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Issuer & Securities

Issuer/ Manager

METRO HOLDINGS LTD

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Announcement Details

Announcement Title

Annual General Meeting

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Submitted By (Co./ Ind. Name)

Joanna Lim

Designation

Company Secretary

Financial Year End

31/03/2026

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached announcement for the response to questions from shareholders.

Event Dates

Meeting Date and Time

24/07/2026 15:00:00

Response Deadline Date

21/07/2026 15:00:00

Event Venue(s)

Place

Venue(s)	Venue details

Meeting Venue	The Fifty-Third Annual General Meeting of the Company will be held at Grand Ballroom III, Level 6, Orchard Wing, Hilton Singapore Orchard, 333 Orchard Road, Singapore 238867 on Friday, 24 July 2026 at 3.00 p.m.

Attachments

Metro - FY2026 AGM Response to Shareholders.pdf

Total size =167K MB

Related Announcements

Related Announcements

25/06/2026 05:45:15

METRO HOLDINGS LIMITED
(Company Registration No.: 197301792W)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS FROM SHAREHOLDERS

The Board of Directors (the "**Board**") of Metro Holdings Limited ("**Metro**" or the "**Company**", together with its subsidiaries, the "**Metro Group**") refers to:

(a) the annual report of the Company for the financial year ended 31 March 2026 (the "**Annual Report**"); and

(b) the notice of annual general meeting ("**AGM**") issued on 25 June 2026 informing shareholders that the Company's Fifty-Third AGM will be held at Grand Ballroom, Level III, Orchard Wing, Hilton Singapore Orchard, 333 Orchard Road, Singapore 238867 on Friday, 24 July 2026 at 3.00 p.m.

The Company would like to thank shareholders for submitting their questions in advance of our AGM.

Please refer to Annex A hereto for the list of questions received from shareholders, and the Management and the Board's responses to these questions.

By Order Of The Board
Joanna Lim and Eve Chan Bee Leng
Joint Company Secretaries
17 July 2026

ANNEX A

RESPONSES TO QUESTIONS FROM SHAREHOLDERS

A. General

1. The Group reported losses in FY2025 and FY2026. Can the Board explain how the remuneration of the Chairman, Group CEO and Directors is determined, and how the remuneration framework takes into account the Group's financial performance and shareholder interests? In addition, can the Board comment on the year-on-year changes in the remuneration of the Chairman and Group CEO, as well as the performance-related components of the Group CEO's remuneration?

The Group's FY2026 loss was primarily attributable to non-cash fair value adjustments and impairment losses arising from its China real estate exposure. Since FY2020, the Group's businesses and performance have been adversely impacted by a series of global and regional challenges arising from the global economic downturn triggered by the COVID-19 pandemic, disruptions to shipping through the Strait of Hormuz and the resulting energy supply risks, a persistently inflationary environment, higher-for-longer interest rates, ongoing heightened geopolitical tensions in the Middle East and trade tariffs.

The Company is cognisant that the real estate industry is inherently capital-intensive and cyclical, and that short-term returns can be affected by the volatility of fair value adjustments.

Accordingly, as stated on page 67 of Metro's Annual Report 2026 under the Corporate Governance section, the Remuneration Committee ("RC") reviews and recommends to the Board the remuneration framework for key executives and for directors serving on the Board and Board Committees. The RC reviews the remuneration of the directors to ensure that the remuneration is commensurate with the effort, time spent and responsibilities of the directors, and not to be over-compensated to the extent that their independence may be compromised. The RC also reviews the Group CEO, Executive Director's remuneration, taking into consideration the prevailing business environment and the Company's long-term strategic plans to ensure a more holistic assessment, in addition to reported financial results.

The basic directors' fees remain unchanged for the past five years. The increase in directors' fees to S$1,120,800 in FY2026 from S$1,111,196 in FY2025 was primarily attributable to changes in Board composition during FY2025. FY2026 reflected the full-year impact of two additional Independent Directors appointed in May 2024. The Board concurred with the RC that the proposed FY2026 directors' fees are appropriate and reasonable, having considered the directors' contributions, the time commitment and effort dedicated to service on the Board and its Committees, and the associated responsibilities and obligations.

