METRO HOLDINGS LIMITED
(Company Registration No. 197301792W)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors of Metro Holdings Limited ("**Metro**" or the "**Company**", together with its subsidiaries, the "**Metro Group**") wishes to announce the following acquisition of shares that occurred during the financial year ended 31 March 2020:

INCREASE IN INDIRECT EQUITY INTEREST IN ASSOCIATED COMPANY

On 17 May 2018, Shanghai Xing Chu Business Consulting Co. Ltd ("**Shanghai Xing Chu**"), an indirect wholly-owned subsidiary of Metro China Holdings Pte Ltd ("**Metro China Holdings**"), entered into a Shareholders' Agreement (the "**SHA**") with other individual investors being independent third parties, (together "**Joint Venture**" or "**JV**") for the acquisition of a 35% stake in Shanghai Yi Zhou Property Management Co., Ltd. ("**Shanghai Yi Zhou**") which is utilised for the purpose of acquiring a mixed-used commercial building. Pursuant to the SHA, Shanghai Xing Chu will contribute an aggregate of Rmb 265 million (approximately S$ 56 million), in proportion to its 35% equity interest, to the JV for acquiring and operating the mixed-used commercial building.

On the same day, Shanghai Yi Zhou, through its wholly-owned subsidiary, Shanghai Shang Min Business Consulting Co. Ltd. ("**Shanghai Shang Min**") entered into a Sale and Purchase Agreement (the "**SPA**") with Hangzhou Huan Bei Silk Clothing City Co., Ltd. ("**Hangzhou Huan Bei**"), an independent third party, to acquire a 90% stake in Shanghai Yong Ling Property Development Co. Ltd. ("**Shanghai Yong Ling**") which owns the Shanghai Plaza (the "**Property**"), located in Huai Hai Zhong Road, Huang Pu district in Shanghai, PRC. The SPA was subject to obtaining shareholder's approval from Hangzhou Huan Bei's ultimate shareholder, which is a listed company on the Shanghai Stock Exchange. It was intended for the JV to acquire the remaining 10% stake in Shanghai Yong Ling by 2020.

On 13 November 2019, Shanghai Shang Min acquired the remaining 10% stake in Shanghai Yong Ling, for a consideration of Rmb 222.6 million (approximately S$ 43.9 million) (the "**Additional Investment**"). The consideration represents the balance 10% on the net asset value of Shanghai Yong Ling amounting to Rmb 209.1 million (approximately S$ 41.2 million) plus deferred interest of Rmb 13.5 million (approximately S$ 2.7 million).

The Additional Investment was completed on 13 November 2019 and Shanghai Yi Zhou now has an indirect interest of 100% in Shanghai Yong Ling. The Metro Group's interest in the Property, through Shanghai Xing Chu's indirect interest in Shanghai Yong Ling, is now increased from 31.5% to 35% correspondingly.

Consideration

The Metro Group's 3.5% equity commitment for the Additional Investment is approximately Rmb 77.9 million (approximately S$ 15.3 million) and was arrived at based on arm's length negotiations.

The Metro Group's commitment and expenses relating to the transaction was funded from internal cash sources and debt.

NTA/Financial Effects

The above Additional 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 financial year ended 31 March 2020.

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
25 June 2020