



METRO HOLDINGS LIMITED
(Company Registration No. 197301792W)

**METRO GROUP ACQUIRES 20% STAKE IN VISIONCREST COMMERCIAL,
A FREEHOLD GRADE-A OFFICE BUILDING IN SINGAPORE**

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 it has, through its indirect wholly-owned subsidiary incorporated in Singapore, Metrobilt Construction Pte Ltd ("**Metrobilt Construction**") entered into a joint venture agreement with TEAO II Group Limited ("**TE AO**"), an affiliate of TE Capital Partners Pte Ltd ("**TECP**"). Metrobilt Construction has subscribed for 40.9% shares in a newly incorporated company, Vision One Enterprise Limited ("**Vision One Limited**" or the "**JV Company**"), with TE AO holding the balance 59.1% shares. Vision One Limited, together with TE Capital Partners (Crest) Pte Ltd ("**TEC**") and an independent third party incorporated a joint venture company, Dragon Peak II Pte. Ltd. ("**JV MainCo**") to acquire VisionCrest Commercial, an 11-storey freehold Grade-A office building situated in the prime Orchard Road area (the "**Property**"). Vision One Limited will hold 48.9% equity interest in JV MainCo, TEC will hold 1% and the balance 50.1% by the independent third party. Metro Group will hold an effective 20% stake in the Property through Vision One Limited. A subsidiary of TECP is the manager of JV MainCo.

On 14 November 2023, the JV MainCo entered into a Put and Call Option Agreement with Union Investment Real Estate GmbH (the "**Vendor**") and the JV MainCo's wholly-owned subsidiaries (the "**PropCo Group Companies**") will purchase strata units comprising the Property (the "**Investment**"). The transaction is subject to certain conditions precedent under the various transaction documents being satisfied.

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

2. INFORMATION RELATING TO THE INVESTMENT AND THE PROPERTY

2.1 INFORMATION ON THE INVESTMENT

Metro Group's total investment cost to subscribe 40.9% of the issued shares of the JV Company is at approximately S\$33 million that comprises the acquisition price of the Property, the related stamp duty, capital expenditure, financing costs, other costs and expenses and approximately S\$7 million for working capital requirements, totalling up to S\$40 million. Further, the acquisition price of the Property 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 Property.

The total investment cost comprises the acquisition price of the Property, the related stamp duty, capital expenditure, financing costs, other costs and expenses to be funded by a combination of shareholders' equity and shareholders' loans and bank borrowings.

2.2 INFORMATION ON THE PROPERTY

The Property, an 11-storey freehold Grade-A office building, is situated at 103 Penang Road. It features a commercial retail podium on the ground floor with carparking facilities of 114 lots across two basement levels and is part of the mixed used development that also includes the 265-unit VisionCrest Residence and the national monument House of Tan Yeok Nee, which houses the private university Amity Global Institute.

The Property comprises 148,854 square feet (“sqft”) of net lettable area with 99.7% occupancy and a weighted average lease expiry (“WALE”) of 2.2 years as at 30 September 2023. The Property has been awarded LEED® Gold certification by the U.S. Green Building Council. Strategically located directly across from Istana Park, the property ensures convenient accessibility. It is near both the Somerset and Dhoby Ghaut MRT stations with just five-minute walk away, with three main train lines providing connection to Orchard, Raffles/Marina Bay and large residential areas. Car commute is also very convenient, with easy access to Orchard and the Central Expressway (CTE).

The Property’s key tenants profile includes leading international names such as Manulife Financial Advisers, Puma Sports SEA Trading and The Coffee Bean & Tea Leaf. Selected tenants on each office floor will have access to multiple amenities such as swimming pool, lap pools, tennis court, multi-purpose room, and gym facilities. Executive bathrooms on every floor come with dedicated showers.

