

GENERAL ANNOUNCEMENT::MINUTES OF ANNUAL GENERAL MEETING HELD ON 26 JULY 2024

Issuer & Securities

Issuer/ Manager

METRO HOLDINGS LTD

Securities

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Minutes of Annual General Meeting held on 26 July 2024

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Submitted By (Co./ Ind. Name)

Tan Ching Chek

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached file.

Attachments



[MHL - Final AGM Minutes 2024.pdf](#)

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METRO HOLDINGS LIMITED
UEN: 197301792W
(Incorporated in the Republic of Singapore)
(the “**Company**”)

MINUTES OF FIFTY-FIRST ANNUAL GENERAL MEETING HELD AT GRAND BALLROOM III, LEVEL 6, ORCHARD WING, HILTON SINGAPORE ORCHARD, 333 ORCHARD ROAD, SINGAPORE 238867 ON FRIDAY, 26 JULY 2024 AT 3.00 P.M

- Directors present : Lt-Gen (Retd) Winston Choo Wee Leong (Chairman)
Mr Tan Soo Khoo
Ms Deborah Lee Siew Yin
Mr Gerald Ong Chong Keng
Mr Yip Hoong Mun
Mr Ng Ee Peng
Mr Soong Hee Sang
Mr Ong Sek Hian (Wang ShiXian)
Mr Chan Boon Hui
Mr Christopher Tang Kok Kai
- In attendance : Ms Eve Chan Bee Leng
- Group Chief Financial Officer (“**Group CFO**”) and Joint Company Secretary

Ms Tan Ching Chek
- Joint Company Secretary
- Auditor : Mr Lee Wei Hock
- Ernst & Young LLP
- Scrutineer : Atlas Business Solutions Pte. Ltd.
- Shareholders and proxies present : To refer to attendance list

It was noted that before the Annual General Meeting (“**AGM**” or “**Meeting**”) proceeded to business, the Company gave a video presentation on the businesses of the Group to the shareholders present at the meeting.

1.0 QUORUM AND CHAIRMAN

- 1.1 As a quorum was present, Lt-Gen (Retd) Winston Choo presided as Chairman of the Meeting (the “**Chairman**”) and called the meeting to order at 3.06 p.m..

2.0 WELCOME

- 2.1 The Chairman welcomed the shareholders to the Meeting. The Chairman invited the Joint Company Secretary (the “**Company Secretary**”) to brief shareholders on the proceedings of the Meeting.

3.0 **NOTICE**

- 3.1 The Company Secretary informed the Meeting that the printed Notice of the AGM dated 4 July 2024, Proxy Form and Request Form had been sent to all shareholders. The Notice of AGM had also been advertised in The Business Times on 4 July 2024. The Notice of AGM, Proxy Form, Request Form, Annual Report and Letter to Shareholders in relation to the proposed renewal of the share purchase mandate had been published on the SGXNet and the Company's corporate website on 4 July 2024. Accordingly, the Notice of AGM convening the Meeting was taken as read.

4.0 **APPOINTMENT OF CHAIRMAN OF MEETING AS PROXY AND POLL VOTING**

- 4.1 The Company Secretary reminded that those persons who do not have valid proxies for the AGM were only observers at the Meeting and they were not allowed to vote on any resolutions or ask any question.
- 4.2 The Company Secretary informed the Meeting that the Chairman had been appointed as proxy by certain shareholders who had instructed him to vote for or against certain resolutions to be put to the Meeting. As such, Chairman would vote in accordance with the wishes of these shareholders.
- 4.3 In order to achieve a transparent and clear result, and in accordance with Rule 730A(2) of SGX-ST Listing Rules and Article 64(A) of the Company's Constitution, the Company Secretary informed shareholders that all resolutions put to the Meeting would be voted by poll.
- 4.4 The Company Secretary said that the poll would be conducted using the electronic hand-held device provided by Boardroom Corporate & Advisory Services Pte. Ltd.. A handset has been issued to shareholders at the point of registration.

5.0 **APPOINTMENT OF SCRUTINEER AND VOTING PROCEDURES**

- 5.1 The Company Secretary informed the Meeting that Atlas Business Solutions Pte. Ltd. ("ABS") had been appointed as the Scrutineer for the Electronic Poll Voting. The Company Secretary requested ABS to brief the Meeting on the electronic voting process. After the briefing by ABS, a video was played which explained the voting process. This was followed by a test run so that shareholders would have a better understanding of the electronic voting process.
- 5.2 The Company Secretary then informed shareholders that the resolutions of the Meeting had been put forward by the Board. The Chairman would propose each of the resolutions. Once each resolution had been proposed, the Meeting would be opened to the floor to shareholders for questions. For record purposes, each shareholder should also identify himself or herself by giving his or her name before asking any questions. The Company Secretary requested shareholders to limit to a reasonable number and length of questions and to matters that were relevant to the Meeting in due consideration of the interests of other shareholders who were present at the Meeting. Thereafter, shareholders would vote on the resolution using the handset. The result of the votes would be flashed on the screen. The Company Secretary emphasised to the Meeting that questions would not be entertained during the 12 seconds allocated for voting on the resolution.

ORDINARY BUSINESS:

6.0 **RESOLUTION 1 - DIRECTORS' STATEMENT, AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS**

- 6.1 The Directors' Statement, Auditor's Report and Audited Financial Statements were taken as read with the consent of shareholders present. The resolution on the Directors' Statement, Auditor's Report and Audited Financial Statements for the financial year ended 31 March 2024 was proposed by the Chairman. The Chairman invited the shareholders to raise questions relating to the Directors' Statement, Auditor's Report and Audited Financial Statements.
- 6.2 The Company Secretary informed the Meeting that the Company had received some questions from a shareholder ("**Shareholder A**") after the cut-off date for submission of questions. In his letter, Shareholder A also wished to record his sincere thanks to Chairman for his dedication and leadership in leading the Metro Group for the past 17 years.

The summary of his questions were as follows:

- (i) What is your rationale for investing in Top Spring International Holdings Limited ("**Top Spring**")?
- (ii) What is your rationale for acquiring an additional 6% in Top Spring?
- (iii) Can you comment on the performance of Top Spring's trading price?
- (iv) What is your long-term plan for your investment in Top Spring?