As Chairman was appointed in July 2024, his remuneration of S$216,000 was not for a full year in FY2025, compared to S$242,000 in FY2026, which was for a full year. There is no change in the Chairman's fees.

As for the Group CEO's total remuneration, it comprises salary, performance bonus and other contractual benefits provided under the Group CEO's service contract, including contributions to the Central Provident Fund and provisions for unutilised leave, among others. The performance-related and long-term incentive components of the Group CEO's remuneration continue to be determined in accordance with the contractual terms of his service contract.

2. Can Management comment on the outlook for the Group's key markets and businesses?

During the year, Metro's property division continued to be negatively impacted by China's prolonged property sector headwinds, while the challenging retail landscape in Singapore continued to weigh on the performance of our retail division.

The global economic outlook for 2026 remains uncertain amidst heightened geopolitical tensions in the Middle East, which has increased the risk of disruptions to global supply chains and financial markets. Disruptions to shipping through the Strait of Hormuz have significantly heightened energy supply risks, triggering a severe energy shock that poses substantial headwinds, particularly for energy-importing economies in Asia.

<u>Singapore</u>

The Singapore economy grew by 5.7% on a year-on-year basis in the second quarter of 2026, easing from the 6.3% growth in the previous quarter. Notwithstanding the positive growth momentum at the start of the year, the external environment has become increasingly challenging. Heightened geopolitical tensions and elevated energy prices are expected to weigh on economic activity over the coming quarters, particularly for outward-oriented economies such as Singapore.

Singapore's office market remained underpinned by limited new supply and low vacancy levels in the first quarter of 2026, with rents rising across most segments alongside sustained occupier demand for quality office space. Emerging occupier preferences for cost efficiency and operational flexibility have, in some cases, led tenants to consider alternative locations outside the CBD, particularly where quality space remains available. Asia Green, our premium Grade-A office towers at the Tampines Regional Centre, in which the Group has a 50% stake, continued to achieve a high occupancy rate of approximately 98.7% as at 31 March 2026.

At the prime Orchard Road area, a trend of flight-to-quality continues as occupiers prioritise high-specification workplaces to support talent attraction, retention and evolving workplace strategies. As at 24 June 2026, all of the strata title area at VisionCrest Orchard, the Group's 20%-owned freehold Grade-A commercial property, has also been sold.

In addition, the Group, together with Winrich Investment Pte. Ltd., a wholly-owned subsidiary of Wing Tai Holdings Limited, was awarded the tender for a 99-year leasehold site at Dunearn Road in May 2026. The site is intended to be developed into a residential development comprising approximately 330 residential units with commercial uses at the ground floor. The development will be subject to prevailing market conditions and sales demand.

Singapore's retail sector continues to face a challenging operating environment, with consumer sentiment weighed by inflationary pressures and a potential economic slowdown. Department store sales continue to face headwinds, reflecting cautious discretionary spending. Retail sales are expected to remain subdued, as cost pressures, global uncertainties and outbound spending continue to weigh on domestic demand.

China

Against a backdrop of subdued domestic demand and heightened geopolitical uncertainty, China has set a lower GDP growth target of 4.5% to 5.0% for 2026, representing a continued moderation in its growth outlook and among the lowest levels in recent decades. Near-term inflationary pressures are beginning to build, with consumer price index inflation rising to a 37-month high of 1.3% in February 2026, amidst rising input and energy costs. However, underlying demand conditions remain weak, reflecting continued softness in consumption and property-related sectors.

While the Chinese government has introduced targeted fiscal and monetary support measures, these are expected to cushion downside risks rather than drive a strong cyclical recovery, with structural challenges in the property sector continuing to weigh on growth momentum.

