details:

1. Text Announcement ; and
2. Press Release

Attachments

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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

NEWS RELEASE

METRO HOLDINGS EXPANDS REGIONAL PRESENCE INTO AUSTRALIA BY INVESTING IN A PORTFOLIO OF 14 OFFICE AND RETAIL PROPERTIES

- *Expand regional footprint into Australia by acquiring a 20% stake in a portfolio of fourteen quality freehold office and retail properties in Australia*
- *First collaboration and strategic partnership with Sim Lian which has deep expertise and a proven track record in Australia*



Left: 50 Margaret Street, Sydney (Office)

Right: Coltman Plaza Lucas, Victoria (Retail)

Singapore, 8 November 2019 – 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 regional presence into Australia by acquiring a 20% stake in a portfolio of 14 quality freehold office and retail properties (the “**Portfolio**”) worth approximately A\$900 million (approximately S\$842 million) by subscribing into the units issued for the three property trusts (the

'Trusts') for a purchase consideration of approximately A\$95.8 million (approximately S\$89.7 million) which mainly comprise the consolidated net asset value of the Trusts.

This represents the first collaboration and strategic partnership between Metro and Sim Lian Group of Companies (**"Sim Lian"**). Founded in 1976, Sim Lian has established property development and investment, asset management, and construction business, amongst others across Singapore, Malaysia and Australia.

Under the Joint Venture Agreement, both parties will set up an asset management company (**"AM Co"**), to be owned 20% and 80% by Metro's and Sim Lian's affiliate respectively. The AM Co will be appointed as the asset and investment manager of the Trusts to manage the Portfolio.

QUALITY PORTFOLIO TO GENERATE STABLE INCOME

The Portfolio comprises 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 precincts of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth. 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 anchored by non-discretionary retailers such as supermarkets, cafes/restaurants, pharmacies, gyms and fitness centres, and medical clinics that caters to the day-to-day necessities of the community within primary residential catchment areas. 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.

This investment is in line with the Group's strategy to expand its geographical footprint beyond its current presence in China, Indonesia, United Kingdom and Singapore, and to drive the diversification of its investment portfolio across the region. 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 will generate stable and recurring income stream to the Group immediately.

(Please see Appendix A for information)

Commenting on the Group's entry into the Australia office and retail segment, Chairman Winston Choo said, "Through our established track record, business network and strategic partnerships, the Group is constantly seeking attractive investment opportunities to optimise shareholders' returns."

"This acquisition of a portfolio of quality assets in Australia is in line with the Group's strategy to expand our regional presence and diversify our investment portfolio", added Chairman Choo.

Group Chief Executive Officer, Yip Hoong Mun said, "This investment marks our entry into the Australia office and retail segment through a strategic partnership with Sim Lian, which possess deep expertise in the Australia market. With this acquisition, Metro will be able to establish an immediate presence in Australia with quality assets spanning across four key states in Australia and generating immediate recurring income. Together with our partner, we will continue to seek investment opportunities to grow the portfolio."

Mr Kuik Ah Han, Chairman of Sim Lian said, "Sim Lian has continued to build up a quality investment portfolio of freehold office and retail properties in Australia. We look forward to working closely with Metro Holdings, a highly-valued strategic partner. With the combined expertise of Sim Lian and Metro Holdings, we are confident that our dedicated asset management team will further grow and enhance the current portfolio."

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 focuses on key markets in Singapore, China, Indonesia and the United Kingdom.

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, and up-and-coming high growth cities like Chengdu. It has expanded its portfolio to cover a fuller spectrum of properties in Singapore, China, Indonesia and the United Kingdom.

Retail

Metro's retail arm serves customers through two Metro department stores in Singapore, and another 11 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 1.3 million square feet of downtown and suburban retail space in Singapore and Indonesia.

ABOUT 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.

For more information, please visit <http://www.simlian.com.sg> OR Contact Ms. Akashah, Director of Ogilvy at Telephone +65 6213 7881/ Mobile +65 9825 1944 and email: akashah.q@ogilvy.com

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8 November 2019

Appendix A

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

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Sub-total Retail Centres			85,930
Overall Portfolio			130,925

¹ As at 30 June 2019