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Acquisitions and Disposals :: Discloseable Transaction :: Acquisition in the ordinary course of business of land in Nanchang, Jiangxi Province, PRC

* Asterisks denote mandatory information



Name of Announcer *	METRO HOLDINGS LIMITED
Company Registration No.	197301792W
Announcement submitted on behalf of	METRO HOLDINGS LIMITED
Announcement is submitted with respect to *	METRO HOLDINGS LIMITED
Announcement is submitted by *	Tan Ching Chek
Designation *	Company Secretary
Date & Time of Broadcast	01-Oct-2012 06:47:19
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Acquisition in the ordinary course of business of land in Nanchang, Jiangxi Province, PRC
Description	Please refer to attached announcement and press release.

Attachments

 [annnanchangfinal.pdf](#)
 [pressreleasefinal.pdf](#)
 Total size = **318K**
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METRO HOLDINGS LIMITED

(Company Registration No. 197301792W)

ACQUISITION IN THE ORDINARY COURSE OF BUSINESS OF LAND IN NANCHANG, JIANGXI PROVINCE, THE PRC

1. INTRODUCTION

The Board of Directors of Metro Holdings Limited ("Metro" or the "Company") wishes to announce that Metro Shanghai HQ Pte Ltd ("Metro SHQ"), a wholly-owned subsidiary of Metro China Holdings Pte Ltd, 深圳市萊蒙鼎盛投資發展有限公司 (Shenzhen Top Spring Ding Sheng Investment Development Co Ltd) ("Shenzhen Top Spring") and Top Spring Insite Commercial Property Holdings Limited ("Top Spring Insite") (collectively the "Joint Bidders") have jointly made a successful bid for a land parcel located in the CBD of Honggutan New District, Nanchang, Jiangxi Province, the People's Republic of China (the "Land"), at a price of Rmb1,919,864,500 (approximately S\$373 million). Metro China Holdings Pte Ltd is a wholly-owned subsidiary of the Company. Shenzhen Top Spring and Top Spring Insite are indirect wholly-owned subsidiaries of Top Spring International Holdings Limited ("TSI"), a company listed on the Stock Exchange of Hong Kong Ltd, in which the Metro Group has a 5% interest.

The Joint Bidders have entered into a bid confirmation with the Nanchang Land and Resources Administration Bureau (the "Land Bureau") confirming the successful bid for the land and will set up a joint venture company (the "JVC") in the PRC to develop the land for sale and investment. The acquisition is conditional on the signing of the land use rights transfer agreement for the Land to be entered into between the Land Bureau and the JVC.

Metro SHQ will hold a 30% interest in the JVC when it is established.

2. INFORMATION RELATING TO THE INVESTMENT

The Metro Group's 30% share of the total investment will be approximately Rmb576 million (approximately S\$112 million) (the "Investment").

2.1 INFORMATION ON TSI

TSI is a real estate property developer in the PRC specialising in the development and operation of urban mixed-use communities, and the development and sale of medium to high-end residential properties in the Yangtze River Delta, Pearl River Delta, Beijing-Tianjin and Chengdu-Chongqing regions in the PRC.

2.2 INFORMATION ON THE LAND

The Land is a piece of land located at B-8, part of B-12, B-14, B-20-5 and B-21-4 of the CBD of Honggutan New District, west of Jinrong Da Street and north of Guihua Road, Nanchang City, Jiangxi Province, the PRC. It is a mixed-use commercial, office, residential and entertainment development with a site area of 269,454.90 square metres and an estimated plot ratio gross floor area of approximately 795,000 square metres. The land use rights will grant 70 years for residential use and 40 years for commercial, office and entertainment uses.

The current master plan for Nanchang provides for the expansion of the city westward through the creation of the new Honggutan New District across the Gan River from the existing old town. The Honggutan New District is expected to be developed into the new central business district of Nanchang.

3. RATIONALE FOR THE INVESTMENT

The Investment is in Metro's ordinary course of property development business in China 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 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 Rmb576 million (approximately S\$112 million) and was arrived at based on arm's length negotiations amongst the Joint Bidders.