The office market continues to grapple with oversupply, with average office face rents across 10 major cities projected to decline by approximately 8.0% year-on-year. In Shanghai, despite some recovery in leasing activity towards the end of 2025, underlying demand remained weak relative to supply, with the citywide Grade A vacancy rate remaining elevated at 23.6% as at the end of 2025, reflecting persistent supply-demand imbalances. Looking ahead, with approximately 1.3 million sqm of new Grade A office supply scheduled for completion in 2026, elevated vacancy levels are expected to persist.

China's economic slowdown and swelling supply of office space have triggered more landlords to grant longer rent-free periods of more than one year, cut rents or resort to substantial subsidies to retain tenants or attract new ones. In some instances, tenants only need to pay for property management fees.

The ongoing property market downturn has weighed on leasing demand for our properties in China. Metro City and Metro Tower in Shanghai, and GIE Tower in Guangzhou, reported an average occupancy of 70.5% as at 31 March 2026. The Atrium Mall in Chengdu and Shanghai Plaza in Shanghai achieved occupancy of 90.1% and 88.0%, respectively, as at 31 March 2026. The three office buildings in Bay Valley are 70.3% occupied as at 31 March 2026. Leasing is expected to remain challenging amidst swelling supply and ongoing economic challenges. The Group's associate, Top Spring, our co-investments with BentallGreenOak (BGO) and our other investment properties held under associates and joint ventures will continue to be subject to the persistent market headwinds in China and Hong Kong.

Indonesia

Indonesia's economic growth is expected to moderate amidst a more challenging external environment, with the Organisation for Economic Co-operation and Development ("OECD") projecting GDP growth of 4.8% for 2026, down from 5.1% in 2025. Elevated energy prices and heightened trade uncertainty are expected to weigh on business activity and household purchasing power, with headline inflation projected to increase to 3.4% in 2026 from 1.9% in 2025. Indonesia's residential property market remains subdued, characterised by limited price growth, soft demand and weak residential construction activity, with buyer sentiment affected by high borrowing costs, a weakening middle class and competition from landed homes benefiting from favourable tax incentives. These will continue to pose headwinds for sales efforts in the Group's residential projects in Bekasi and Bintaro.

United Kingdom

In its April World Economic Outlook, the International Monetary Fund has projected a decline in the UK's real GDP growth from 1.3% in 2025 to 0.8% in 2026. This represents one of the sharpest downward revisions among Group of Seven economies. Inflation is expected to rise temporarily towards 4.0% before returning to target by the end of 2027, as the effects of higher energy prices fade and a weakening labour market continues to exert downward pressure on wage growth.

A record 619,360 applications were made to UK universities by the January deadline for the 2026/27 academic cycle, representing a 3.0% increase from the previous year, with international student applications rising by 5.0% year-on-year to 124,830. Investment into the UK's purpose-built student accommodation ("PBSA") sector reached approximately £4.3 billion in 2025, an increase from the previous year, supported by continued investor interest and transaction activity. Supply of PBSA is expected to remain constrained while demand indicators remain strong, underpinned by a persistent supply-demand imbalance. Metro owns a 30% stake in Paideia Capital UK Trust, which owns a portfolio comprising six freehold quality PBSA properties across Warwick, Bristol, Durham, Exeter, Glasgow and Kingston, with an occupancy rate of 97.8% as at 31 March 2026.

Manchester is the UK's second-largest economic centre and is expected to remain supported by economic growth over the period from 2025 to 2028. By 2028, Manchester's local economy is projected to be more than £2.9 billion larger than in 2024, driven by continued expansion in the technology and professional services sectors. Manchester remains an attractive city to live and work, underpinned by a growing population base and continued inward migration. At the same time, the supply of new housing remains constrained, with development activity affected by planning, cost and regulatory considerations. This imbalance between demand and supply is expected to continue to support underlying demand across both the rental and owner-occupier segments, although growth is likely to moderate in line with broader market conditions. Handover of the sold units under Phase 3 of Middlewood Locks, 'Railings', is in progress following completion in December 2024. Approximately more than half of the total 189 units have been either sold or reserved.