The responses of the Group Chief Executive Officer ("**Group CEO**") and Executive Director [Mr Yip Hoong Mun ("**Mr Yip**") were as follows:

Mr Yip said that over the past year, the global environment had become even more challenging. The persistent high interest rates, high inflation and high cost of living affected everyone. In addition, geopolitical tensions have increased and there are wars and conflicts in many countries. The year 2024 is also a year of elections, with at least 64 countries out of a total of 195 countries having elections this year. Three out of the five countries which Metro Group has a presence in have seen a change of leadership, namely Singapore, the United Kingdom ("**UK**") and Indonesia. He acknowledged that Shareholder A had asked very good questions about Top Spring. Metro Group currently holds a 20.5% ownership stake (including Perpetual Subordinated Convertible Securities ("**PCS**") in Top Spring, which is a real estate property developer in the People's Republic of China ("**PRC**") and is listed on The Stock Exchange of Hong Kong Limited ("**HKEX**"). The primary focus of Top Spring is on development and investment in real estate property in Hong Kong and the southern part of the PRC. He would like to take the opportunity to update the shareholders on the situation in the PRC first before he answered the questions on Top Spring.

The PRC underwent about three years of very strict COVID-19 restrictions from 2020 to 2022 before it opened up fully in January 2023. As the PRC is one of the biggest countries in the world, everyone thought that its economy would recover after the country had opened up fully.

However, in reality, the situation in the PRC had actually worsened over the past year. The PRC is now facing a lot of challenges, in particular, the real estate sector, which is important as the real estate sector used to account for 25% to 30% of its gross domestic product.

Mr Yip shared with the Meeting on his personal perspective on the possible reasons why many businesses that have presence in the PRC are affected by the current situation. This could be attributed to two factors, i.e. both internal and external factors. Internally, during the three years of strict COVID-19 related restrictions in the PRC, many businesses had to close and people lost their jobs. Despite the opening up of the economy in January 2023, a lot of people still could not go back to work. Furthermore, there are about 11 to 12 million graduates (about twice the population in Singapore) entering the job market every year. This meant that about 30 million people over the last three years had entered the job market but have difficulty to find jobs or find good employment. As a result, people lack the confidence to spend on properties and they also reduced their personal consumption. During holidays in the PRC, there are a lot of people travelling but the domestic consumption has nonetheless fallen. Confidence is an important element for any economy to recover but this is evidently lacking as seen in the decline in domestic consumption in the PRC.

Externally, the current geopolitical tensions involving the PRC worsens the situation. Many multinational corporations (“**MNCs**”) have moved out of the PRC and there is no significant new foreign investment into the PRC as well. These have affected a lot of the coastal cities such as Shanghai or Beijing which are more dependent on foreigners. With the departure by the MNCs, lower foreign investment, lower consumer confidence and reduction in personal consumption, property prices in the PRC have dropped and the vacancy rates of commercial properties have increased.

Mr Yip said that the context of this situation would help to address the questions raised by Shareholder A. Top Spring primarily invests in real estate in the PRC. The Group invested in Top Spring when the company listed on the HKEX in 2011 for two reasons. The first reason is that it served as a vehicle for Metro Group to invest in properties in southern China and Hong Kong. As everyone could recall, the PRC’s economy did very well during the 20 years from 2000 to 2020 and Metro’s investment in Top Spring came at an opportune time. The second reason is the opportunity for the Metro Group to co-invest with Top Spring. Top Spring does not only provide a platform for shareholders to directly invest, but it also provides an opportunity to the Metro Group to co-invest with Top Spring in three big projects. The first project was a mixed-use development which is located at Hong Gu Tan Central Business District in Nanchang, Jiangxi Province. The second project was the Shanghai Shama Century Park project. Top Spring and the Metro Group had since divested both projects for good profits. The third project is the three office buildings in Bay Valley in new Jiangwan City, Yangpu District, Shanghai.

During the last AGM held on 20 July 2023, Mr Yip mentioned that the Shanghai government had the idea to create Bay Valley to mirror the concept of Silicon Valley in the United States of America for start-ups. The renowned Fudan University is also next to Bay Valley. As shown in the video presentation earlier, the occupancy rate of the three Bay Valley office buildings is currently about 70.6%, and it could have been better had it not been for the current situation in the PRC. So these were the reasons why Metro Group invested in Top Spring. This strategy worked well as the PRC market was good then.

Metro Group acquired an additional 6% equity stake from the founder of Top Spring on 10 January 2024. Metro Group has always treated Top Spring as an associate for

accounting purposes. In accounting terms, an associate is one where you hold 20% to 50% of its shareholdings, i.e. one will have some influence but no control over the company. However, the Metro Group's shareholding in Top Spring had been diluted to about 16% over the years. This was the reason why Metro Group acquired the additional 6% stake in Top Spring: to preserve the associate status so that it could continue to have some influence in Top Spring. Mr Yip informed the Meeting that he sits on the Board of Top Spring as the representative of Metro Group to protect the interest of Metro Group. However, he is not a member of the audit committee and investment committee of Top Spring's board. Mr Yip clarified to the Meeting that Metro Group had to acquire the 6% from the founder earlier this year because Metro Group could not purchase the shares from outside parties or from the market as Top Spring has to maintain a minimum public free float of 25% to remain listed on the HKEX. The consideration paid by Metro Group for the 6% stake in Top Spring was at a steep discount to the net asset value ("**NAV**") of Top Spring. This resulted in a negative goodwill of S\$60.3 million, being the excess value over purchase consideration for the additional 6% equity stake. With the acquisition of the additional 6% stake and shareholder's loan to Top Spring, the Metro Group's total investment in Top Spring represented about 17% of Metro Group's total assets.

Mr Yip said that the current prolonged property market downturn in the PRC has affected the performance of both small and big real estate players, especially the bigger players. It first started with the China Evergrande Group and then Country Garden which are both listed on HKEX. Currently, Top Spring has a net debt-to-equity ratio of 63% and the share price is trading at more than 90% discount to its NAV which is similar to most of the comparable real estate companies (which are not undergoing restructuring) listed on HKEX.

In reply to Shareholder A's question on the long-term plan for Metro Group's investment in Top Spring, Mr Yip said that Top Spring is only part of the Metro Group's investments in the PRC and its overall investment portfolio. Mr Yip gave credit to the founder of Metro for his entrepreneurship in going into the PRC. Metro entered the PRC market in 1988, i.e. before the Tiananmen social unrest in 1989. Metro Group not only went to Shanghai and Guangzhou but to as far as Urumqi, Xinjiang. When the PRC's economy did very well for the past 20 years, Metro Group benefited because of the hard work of the pioneers.

Mr Yip informed the Meeting that the Metro Group has already started to diversify out of the PRC for the past few years even before the current situation. The current portfolio of the Metro Group also includes investments in other countries such as Singapore, Australia, the UK and Indonesia. In fact, the Metro Group increased its investment in Singapore with the latest investment of a 20% stake in VisionCrest Commercial, a commercial property located in Orchard. In Australia, the Metro Group holds a 30% stake in a portfolio of commercial properties worth S\$1b and these assets are very resilient. While Metro Group has diversified from the PRC, the PRC remains an important investment opportunity for the Metro Group as about 58% of its non-current assets are in the PRC. The PRC is the world's second largest country and is currently facing a lot of challenges, and its economy is centrally controlled and very policy-driven. The latest round of wide-ranging economic policy goals was announced in July 2024 at the Communist Party's Central Committee meeting known as the third plenum, which takes place every five years, to deal with the current situation in the PRC. The focus of the Metro Group is to continue to monitor the performance of all its assets (i.e. not only in Top Spring) in the PRC and to monetise these investments if a good opportunity arises.

