

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 2021 (the "**Annual Report**");
- (b) the notice of annual general meeting ("**AGM**") issued on 14 July 2021 informing shareholders that the Company's AGM will be convened and held by way of electronic means on Thursday, 29 July 2021 at 11.00 a.m; and
- (c) the accompanying announcement issued by the Company on 14 July 2021 setting out, inter alia, the alternative arrangements relating to attendance at the AGM via electronic means.

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
Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries
29 July 2021

ANNEX A

RESPONSES TO QUESTIONS FROM SHAREHOLDERS

A. Property Investment & Development

1. What is the status of Metro City's lease renewal?

Metro City, Shanghai, remains our flagship property in China. The Board is aware of the short remaining lease tenure of this property and continues to explore ways to extend the lease with our joint venture partner, the municipal government.

2. How has the recent increase in COVID-19 cases in Indonesia affected the group's residential projects in Bekasi and Bintaro, Jakarta?

The implementation of tighter social restrictions due to lockdowns, a slowdown in GDP growth and ongoing volatilities brought on by the global COVID-19 pandemic, have continued to impact the sales and collections of the Group's residential projects in Bekasi and Bintaro, Jakarta. Nevertheless, sales for both projects are ongoing at our sales galleries/marketing suites and online. Construction milestones have not been materially affected: All five 32-storey residential towers at Bekasi have topped off and one of the two towers at Bintaro has topped off.

3. What is Metro's investment rationale in entering the industrial, business park, high-spec industrial and logistics properties in Singapore through its December 2020 investment into Boustead Industrial Fund?

Metro's investment into the Boustead Industrial Fund marks Metro's foray into a highly sought-after industrial real estate market in Singapore. It will deepen Metro's presence in our home market and further diversify from Metro Group's existing investment portfolio. The overall outlook for Singapore industrial real estate market, which mainly consists of industrial, business park and logistics properties, remains positive amid the COVID-19 pandemic given the nation's stability.

In addition, as more office users re-strategise their space requirements with the rising trend of working from home, business parks stand as one of the alternative options for cost-conscious qualifying occupiers. The outlook of the overall industrial real estate market in Singapore remains positive as the country will continue to be a favourable destination as a hub for companies worldwide and the industrial sector is poised for sustainable growth in the long term.

Underpinned by the demand in the industrial sector, the average monthly rental rates for industrial, business park and logistics properties are

expected to remain stable, and the occupancy rates for industrial, business park and logistics properties remain high amid the COVID-19 pandemic.

The Portfolio of 14 properties will enable the Metro Group to achieve an immediate scale in a new market and establish a strategic presence in the industrial sector.

B. Retail

4. Why does Metro continue in the retail business when it is so challenging and loss making? Is it for legacy reasons? Please also discuss the Group's online retail efforts.

Metro started off as a textile retailer in 1957, and has more than six decades of history as an established retail household brand name. That said, the retail business has faced various challenges in recent years, from rising rents to increasing numbers of shoppers going online to shop instead of visiting brick-and-mortar stores.

Metro is making progress on the online retail front. The onset of the COVID-19 pandemic accelerated the Group's push online and retail revenue attributable to online business has grown over the past 12 months. To grow its brand amidst the ongoing digital transformation, the Group continues to focus on its multi-media strategy of engaging its customers through various digital platforms such as Metro Online, Metro LazMall, Shopee Mall, Amazon.com, Facebook, Twitter, Instagram, mobile web and electronic direct mail. With the rising popularity of messaging applications, the Group has embarked on multi-media platforms to further engage customers via instant marketing promotions and its "Metro App".

C. Financials & Capital Management

5. Please discuss how Metro manages its foreign currency exposure?

Metro invests across its five key markets of Singapore, China, Indonesia, the United Kingdom and Australia, and is exposed to foreign exchange rate fluctuations, primarily in relation to Chinese renminbi (RMB), United States dollar (USD), Hong Kong dollar (HKD), Sterling pound (GBP), Australian dollar (AUD) and Indonesian rupiah (IDR). As detailed on page 146 of Annual Report 2021, the Group, whenever possible, seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency or against the entity's functional currency, in particular its future revenue stream. Transactional exposures in currencies other than the entity's functional currency are kept to a minimal level.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including United Kingdom and Australia.

The Group's investment in certain United Kingdom and Australia associates and a joint venture are hedged by GBP and AUD denominated bank loans, which mitigates structural currency exposure arising from the associates' and joint venture's net assets. Gains or losses on the translation of the borrowings are transferred to other comprehensive income to offset any gains or losses on translation of the net investments in the foreign operations.

D. Others

6. Can the Board elaborate further on Mr. Phua Bah Lee's role as Senior Advisor?

Mr Phua joined the Board of Metro in 1993 and has contributed to the Group over the past 28 years. As Senior Advisor, the Board and Management can tap on his extensive experience and network. Mr. Phua has been playing an integral role for the Group's expansion through the years, in particular Metro's entry into China. He will continue to provide invaluable guidance to the Metro Group.