Green-certified office buildings remain increasingly sought after by occupiers. The asset enhancement and refurbishment works at Metro's 50%-owned freehold office property at 5 Chancery Lane in London remain on schedule and are expected to be completed by the end of 2026, with the property targeted to achieve an EPC A rating and BREEAM Excellent certification upon practical completion.

In Sheffield, the Group's 50% stake in Endeavour, Sheffield Digital Campus, a Grade A freehold office building certified with EPC A and BREEAM Excellent, is tenanted to British Telecom till July 2038.

Australia

The OECD forecasts Australia's GDP growth to improve modestly to 2.3% in 2026 and 2.4% in 2027, up from 2.0% in 2025. The Reserve Bank of Australia ("RBA") initially increased the cash rate from 3.60% in January 2026 to 3.85% in February 2026 in response to persistent inflationary pressures. Given that elevated fuel prices are expected to continue to exert upward pressure on inflation, the RBA further tightened monetary policy in May 2026, increasing the cash rate by 0.25 percentage points to 4.35%. The RBA subsequently held the cash rate at 4.35% at its June 2026 meeting. The RBA has indicated that inflation is likely to remain above its target range for some time, with risks tilted to the upside amidst persistent cost pressures and elevated global energy prices.

While monetary policy settings are now more restrictive, the RBA has maintained a cautious stance, noting that the future path of interest rates will depend on the evolution of inflation and economic conditions.

For the Australia office sector, new CBD office supply over the next five years is expected to be significantly lower, at around one-third of the level delivered over the previous five years, which is likely to support a gradual decline in vacancy rates and rental growth. Following an initial expansion, capitalisation rates are expected to stabilise in 2026, with early signs of tightening as investor sentiment improves, rents recover and new supply remains constrained, supporting modest compression over the medium term.

This bodes well for the Group's 30% stake in the portfolio comprising 17 quality freehold properties, including five office buildings and 12 retail centres spanning across four key states, namely New South Wales, Victoria, Queensland and Western Australia, with portfolio occupancy of 93.9% and a weighted average lease expiry (WALE) of 4.7 years by income as at 31 March 2026.

3. **Can Management elaborate on the potential impact of geopolitical tensions in the Middle East, including rising energy prices, on the Group?**

   The conflict in the Middle East and the ongoing energy crisis is expected to weigh on global growth momentum. Persistent inflation and higher-for-longer interest rates will also continue to weigh on investor confidence.

   We certainly face challenges as the majority of the markets in which we operate are grappling with domestic economic challenges, high energy costs and inflationary pressures.

   In view of the uncertain macro-environment, Metro will continue to closely monitor market developments and exercise prudent financial management by preserving cash, optimising liquidity and maintaining strong capital management practices.

4. **Can Management elaborate on the rationale for establishing Grand Brands Asia and how it is expected to contribute to the Group's overall strategy?**

   As disclosed in the SGX announcement dated 10 February 2026, Grand Brands Asia will operate as a brand management company focusing on contemporary international retail brands. The Company will focus on curating and managing a portfolio of contemporary international retail brands, as well as introducing new brand concepts to Singapore at the appropriate time.

   Through Grand Brands Asia, the Group aims to expand access to contemporary international retail brands, providing consumers in Singapore with more choices and exposure to global brand offerings.

5. **Given the Group's losses in FY2025 and FY2026, is the Group re-evaluating its investment strategy and geographical exposure, particularly in relation to China? What steps has Management taken to diversify the Group's portfolio, and does the Group intend to further reduce its exposure to China over time?**

   The Group recognised its concentration risk in China several years ago and has been actively diversifying its portfolio beyond China as part of its long-term investment strategy.

   The Group's total asset exposure to China has been reduced from approximately 50% in FY2016 to approximately 41% as at FY2026, partly due to ongoing diversification efforts.