6.3 Shareholder 1 asked the following questions and the responses of the Group CEO and Executive Director were as follows:

Question 1: The decline in the share price and the Company's performance.

He said that he has been a shareholder of the Company since 2017 and bought shares of the Company at the share price of S\$1.20 per share then. During the past 7 years, he had bought more shares of the Company. However, the share price has since declined to approximately S\$0.49 per share that morning. While the Company was still making profit for the last seven years, it did not do well. He noted from the Annual Report 2024 that the return on shareholders' funds was only about 1%. In addition, he noted that there were total borrowings of approximately S\$600 million. He did not know why there was a slide in the Company's share price for the past six years and commented that the share price is a reflection of the Company's performance.

Reply 1:

Mr Yip informed the Meeting that the world has changed for the past few years and the Company is not immune to the changes. He clarified that the Company is not the only one affected by the current situation. He said that the Metro Group had total borrowings of approximately S\$593 million and cash and cash equivalents of approximately S\$273 million as at the end of the financial year ended 31 March 2024. The net debt to equity ratio of the Company is about 22%. Based on the current real estate market, a company with a net debt to equity ratio of below 30% is still considered to be not too bad as real estate is very capital-intensive. In terms of the amount of debt and the net debt to equity ratio of the Metro Group, its performance is considered better than some real estate counters.

He said that the shareholder was right to point out that the return to shareholders was approximately 1.01%. The decline in profits was also mainly due to provisions made for impairment. The Metro Group has substantial exposure to the PRC and companies with exposure to the PRC are affected by the current situation. The focus is to make sure that Metro Group assets in the PRC perform. This is not easy as Metro Group works with different parties in the PRC, and these parties are from the private sector and the state-owned enterprises ("SOEs"). Most of the private developers in the PRC are badly affected by the current prolonged property market downturn, while the SOEs have their own priorities and structures. It is not easy to navigate these challenges in the current situation. The Metro Group remains cash flow positive and despite the challenges it faced, the Company was still able to propose a decent dividend of first and final dividend of 2 cents for the financial year ended 31 March 2024 to reward its shareholders.

Question 2: Business outlook in the PRC

The shareholder commented that the REITs are doing very well. He cited the example of Starhill Global REIT which has a good payout of 6.5%. Starhill Global REIT bought the 27% interest in Ngee Ann City from Metro Group in 2003. He did not know what motivated the Metro Group to sell its interest in Ngee Ann City then. He noted that part of the sale proceeds went into the investments in the PRC. He said that he was less optimistic on the business outlook in the PRC. He shared his grave concerns on the weakened consumption in the PRC, the on-going geopolitical tensions, the disrupted supply chain and, in particular, the short leases of the Metro Group's properties. The remaining lease of a certain property of the Metro Group is less than 7 years. In Singapore, the average tenancy agreement is three plus three and some leases could be 10 years or more. He hoped that Management takes this seriously as the Metro

Group's leasehold assets in the PRC are going to expire one day. He asked for the path forward in respect of the Metro Group's assets in the PRC.

The response of the Chairman was as follows:

Reply 2:

The Chairman informed the Meeting that the Board and Management are taking the situation in the PRC very seriously and are also looking at ways to resolve the issues. The Group CEO and Executive Director will further elaborate on this matter.

Reply 2:

Mr Yip informed the Meeting that Metro Group divested its 27% interest in Ngee Ann City in 2003 and then went into the PRC market at a time when the PRC economy was rising. In the PRC, the ownership of land belongs to the State. The lease tenure for residential properties is approximately 70 years while the lease tenure for commercial properties is approximately 40 to 50 years. The property with a remaining short lease that the shareholder mentioned is Metro City, Shanghai, and this property is set up under a Co-operative Joint Venture ("**CJV**") arrangement. In the early years when the PRC opened up, the government had land but insufficient capital and so it invited foreign investors to invest in the PRC. The PRC government provided the land while the foreign investors contributed the capital to develop the land. The lease tenure for Metro City, Shanghai started with a lease of 36 years from 1993 and now has a remaining tenure of about 5 years but this is only for the property. When the lease tenure expires, the PRC government will take back the land. Metro Group only has one property i.e. Metro City, Shanghai under the CJV arrangement.

Mr Yip said that he has to put things in the right perspective. The economy of the PRC had done well in the past but is now facing a lot of challenges. It is not easy to do business in the PRC presently due to the current situation, i.e. the weak property and financial markets and the geo-political issues. The Metro Group has substantial exposure in the PRC and the Metro Group has to manage and preserve the value of the assets in the PRC as best as possible. As Mr Yip had mentioned in the meeting earlier, the Metro Group had already started to diversify its investments away from the PRC a few years ago to reduce its exposure in the country. The Metro Group now has a diversified portfolio of investments across various countries such as Singapore, Australia, Indonesia and the UK. A lot of companies with a presence in the PRC also face a lot of challenges due to the difficult situation there. Fortunately, the Metro Group is not in the PRC residential market. The assets of the Metro Group in the PRC are commercial properties that produce recurring income.

Question 3: Short lease tenure for assets held in the PRC and other properties

Shareholder 1 raised his concerns that, apart from Metro City, Shanghai, two out of five of the other properties of Metro Group held in the PRC have remaining lease tenures of 20 years or less. He commented that the recent acquisition whereby Metro Group acquired an additional 6% equity stake in Top Spring at a steep discount from the founder seemed too good a deal to be true. He said that a lot of property companies in the PRC are facing financial difficulties and some have gone into liquidation. He cited a case of a certain leading listed real estate company in Singapore which had to book a S\$1.7b impairment loss for a failed property venture in the PRC. Given the current situation, he expressed concern and he felt that it should not be business as usual as the value of the assets could be gone in the next few years once the leases expired. He noted that the Metro Group has also invested in a portfolio of 15 properties through Boustead Industrial

Fund (“BIF”) and these properties have short leases of 20 to 30 years. He sought clarification on why the Metro Group had invested in properties that have short leases.

Reply 3:

Mr Yip clarified to the Meeting that the leases in the PRC are short unlike Australia and UK where properties are mostly freehold. The land in the PRC belong to the government and this is why the leases of properties are generally from 30 to 70 years. The PRC government does extend the leases for residential properties which are usually for up to 70 years. With regard to commercial properties, there are instances where the PRC government extended the leases for certain top-up payments.

