

## **METRO HOLDINGS LIMITED**

(Company Registration No. 197301792W)

### **METRO GROUP GROWS INDONESIAN PRESENCE WITH S\$114 MILLION INVESTMENT – STRENGTHENS THE PARTNERSHIP WITH PT TRANS CORPORA WITH THE DEVELOPMENT, MARKETING AND SALES OF APARTMENT AND SOHO UNITS IN BINTARO, JAKARTA, INDONESIA**

#### **1. INTRODUCTION**

The Board of Directors of Metro Holdings Limited ("Metro" or the "Company") wishes to announce that on 16 April 2018, its indirect wholly-owned subsidiary, Metrobilt Construction Pte Ltd ("MCPL"), and an independent third party, Shawco Pte Ltd ("SPL"), have entered into a Master Agreement (the "MA") with PT. Trans Corpora ("Trans Corp") in relation to the development, marketing and sales of two residential towers in Bintaro, Jakarta Indonesia for a total investment value of approximately Rp1.33 trillion (including VAT) (approximately S\$127 million) (the "Investment").

PT Metro Property Investment ("MPI") (formerly known as PT Metro Bekasi Investment), 90% owned by MCPL and 10% owned by SPL, will undertake the transactions envisaged under the MA. SPL is a wholly owned subsidiary of the Lee Kim Tah Group.

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

#### **2. INFORMATION RELATING TO THE INVESTMENT**

##### **2.1 INFORMATION ON THE INVESTMENT**

Trans Park Bintaro, Jakarta is another quality landmark mixed development project of Trans Corp, which is an Indonesian-based group. The development is over a site area of about 1.6 hectares comprises of two residential towers (with approximately 1,400 apartment units and 170 Small Office Home Office "SoHo" units) and a Trans Studio retail mall with gross floor area of approximately 22,361 square metres (the "Bintaro" project).

The total investment value for the two residential towers in Bintaro, Jakarta, is Rp1.33 trillion (including VAT) (approximately S\$127 million). Both parties will jointly develop the marketing strategy to market and sell the apartment and SoHo units.

MCPL and SPL has agreed to contribute 100% of the Investment sum and all the related taxes, estimated costs and expenses by way of equity in proportion to the 90:10 ratio of their shareholdings in MPI.

## 2.2 INFORMATION ON TRANS CORP AND CT CORP

Trans Corp is an Indonesian-based group which has businesses that span across media, lifestyle and entertainment, retail and property where it manages TV stations, high-end branded boutiques, food and beverage, theme parks, malls, and travel agencies. Trans Corp is a wholly-owned subsidiary of CT Corp.

CT Corp is an Indonesian-based conglomerate group which has diverse businesses mainly in banking and financial services, media, lifestyle and entertainment, and natural resources.

Both Trans Corp and Metro jointly operate the ten Metro retail department stores in Indonesia through its jointly-owned company, PT Metropolitan Retailmart.

In November 2017, Trans Corp, MCPL and SPL had entered into a master agreement in relation to the development, marketing and sales of five 32-storey residential towers (with approximately 5,600 apartment units) in Bekasi, Jakarta, Indonesia for a total investment value of approximately Rp1.99 trillion (including VAT) (approximately S\$200.4 million).

## 2.3 INFORMATION ON THE BINTARO PROJECT

The Bintaro project is situated within Bintaro Jaya, a mature township spanning South Jakarta with the Jakarta government as one of the key developers. Bintaro Jaya now spans over 1,500 hectare and is a popular residential area for the professionals working in the Central Business District, as the township is well connected to Jakarta through the toll road and the railway line (approximately 15 km).

Trans Corp held a ground-breaking ceremony on 23 March 2018 to mark the commencement of the construction and development of the Bintaro project which is expected to be completed in three years. The residential units are positioned for the middle to middle upper level market with quality design.

### **3. RATIONALE FOR THE PROPOSED INVESTMENT**

Considering Indonesia as one of the largest economies in Southeast Asia, and a growth market with vast potential, the proposed Investment will enable Metro to expand its core property business. Metro views the Indonesia's real estate market as underpinned by sound fundamentals such as country's steady economic growth, rapid urbanization, increasing domestic consumption, a rising affluent middle class and a young population. In addition, the Indonesian government has plans to build up its rail-network and infrastructure to offer seamless connectivity between cities in the country which will drive more economic growth for the country.

Following Metro first investment in Project Bekasi with Trans Corp which was announced on 3 November 2017, this will further strengthen our partnership with Trans Corp as a strategic partner. The Investment will also deepen the footprint of Metro in Indonesia's residential property markets. With Trans Corp and Lee Kim Tah as strategic partners, this will again foster a stronger strategic alliance where each partner can contribute its expertise and complement each other particularly in the Indonesian real-estate sector.

The Investment 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.

### **4. CONSIDERATION**

The Metro Group's 90% commitment for the Investment is approximately Rp1.2 trillion (including VAT) (approximately S\$114 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 primarily from internal cash sources and/or bank 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 2019.

**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.

By Order Of The Board

Tan Ching Chek  
Company Secretary  
16 April 2018