   Over the years, Metro has diversified beyond China into markets such as Singapore, Indonesia, the UK and Australia. China continues to face a prolonged property market downturn and broader economic challenges. While we remain cautious on China, we continue to take a long-term view on the market, given its size and important role in the global economy.

   At the same time, we continue to proactively manage our assets and investments in China, including improving occupancy and rental performance, while closely monitoring market conditions. We remain open to rationalising our investments should suitable opportunities arise.

B. Property Investment and Development

1. **Why has the Group decided to re-enter the Singapore residential market through the Dunearn Road joint venture development? What expertise can the Group contribute to the project, and how does Management view the opportunity within the Group's broader investment strategy?**

   Metro's last investment in residential development in Singapore was The Crest condominium development in 2012, in partnership with Wing Tai, with Metro holding a 40% stake. It was completed in 2017 and fully sold in 2022.

   In the UK, since 2014, Metro has invested in the Middlewood Locks project, an award-winning mixed-use development in Manchester which will provide 2,215 new homes, and an additional 1,000 new homes or one million square feet of commercial space. In 2024, Metro increased our stake from 25% to 50%. Construction of Phases 1 and 2 of this development was completed in October 2018 and November 2021 respectively. A total of over 1,100 units under Phases 1 and 2 have been fully sold, and approximately more than half of the total 189 units under Phase 3, 'Railings', have been either sold or reserved as at 31 March 2026.

   Metro's 50%-owned property, 5 Chancery Lane is currently undergoing asset enhancement and refurbishment works and the development marked its topping out in March 2026. Upon completion, the asset enhancement works are expected to increase net lettable office space by approximately 25%, from about 80,000 sq ft to 100,000 sq ft and the building is targeted to achieve EPC 'A' rating and BREEAM 'Excellent' certification.

   In Indonesia, Metro is partnering with Trans Corp for the development, marketing and sales of the five 32-storey residential towers with 5,686 units of the Bekasi project and the two residential towers with approximately 1,260 apartment units and 170 SoHo units of the Bintaro project. Both Bekasi and Bintaro projects were topped-off in March 2021 and July

2021 respectively. Sales of these projects are underway and the fully-paid units are being handed over progressively.

These projects demonstrate Management's experience in residential property development and expertise in managing construction projects, including but not limited to our other past projects, Metro City, Metro Tower and GIE Tower.

Per CBRE’s 2026 Singapore Real Estate Market Outlook in February 2026, the buying sentiment and appetite for Singapore residential projects is expected to remain strong given low interest rates but sales volumes are likely to ease alongside fewer launches. Singapore's position as a safe haven will continue to support underlying demand for housing. The Dunearn Road site is an attractive development opportunity, with excellent connectivity, convenient access to amenities, retail and dining options, and proximity to reputable schools.

Metro is partnering with Wing Tai, which has extensive residential development experience, while contributing its property investment expertise and experience gained through its participation in past residential developments and property investments. The site is intended to be developed into a residential development comprising approximately 330 residential units with commercial uses at the ground floor and thoughtfully designed to complement the refined character of the Bukit Timah area and the prestigious Swiss Club Good Class Bungalow enclave.

C. Financial

1. The Company has not conducted any share buybacks since 2012 despite seeking annual renewal of the Share Buyback Mandate. Can the Board explain the rationale for continuing to seek the mandate and how the Board evaluates share buybacks as part of the Group's overall capital management strategy?

The Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its ordinary shares at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share purchases or acquisitions allow the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity.

The Company last conducted a share buyback of 550,000 shares at 67.5 cents per share in 2012.

Metro will consider the surplus cash available, prevailing market conditions and the most cost-effective and efficient approach should there be buyback opportunities.

At present, the Group remains focused on prudent capital management. Property development and investment are capital-intensive businesses, and funding costs remain elevated in a higher-for-longer interest rate environment. Maintaining cash reserves may allow the Group to capitalise on acquisition and investment opportunities without raising additional financing. It also provides flexibility to weather periods of uncertainty, manage liquidity requirements and meet financing obligations.

The Board and Management regularly evaluate capital management options.