The Metro Group's commitment will initially be funded primarily from internal cash sources.

5. FINANCIAL EFFECTS

The above Investment is not expected to have any significant effect on the consolidated net tangible assets per share and consolidated earnings per share of the Metro Group for the current financial year ending 31 March 2013.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders 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 Lee Chin Yin
Joint Company Secretaries
Dated: 1 October 2012



NEWS RELEASE

METRO AND TOP SPRING ACQUIRE S\$373 MILLION LAND IN NEW CBD AREA OF NANCHANG, JIANGXI PROVINCE, PRC

- ***To be developed into mega, upscale urban mixed development***

Singapore, 1 October 2012 – Mainboard-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, today announced that jointly with Top Spring International Holdings Limited (“Top Spring”), through their respective subsidiaries, it has acquired an exclusive and scarce large piece of land in the new CBD area of Nanchang, Jiangxi province, PRC for a total consideration of RMB 1.92 billion (approximately S\$373 million).

Metro will own an effective 30% of the project while Top Spring will have an effective 70% shareholding.

Metro, through its subsidiary, Crown Investments Ltd, has an equity stake of about 5% in Hong Kong-listed Top Spring. Top Spring is a real estate property developer in the PRC, specialising in the development and operation of urban mixed-use communities and the development and sale of medium to high-end residential properties in the Yangtze River Delta, Pearl River Delta, Beijing-Tianjin and Chengdu-Chongqing regions in the PRC.

The 269,454 sq m leasehold land parcel located in the new CBD area of Honggutan New District, has an estimated plot ratio gross floor area of approximately 795,000 sq m. Metro and Top Spring, plan to develop a large, upscale urban mixed development including commercial, office, residential and entertainment components on this plot of land.

The project is strategically located in Nanchang's new CBD in Honggutan New District, directly opposite the old city centre across the Gan River. Linked to the old town by three bridges, the new CBD is now fairly developed with maturing residential communities, business and retail clusters forming new commercial centres in Nanchang.

Commented Lt-Gen (Retd) Winston Choo, the Group's Chairman: "We are delighted to join hands, for the first time, with our strategic partner Top Spring, a reputable, HKSE-listed specialist developer noted for its niche development of urban mixed-use projects in the PRC. This joint venture will pave the way for future collaborations with Top Spring and eventually further expand Metro's foothold in the China property market.

The land we have acquired is located in a maturing neighbourhood which already has a nucleus of newly developed residential clusters and retail developments, with planned transportation hubs and other amenities in the near future."

Mr Wong Chun Hong, Chairman of Top Spring added: "We believe this large, upscale urban community development project is the first-of-its-kind in Nanchang. The project will offer buyers and investors an attractive integrated property mix, with commercial, office, residential and entertainment components in one development."

Metro intends to fund its share of the land acquisition of approximately S\$112 million from internal sources. This transaction is not expected to have any financial impact on the Group for the financial year ending 31 March 2013.

None of the Group's Directors has any interest, directly or indirectly, in this project.

NOTES TO THE EDITOR – QUICK FACTS ON NANCHANG

Nanchang is the provincial capital of Jiangxi Province in southeastern China. It is located in the north-central portion of the province and is approximately 1.5 hours by flight from other major cities in Southern China, such as Shanghai, Guangzhou and Xiamen. It is also a major railway hub in Southern China.

Nanchang has a total population of about 5 million and the city is at an economically fast-growth phase. Key industries in Nanchang include semiconductor lighting (e.g. LED), automobile and service outsourcing.

The current master plan initiated by the Nanchang municipal government is to expand the city westward by creating a new district named Honggutan New District across the Gan River from the existing old town. The New District resembles the Pudong district of Shanghai. The Nanchang municipal government has already moved to the New District, which will be developed into a new CBD.

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 divisions – property development and investment, and retail – and is focused on key markets in the region such as China, Indonesia and Singapore.

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 Beijing, Shanghai and Guangzhou. It also holds significant investments in certain property businesses in China.

Retail

Metro's retail arm serves customers through a chain of four Metro department stores in Singapore, and another eight 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 1,323,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

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