With regard to the Metro Group’s purchase of the 6% stake in Top Spring from the founder, it was not a deal that was considered too good to be true. The Metro Group and the founder have been business partners for more than 20 years and have established a good business relationship. It was not that the founder had wanted to sell the stake at that price. Metro Group has to maintain Top Spring as an associate and this is why the founder sold his 6% stake to Metro Group at a steep discount to the NAV of Top Spring, as Top Spring and Metro Group are also long-term partners.

Mr Yip clarified to the Meeting that the Metro Group did not directly buy the properties from BIF, but had rather invested in BIF’s portfolio of 15 industrial, business park, high-spec industrial & logistics properties. Boustead Projects Limited (“BPL”) is an experienced and reputable developer and operator in the industrial real estate market in Singapore. In Singapore, industrial land is generally leased from JTC. JTC used to grant 60-year land leases but has since reduced the lease period to 30 years. BIF had bought its initial portfolio of industrial properties which is a very good portfolio of properties that has generated good yields in Singapore. Metro Group holds a 26% stake in BIF. The other 25% stake is held by BPL and the remaining 49% stake is held by a third party institutional real estate investor. The prices of Metro’s investments would have reflected the leases of the underlying investments/portfolios. Mr Yip highlighted that (the relatively shorter land leases) is a market issue that Industrial REITs also face and it is not something which is peculiar to Metro Group’s investments in Singapore’s industrial real estate market.

Question 4: Recycling of assets and Investments Portfolio

Shareholder 1 suggested that the Company take a more pro-active approach to recycle its assets. He noticed that the Metro Group had made good profits out of properties that have short leases. He noted that the Metro Group has a mixed and wide portfolio of investments which ranged from industrial assets to student accommodation across different countries.

Reply 4:

Mr Yip referred to the theme of the Annual Report 2024 which is “Navigating Challenges, Strengthening Resilience”. In today’s business environment, it is not easy to navigate challenges not only in the PRC but also in many parts of the world. The portfolios which were mentioned in the meeting earlier are all resilient portfolios. For the BIF’s portfolio, the occupancy rate for the industrial assets is almost full and generates at least a 7% yield in Singapore (through Metro’s subscription of the 7.0 per cent notes due 2031 in the BIF).

The Australian portfolio, which the Metro Group invested in through a joint venture with the Sim Lian group, has an appraised value of approximately S\$1.0 billion and this portfolio of properties has a high occupancy rate of about 94.1%. This portfolio of

properties has generated good returns especially during the COVID-19 pandemic when supermarkets remained open for business even though other businesses had to be closed.

With regard to the portfolio of six purpose-built student accommodation (“**PBSA**”) which the Metro Group invested in through a joint venture with Lee Kim Tah Holdings Limited and Woh Hup Holdings Pte Ltd in the UK, all the PBSA properties save for one enjoyed almost full occupancy. PBSA is a resilient sector because students must still attend school regardless of whether times are good or bad. Currently, the hottest asset class for investment in the UK is student housing.

He clarified that the Metro Group did not buy the assets directly but co-invested with like-minded investors with the aim to build well-diversified portfolios for further growth and business opportunities.

With the above in mind, Metro Group had thus aptly chosen the theme “Navigating Challenges, Strengthening Resilience” for its Annual Report 2024.

6.4 Shareholder 2 asked the following questions and the responses of the Group CEO and Executive Director, and Group CFO (“Ms Eve Chan”) were as follows:

Question 1: Purpose-built student accommodation in the UK, performance of properties in the UK and Contingent Liabilities

He introduced himself as a new shareholder of the Company. He referred to the Group CEO’s explanation on the student accommodation in the UK and shared his own observations. He commented that the UK has made it very difficult for international students, especially the students from PRC lately, to gain admission into the Russell Group of Universities, which represents 24 leading universities in the UK. This has adversely affected the business of Unite Students (“**Unite**”), which is the UK’s largest developer and provider of purpose-built student accommodation. Unite first started off with the help of GIC but GIC had since divested part of this investment.

He congratulated the Chairman that the current Board of Directors consists of distinguished Directors with experience and expertise in real estate, finance and capital market and noted that a few of them had previously worked with the same real estate company.

He asked whether the student accommodation in the UK is located within the Russell Group of Universities. He also hoped that based on the latest update, the properties which are held in the UK are still performing well.

He referred to page 124 - Note 16 (Joint Ventures) of the Annual Report 2024 and complimented Management for the detailed explanation given. He referred to page 123 – Note 15 (Associates) of the Annual Report 2024 where it was stated that the contingent liabilities of Top Spring relating to the guarantees given to the financial institutions for mortgage loan facilities granted to purchasers of the Top Spring Group’s properties was at approximately S\$41.7 million. He said that this amount is not liabilities yet and they are contingent upon the happening of an event. The conclusion of the Company was that there was no substantive exposure to the Metro Group. He asked for an update on this as the real estate industry in the PRC is in dire straits. He asked whether Top Spring will be called upon or intended to be called upon to meet these contingent liabilities.

Reply 1:

In response to the shareholder's question on whether the purpose-built student accommodation in the UK is located within the Russell Group of Universities, Mr Yip replied in the affirmative.

Reply 1:

Ms Eve Chan informed the Meeting that to the best of the knowledge of the Company, the contingent liabilities of Top Spring have not been called upon as at to-date and there is also no indication at this moment that the contingent liabilities will be called upon.

Question 2: Equity Stake and Voting Rights in Top Spring

He referred to page 123 of the Annual Report 2024 which states the Metro Group's effective indirect equity stake of approximately 22.2% (excluding PCS) of the voting rights in Top Spring and an ownership interest of 20.5% (including PCS). He sought clarification on the difference.

Reply 2:

Ms Eve Chan informed the Meeting there are some PCS which are not entitled to any voting rights and that accounted for the difference.

Question 3: Financial Support from Substantial Shareholder

Referring to the last paragraph of page 123 of the Annual Report 2024, he asked who was the substantial shareholder mentioned in the following sentence: "These include measures to accelerate the pre-sales and sales of its properties under development and completed properties, utilising its unencumbered property assets and deposits to obtain financing from banks and negotiate for loan extensions with the banks, and commitment of financial support **from a substantial shareholder**", and whether this referred to the contingent liabilities.

Reply 3:

Ms Eve Chan informed the Meeting that the above sentence did not refer to the contingent liabilities. The substantial shareholder mentioned in the sentence is the founder of Top Spring.

Question 4: Shareholding held by founder in Top Spring

He noted that based on Top Spring's Annual Report 2023, the founder of Top Spring owns approximately 37.81% of Top Spring. [Note: Prior to our 6% creep up, the effective shareholdings of the founder of Top Spring was 29.93% (excluding PCS) and subsequently was 23.93% (excluding PCS) after the 6% creep up.]