The key property information is summarised below:

Description	11-storey freehold Grade-A office building situated at 103 Penang Road that features a commercial retail podium on the ground floor and carparking facilities of 114 lots across two basement levels, LEED® Gold Certified
Land Tenure	Freehold
TOP	2008
Floors	Office 10 floors : Level 2 to Level 11 Retail 1 floor : Level 1 Car Park 2 floors : Basement 1 and 2
Total GFA (sqft)	173,627
Total NLA (sqft)	148,854
Car Park	114 spaces open for entry 24 hours a day, 12 motorcycle lots, bicycle lots
Occupancy / WALE	99.7% / 2.2 years (as of September 2023)
Key Tenants	Manulife Financial Advisers, Puma Sports SEA Trading and The Coffee Bean & Tea Leaf
Connectivity	Strategically located directly across from Istana Park, the property ensures convenient accessibility, with both the Somerset and Dhoby Ghaut MRT stations just a short five-minute walk away and three main train lines providing connection to Orchard, Raffles/Marina Bay and large residential areas. Car commute is also very convenient, with easy access to Orchard and the Central Expressway (CTE).

2.3 INFORMATION ON JV COMPANY, JV MAINCO AND PROPCO GROUP COMPANIES

Metrobilt Construction and TE AO own the following company:

Name of JV Company	:	Vision One Enterprise Limited ("Vision One Limited") ("JV Company")
Country of Incorporation	:	British Virgin Islands
Principal Activity	:	Investment holding
Initial Issued and Fully Paid Up Capital	:	S\$100
Shareholders	:	40.9% - Metrobilt Construction 59.1% - TEAO II Group Limited ("TE AO")

Metrobilt Construction is a wholly-owned subsidiary of Metrobilt Pte Ltd, which in turn is a wholly-owned subsidiary of the Company.

Vision One Limited, TEC and an independent third party own the following company:

Name of subsidiary	:	Dragon Peak II Pte. Ltd. ("JV MainCo")
Country of incorporation	:	Singapore
Principal Activity	:	Investment holding
Initial Issued and Fully Paid Up Capital	:	S\$10
Shareholders	:	48.9% - Vision One Enterprise Limited 1% - TE Capital Partners (Crest) Pte Ltd ("TEC") 50.1% - Independent third party

Dragon Peak II Pte. Ltd. indirectly own 16 wholly-owned subsidiaries incorporated in Singapore (the "PropCo Group Companies").

3. RATIONALE FOR THE PROPOSED INVESTMENT

3.1 Strategic Location of the Property and Exceptional Opportunity

The Property being strategically located directly across from Istana Park, ensures convenient accessibility. It is near the Somerset and Dhoby Ghaut MRT stations with just five-minute walk away, with three main train lines providing connection to Orchard, Raffles/Marina Bay and large residential areas. Car commute is also very convenient, with easy access to Orchard and the Central Expressway (CTE). With the limited supply of freehold strata-titled office space in Singapore's prestigious Orchard Road area, this investment will provide the joint venture partners an exceptional opportunity to own a unique en-bloc freehold strata-titled commercial asset.

3.2 In line with Metro's Investment and Growth Strategy

This acquisition is a unique opportunity in the prime Orchard Road area. Good quality, freehold strata-titled offices with full floorplates are limited. The Property is also nearly fully-let, thus providing an immediate rental income. This investment will forge the strategic collaboration with the two proven real estate partners for this investment in Singapore.

This Investment will further deepen Metro's presence in Singapore. Currently Metro owns a 50% stake in Asia Green, two blocks of premium Grade-A BCA Green Mark Platinum office buildings. Strategically located at Tampines Regional Centre, Asia Green is only a 25-minute drive from CBD, 10-minute drive from Changi Airport and 5-minute walk from Tampines MRT interchange that is part of both East-West and Downtown lines. The property is valued at S\$435 million.

Metro also owns a 26% stake in a portfolio of 16 quality industrial, business park, high-spec industrial and logistics properties in Singapore via the subscription of 26% of the units and 7.0 per cent. notes due 2031 in Boustead Industrial Fund ("BIF"). The total portfolio under BIF has a total asset size of S\$748.9 million.

The Investment is in line with Metro Group's stated intention to build its presence and investment in the region through selective positioning, new investments in quality properties 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 20% capital commitment for the Investment is approximately up to S\$40 million and the acquisition price of the Property was arrived at based on arm's length negotiations after taking into account inter alia the expected net income to be derived from the Property.

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

5. NTA/FINANCIAL EFFECTS

Upon the fulfilment of conditions precedent under the various transaction documents, the above Investment will result in Vision One Enterprise Limited and its associated companies becoming associated companies of Metro and 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 2024.

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 and Eve Chan Bee Leng
Joint Company Secretaries
14 November 2023