Reply 4:

Ms Eve Chan explained that as Top Spring adopts 31 December as their financial year end, their latest Annual Report was for their financial year ended 31 December 2023. Following the Metro Group's acquisition of the 6% equity stake from the founder of Top Spring in January 2024, the effective shareholdings now held by the founder in Top Spring has been reduced to approximately 23.93% (excluding PCS) accordingly.

Question 5: Substantial shareholders in Top Spring

He noted that the effective shareholdings of the founder of Top Spring (23.93%, excluding PCS) and the Metro Group (22.2%, excluding PCS) add up to total shareholdings of close to 50%. He referred to the earlier comment by the Group CEO that Top Spring is required to maintain a minimum public float of 25% in order to remain listed on the HKEX and that about 75% of the shareholdings in Top Spring are held by substantial shareholders. He enquired on the identity of the shareholder who holds the remaining substantial shareholding (out of the 75%) in Top Spring.

Reply 5:

Mr Yip informed the Meeting that there are three major shareholders in Top Spring. Besides the Metro Group who holds 22.2% (excluding PCS), the other two shareholders are the founder of Top Spring and a SOE from Yunnan province who hold 23.93% (excluding PCS), and 28.38% (excluding PCS), of the shareholdings in Top Spring respectively.

Question 6: Loan extensions

He noted that the line 5 of the last paragraph of page 123 of the Annual Report 2024 mentioned "...negotiate for loan extensions with the banks...". He asked whether the negotiations for loan extensions are with SOE banks or non-SOE banks and whether Top Spring Group is under the "whitelist" of the central government of the PRC.

Reply 6:

Mr Yip informed the Meeting that the negotiations for loan extensions are with non-SOE banks. Mr Yip said that the Top Spring Group is not under the "whitelist" of the central government of the PRC. The borrowings from the banks are for operations and so far, there has been no issue dealing with non-SOE banks for short-term borrowings.

Question 7: Situation of Top Spring

He expressed grave concerns about the situation of Top Spring and noted from the Annual Report 2024 that certain amounts which were due from associates are not expected to be repaid within the next 12 months. He commented that the Metro Group appeared to be acting like a bank where it borrowed money from the banks in Singapore and advanced the money to Top Spring in the form of an interest-free loan and re-classified the loan as part of the Metro Group's net investment in the associates, which in his opinion, is equivalent to share capital.

He referred to page 120 of the Annual Report 2024 where it was stated that "The total amounts are not expected to be repaid within the next financial year, of which S\$330,247,000 (2023: \$332,504,000) forms part of the Group's net investment in the associates." He said the Metro Group did not only buy an additional 6% stake in Top Spring and if we were to include the Metro Group's net investment in the associates, the Metro Group will hold more than a 20.5% (including PCS) effective interest in Top Spring and the Metro Group is funding Top Spring which is incurring tremendous losses in the PRC.

Reply 7:

Mr Yip clarified to the Meeting that the loan to Top Spring is a short-term loan with interest.

Reply 7:

Ms Eve Chan clarified that the associates mentioned do not include only Top Spring. The Metro Group's investments in the Australian portfolio, UK PBSA, BIF and certain other investments are also classified under associates.

Question 8: Amount invested with Top Spring

He asked for the net amount that Metro Group invested in Top Spring and the amount due from Top Spring in the current account.

Reply 8:

Ms Eve Chan said that Metro Group's net investment in Top Spring is S\$267 million. The amount due from Top Spring was reclassified from non-current to current. Under Amounts due from associates – Current, the Metro Group's interest-bearing shareholder's loans bear interest rates ranging from 11% to 16.8% per annum. Under Amount due from associates – Non-current, the interest-bearing loans bear interest rates ranging from 6.3% to 7.3% per annum and these information could be found in Notes 15(a), 15(b) and 15(c) of the Notes to the financial statements in the Annual Report 2024.

Question 9: Withholding tax

He asked whether the Group received the actual gross amount of the interest and whether there is withholding tax.

Reply 9:

Ms Eve Chan informed the Meeting that the Metro Group typically paid about 5% of withholding tax and this will depend on the respective tax jurisdictions applicable. As capital structure policies differ in each country, Metro Group would be guided based on tax efficiency structure. For example, Metro Group can choose to either invest through share capital or shareholder loans and the returns would be dividend income and interest income respectively.

Question 10: Relationship between tax expense and accounting profits

He referred to Note 9(b) – Taxation of page 113 of the Annual Report 2024. He requested for more details relating to expenses not deductible for tax expenses of S\$6.857 million. If he were to apply the corporate income tax rate of 17% in Singapore, this would translate to a gross amount of about S\$40 million of expenses not deductible for tax expenses for the next 12 months. He asked why there was this amount of expense not deductible for tax purposes. He clarified that he did not require an immediate reply as this might require some time to provide.

[Post Meeting Note: As Metro Holdings Limited is a corporate and investment holding company, its main sources of revenue are dividend income, management fee income and interest income. Hence, some of the non tax-deductible expenses include but are not limited to foreign exchange losses, fair value impairment loss of long term/short term

investments, disallowed interest expenses, non tax-deductible expenses for tax-exempt income and non tax-deductible corporate expenses.]

Question 11: Update on Top Spring

He asked whether there was any update on the situation of Top Spring as of Thursday, 25 July 2024 and whether the banks had called for repayment of any loan in the past few days. This was because he was very concerned over the situation of Top Spring.

Reply 11:

Ms Eve Chan informed the Meeting that to the best of the Company's knowledge, there is no debt that is being called upon that Top Spring could not fulfil or meet its commitment as at to-date.

Question 12: Negative Goodwill

He noted that Top Spring operates in the Greater Bay Area ("**GBA**"), i.e. Hong Kong, Shenzhen and Guangdong province. The PRC government has great plans to develop the GBA, which also includes Macau and Zhu Hai. He asked whether the Metro Group has any intention to acquire more shares in Top Spring in the future. The negative goodwill of S\$60.3 million mitigated the operating loss and resulted in net profit of S\$14.6 million for the financial year ended 31 March 2024.

He asked whether the Metro Group ensured the valuation of the properties was reasonable in the Purchase Price Allocation exercise.

Reply 12:

Ms Eve Chan confirmed that there was an external independent valuation done in respect of the acquisition of the additional 6% stake in Top Spring.

Shareholder 2 said that valuation is an art. He personally felt that the recent deal on the acquisition of the additional 6% equity stake in Top Spring was a deal which was too good to be true. He opined that the assets are overvalued.

He said that Top Spring is actually incurring losses and its share price is very low. Based on the Metro Group's shareholdings in Top Spring as at 31 March 2024, the market valuation was approximately at S\$27 million but Metro Group's purchase cost of Top Spring shares was approximately S\$133 million and have been accounted for at cost (referring to page 119 of the Annual Report 2024). He wondered if it was still reasonable to state it at cost.

6.5 Shareholder 3 asked the following question and the response of the Group CEO and Executive Director was as follows:

Question 1: Decline in earnings

He referred to page 53 of the Annual Report 2024 relating to the financial ratios. He was concerned that there had been a decline in the earnings per share, return on shareholders' funds and return on total assets for the past five years and they were below inflation rates which means negative returns.

He agreed with the Chairman's statement and the conclusion about the commitment towards prudent financial management. He asked whether no action is also considered

a form of strategy in times of uncertainty. He raised his concerns about the performance of the global diversified portfolios which have not been performing well especially for the past few years and the Group CEO also mentioned about impairment losses and fair value losses. He wanted to know the rationale for the recent purchase of office space when people are working from home or remotely. A leading global real estate company in Australia has stated that they are trying to diversify all their office properties. Further, the business parks are also not doing well. He said that Singapore might not have felt it yet at this moment but the impact in western countries is actually quite bad and it is a matter of time before it will affect Singapore. He felt that there could be more provision for impairment losses or fair value losses over the next few years.

He referred to page 129 of the Annual Report 2024 where he observed that the fixed deposits were placed for periods of not more than six months and wondered whether the Metro Group had something in mind that would require deployment of the funds. The returns on the short-term fixed deposits were also considered to be low compared to the inflation rate.

He presumed that the interest rate which ranged from 1.8% to 5.5% per annum applied to the overseas deposits and these deposits constituted about 25% of the total cash balances. The Singapore Dollars will likely strengthen over time and he was concerned about the Metro Group's exposure to foreign currencies such as the Indonesia Rupiah which is depreciating. He urged the Board and Management to review the Metro Group's strategies. He said that diversifying to global portfolios now will not do good at all as it will not strengthen the Metro Group's resilience.

Reply 1:

Mr Yip said that no action could also be a good strategy in any business. The shareholder has rightfully pointed out preserving cash is a good strategy. For the past one year, Metro Group only had one acquisition which was the acquisition of a 20% stake in VisionCrest Commercial. It is a prime freehold commercial asset with almost full occupancy rate.

6.6 Shareholder 4 asked the following question and the responses of the Group CEO and Executive Director, and Group CFO were as follows:

Question 1: Negative Goodwill

He introduced himself as a new shareholder of the Company. While he was disappointed that the hard copies of the Annual Reports were not available at the Meeting, he was impressed with the staff who had ushered shareholders to the venue of the Meeting and the venue of the AGM is also centrally located. He noted that shareholders had raised very good points earlier. As the shareholders only get to meet the Board and Management once a year during the AGM, he felt that the shareholders should be given the opportunity to voice their concerns, if any, without time constraints during the AGM.

He referred to how another shareholder had earlier mentioned the negative goodwill of S\$60.3 million which mitigated the operating loss and resulted in a net profit of approximately S\$14.6 million for the financial year ended 31 March 2024. He said that this would appear to be a rather aggressive accounting treatment and felt that when in doubt or faced in a difficult situation, Metro Group should adopt a conservative view and reflect the worst case scenario and not adopt an aggressive accounting stance. He also noted that Group's performance has declined for the past six years. The Metro Group's overseas portfolio is increasing and it should also be mindful of the exposure to foreign currencies. He hoped that more good questions would be raised by the shareholders during the AGM and it was better to be well informed.

Reply 1:

With regard to the negative goodwill, Ms Eve Chan informed the Meeting that Metro Group's financial statements had been independently audited by Ernst & Young LLP ("EY"). She then invited the EY Audit Partner to address the shareholders' concern on the negative goodwill.

At this juncture, Shareholder 2 politely declined the Group CFO's invitation for the EY Audit Partner to address shareholders' concerns on the negative goodwill as he felt that it was not necessary.

Reply 1:

Mr Yip said that he would like to address the above question from the business perspective. The main reason why Metro Group acquired the additional 6% stake in Top Spring is that Metro Group wants to maintain a 20% interest in Top Spring so that it can be classified as an associate of the Metro Group. Top Spring has always been recognised as an associate company of the Metro Group when it started to invest in this company. With the 20% interest and being accounted for as an associate, the Metro Group could exercise some influence on the business direction of Top Spring even though the Metro Group does not have control over Top Spring.

However, the Metro Group's shareholdings in Top Spring was diluted to approximately 16% over time. If the Metro Group does not continue to have a 20% interest in Top Spring, the Metro Group might not be able to maintain its board seat in Top Spring. It is with this in mind that the Metro Group decided to acquire an additional 6% stake in Top Spring so that Top Spring can continue to be recognised as an associate of the Metro Group and that Mr Yip can continue to exercise influence on behalf of the Metro Group over Top Spring's business direction. This is even more crucial during the current difficult times. The NAV of Top Spring was about HK\$5 per share but the market price per share was low and this is why the Metro Group was able to acquire the additional 6% stake at a lower price. Therefore, the acquisition of the additional 6% stake in Top Spring was not only for accounting purposes but there was also a real business reason behind the acquisition.

Although the Group has recognised a negative goodwill of S\$60.3 million arising from the acquisition, Mr Yip said that there will also be a trade-off as the Metro Group has to now share a higher percentage of the losses of Top Spring as a result of the increased stake.

6.7 Shareholder 2 asked the following question and the responses of the Group CEO and Executive Director was as follows:

Question 1: Top Spring

He requested the Chairman for permission to speak for another 10 minutes. He referred to the earlier discussion on negative goodwill. The negative goodwill is an accounting calculation and it is dependent on the valuation of Top Spring. He said that there will be no takers if Top Spring were to put its assets or lands on the market for sale today. He had spoken to the Chairman of another big real estate company who shared with him that there are currently no takers in the real estate market in the PRC. He personally felt that the said valuation was merely a book valuation. He said that his point was that the Metro Group should have perhaps segregated the operating results and non-operating results for clarity. There was nothing wrong with the current presentation except that it should reflect the real operating loss. He said that Metro Group will share a higher

accounting loss from Top Spring but the loss will be reflected under the share of results of associates which is in a different line item. In terms of business analysis, a good analyst may pick it up whereas another analyst may just gloss over it.

He understands that Metro Group could exert influence but not control over Top Spring with a board seat. However, he is doubtful about the extent of actual influence if Mr Yip is just one member out of many members on the board of directors of Top Spring. In the PRC, one must be near the business environment, the bankers and know the legal and operational issues, and just by attending board meetings will not enable one to exert actual influence. He asked the following two questions on Top Spring:

(1) whether there are enough lines of credits to draw down for Top Spring in case there are demand by banks for repayments for the borrowings and short-term loans; and

(2) whether Top Spring has started to sell their assets to raise cash to repay the borrowings and if there are any offshore bank loans.

He referred to page 86 of the Annual Report 2024 on Consolidated Statement of Comprehensive Income where the currency translation adjustments on foreign subsidiaries, associates and joint ventures amounted to a loss of S\$22.43 million (2023: a loss of S\$85.226 million). He said that this meant that if this was translated, every S\$1 invested in Australia and every S\$3 invested in UK, Metro Group would only get back S\$0.88 and S\$1.74 respectively if Metro Group had to realise the assets. These are the currency translated adjustments which reflected the realisable value of the overseas operations. He also shared his personal experience with his investments in Australia and UK and advised Management not to invest in these two countries. He said that he would prefer the Metro Group to be Singapore-centric and commented that the recent acquisition of 20% stake in VisionCrest Commercial was a good move as freehold property will prove its worth in Singapore in the long run.

Reply 1:

Mr Yip thanked Shareholder 2 for sharing his personal experience with Australia and UK, and his endorsement on the acquisition of 20% stake in VisionCrest Commercial. To the best of his understanding, the banks have not asked for repayment from Top Spring at the present moment. It is a challenging time not only for Top Spring but also other real estate developers as there are no buyers due to the current depressed property market in the PRC. Top Spring is still operating its business as usual and the Group will continue to monitor the situation.

Mr Yip said that he is one of the eight directors on the board of directors of Top Spring. In business, influence is not necessarily determined by the numbers, but is also about the ability to work with other partners. As the Metro Group's nominated representative to act as a non-executive Director in Top Spring, it is Mr Yip's duty to influence Top Spring positively and to manage the challenges together with the team during these difficult times.

6.8 Shareholder 5 asked the following questions and the responses of the Group CEO and Executive Director were as follows:

Question 1: Bentall GreenOak China Real Estate Fund

He appreciated the detailed explanation on the current situation in PRC, how it affected Top Spring and its share price and the rationale for the purchase of the additional 6% stake in Top Spring. Metro Group purchased the additional 6% stake in Top Spring on

10 January 2024 for HK\$1.10 per share. The share price of Top Spring on 9 January 2024 was HK\$0.58 per share. He accepted the explanation by the Group CEO on why Metro Group had to acquire the additional 6% stake from the founder to maintain the public free float and for Metro Group to maintain a board seat in Top Spring. The share price of Top Spring on 25 July 2024 was trading at half of HK\$0.58 per share. Shares of all real estate counters in HK are also trading at very low prices.

He raised the question on Bentall GreenOak China Real Estate Fund (**BGO**). He noted that about S\$36 million of the investments in BGO was written off in a previous year and this was about a third of the original investment. He wanted to know what the prospects of the investments in BGO are in terms of whether there is any potential for recovery, or if more impairment losses are to be expected.

Reply 1:

Mr Yip informed the Meeting that the Metro Group invested in the BGO funds and co-invested with BGO in some projects in the PRC. The earlier investment in the BGO fund gave good returns. The Metro Group has invested about US\$88 million in the BGO funds and in the co-investments with BGO. Shareholder 5 was right when he mentioned that there was an impairment of about S\$36.3 million made for this investment in respect of FY2022. Metro Group did not make additional impairment provisions for this investment in respect of FY2024 as it was not deemed necessary to do so.

To provide more context, Mr Yip explained that BGO invested mainly in the third-tier cities in the PRC when the residential market was good. The investments were structured in the form of mezzanine loans extended to the developers to complete their projects. The interest rates charged for the mezzanine loans were high and ranged from 13% to 15% per annum.

If the property market in the PRC recovers, the residential properties along the coastal areas are expected to recover first. As for third-tier cities, the recovery will take some time as there was an oversupply when the market was good.

The mezzanine loans are secured by assets of the projects. Even though the developers have difficulty selling the development units, the security value is still there. Metro Group is working with the BGO team who is fronting the fund on ways to at least recover part of the investment.

Question 2: Write down and potential recovery of investments in BGO fund

Based on the given explanation, he asked whether this meant that Metro Group is not expecting further write down for this investment and there is a potential for recovery for this investment if the market recovers as there is still about 50% exposure to this fund. He noted that these are mezzanine loans and not senior loans.

Reply 2:

Mr Yip said that these mezzanine loans are fully secured by the properties and the value is still there. When the market starts to recover and the properties start to sell, the Metro Group hopes to recover its investment.

6.9 There being no further questions, the Chairman requested the shareholders to cast their votes on the resolution.

6.10 The results for Resolution 1 were as follows:

	<u>Total Number of shares represented by votes for and against the Resolution</u>	<u>For</u>		<u>Against</u>	
		<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 1 To adopt the Directors' Statement, Auditor's Report and Audited Financial Statements	467,528,267	467,091,667	99.91	436,600	0.09

6.11 The Chairman declared that the following resolution was carried:

“That the Directors’ Statement, Auditor’s Report and Audited Financial Statements for the financial year ended 31 March 2024, now submitted to this Meeting, be and are hereby received and adopted.

6.12 **Shareholder 6 asked the following questions and the responses of the Group CFO were as follows:**

Question 1: Notes to financial statements - Note 30

He referred to note 30 – segment information – geographical information on page 142 of the Annual Report 2024. He asked for details of the S\$55 million profit under the PRC and S\$25 million loss under Others.

Reply 1:

Ms Eve Chan said that the S\$55 million included the S\$60.3 negative goodwill arising from the acquisition of the additional 6% stake in Top Spring. The “Others” included investments in the UK, USA, Europe and Japan. Some of these investments are investment properties, some are in joint ventures and some are long-term investments in quoted and unquoted shares.

Question 2: Balance Sheet - Assets

He noted that under the Metro Group’s non-current assets in the PRC, there was approximately S\$530 million assets under associates, and asked whether these assets had been adjusted for fair value and was in alignment with the negative goodwill value.

Reply 2:

Ms Eve Chan confirmed in the affirmative.

7.0 **RESOLUTION 2 - FIRST AND FINAL TAX EXEMPT (ONE-TIER) DIVIDEND OF 2.0 CENTS**

7.1 The resolution on the payment of the first and final tax exempt (one-tier) dividend of 2.0 cents per ordinary share was proposed by the Chairman.

7.2 The Chairman invited questions from the shareholders.

7.3 There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.

7.4 The results for Resolution 2 were as follows:

	<u>Total Number of shares represented by votes for and against the Resolution</u>	For		Against	
		<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 2 To declare First and Final Dividend	470,973,336	470,854,536	99.97	118,800	0.03

7.5 The Chairman declared that the following resolution was carried:

"That the Company do hereby declare and approve the First and Final Tax exempt (one-tier) dividend of 2.0 cents per ordinary share for the financial year ended 31 March 2024."

7.6 The Company Secretary informed the Meeting that the first and final dividend would be paid on 16 August 2024 to shareholders who are registered with the Company on 5 August 2024.

8.0 **RE-ELECTION OF DIRECTORS**

(I) **RESOLUTION 3 - RE-ELECTION OF MR TAN SOO KHOON UNDER ARTICLE 94 OF THE COMPANY'S CONSTITUTION.**

a. The resolution on the re-election of Mr Tan Soo Khoo as a director of the Company was proposed by the Chairman.

b. The Chairman invited questions from the shareholders.

c. There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.

d. The results for Resolution 3 were as follows:

	<u>Total Number of shares represented by votes for and against the Resolution</u>	<u>For</u>		<u>Against</u>	
		<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 3 To re-elect Mr Tan Soo Khoo, a Director retiring under Article 94 of the Company's Constitution	469,887,347	469,055,951	99.82	831,396	0.18

- e. The Chairman declared that the following resolution was carried:

“That Mr Tan Soo Khoo be and is hereby re-elected as a Director of the Company in accordance with Article 94 of the Company's Constitution.”

(II) RESOLUTION 4 - RE-ELECTION OF MS DEBORAH LEE SIEW YIN UNDER ARTICLE 94 OF THE COMPANY'S CONSTITUTION

- a. The resolution on the re-election of Ms Deborah Lee Siew Yin as a director of the Company was proposed by the Chairman.
- b. The Chairman invited questions from the shareholders.
- c. There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.
- d. The results for Resolution 4 were as follows:

	<u>Total Number of shares represented by votes for and against the Resolution</u>	<u>For</u>		<u>Against</u>	
		<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 4 To re-elect Ms Deborah Lee Siew Yin, a Director retiring under Article 94 of the Company's Constitution	469,826,727	469,155,239	99.86	671,488	0.14

- e. The Chairman declared that the following resolution was carried:

“That Ms Deborah Lee Siew Yin be and is hereby re-elected as a Director of the Company in accordance with Article 94 of the Company’s Constitution.”

- 8.1 The Chairman referred to the announcement dated 4 July 2024. He said that as stated in the announcement, he would not seek re-election and accordingly, he would retire from the Board upon conclusion of the AGM. Upon his retirement from the Board at the conclusion of this AGM, he will also step down as Chairman of the Board of Directors, Nominating and Remuneration and Investment Committees.
- 8.2 The Chairman thanked the Board members, Management and shareholders of Metro Holdings Limited for giving him the opportunity to serve the Metro Group for the past 17 years.

(III) RESOLUTION 5 - RE-ELECTION OF MR CHAN BOON HUI UNDER ARTICLE 100 OF THE COMPANY’S CONSTITUTION.

- a. The resolution on the re-election of Mr Chan Boon Hui was proposed by the Chairman.
- b. The Chairman invited questions from the shareholders.
- c. There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.
- d. The results for Resolution 5 were as follows:

	<u>Total Number of shares represented by votes for and against the Resolution</u>	For		Against	
		<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 5 To re-elect Mr Chan Boon Hui, a Director retiring under Article 100 of the Company’s Constitution	469,560,627	469,253,539	99.93	307,088	0.07

- e. The Chairman declared that the following resolution was carried:

“That Mr Chan Boon Hui be and is hereby re-elected as a Director of the Company in accordance with Article 100 of the Company’s Constitution.”

(IV) **RESOLUTION 6 - RE-ELECTION OF MR CHRISTOPHER TANG KOK KAI UNDER ARTICLE 100 OF THE COMPANY'S CONSTITUTION**

- a. The resolution on the re-election of Mr Christopher Tang Kok Kai was proposed by the Chairman.
- b. The Chairman invited questions from the shareholders.
- c. There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.
- d. The results for Resolution 6 were as follows:

	<u>Total Number of shares represented by votes for and against the Resolution</u>	For		Against	
		<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 6 To re-elect Mr Christopher Tang Kok Kai, a Director retiring under Article 100 of the Company's Constitution	469,477,227	469,320,539	99.97	156,688	0.03

- e. The Chairman declared that the following resolution was carried:

"That Mr Christopher Tang Kok Kai be and is hereby re-elected as a Director of the Company in accordance with Article 100 of the Company's Constitution."

9.0 **RESOLUTION 7 - DIRECTORS' FEES**

- 9.1 The resolution on the payment of directors' fees was proposed by the Chairman.
- 9.2 The Chairman invited questions from the shareholders.
- 9.3 There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.
- 9.4 The results for Resolution 7 were as follows:

		For		Against	
	<u>Total Number of shares represented by votes for and against the Resolution</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 7 To approve Directors' Fees	469,951,147	469,119,231	99.82	831,916	0.18

9.5 The Chairman declared that the following resolution was carried:

“That the Directors’ fees of S\$1,037,461/- be paid to the directors for the financial year ended 31 March 2024.”

10.0 RESOLUTION 8 - RE-APPOINTMENT OF AUDITOR AND FIXING THEIR REMUNERATION

10.1 The resolution on the re-appointment of Ernst & Young LLP was proposed by the Chairman.

10.2 The Chairman invited questions from the shareholders.

10.3 There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.

10.4 The results for Resolution 8 were as follows:

		For		Against	
	<u>Total Number of shares represented by votes for and against the Resolution</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 8 To re-appoint Ernst & Young LLP as Auditor and authorise the directors to fix its remuneration	470,017,747	469,821,347	99.96	196,400	0.04

10.5 The Chairman declared that the following resolution was carried:

“That Ernst & Young LLP be and are hereby re-appointed Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditor.”

SPECIAL BUSINESS

11.0 RESOLUTION 9: TO APPROVE THE SHARE ISSUE MANDATE

- 11.1 The Company Secretary informed the Meeting that Resolution 9 was to seek shareholders' approval for a mandate authorising the Directors to issue new shares in the Company not exceeding, in aggregate, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company with a sub-limit 20% for issues other than on a *pro rata* basis to shareholders.
- 11.2 The resolution on the Share Issue Mandate was proposed by the Chairman.
- 11.3 The Chairman invited questions from the shareholders.
- 11.4 There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.
- 11.5 The results for Resolution 9 were as follows:

		For		Against	
	<u>Total Number of shares represented by votes for and against the Resolution</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 9 To approve the Share Issue Mandate	470,558,815	459,019,375	97.55	11,539,440	2.45

- 11.6 The Chairman declared that the following resolution was carried:

“That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of shares,
 and, in sub-paragraph (1) above and this sub-paragraph (2), “**subsidiary holdings**” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

12.0 **RESOLUTION 10 - TO APPROVE THE RENEWAL OF SHARE PURCHASE MANDATE**

- 12.1 The Company Secretary informed the Meeting that the renewal of the share purchase mandate, if approved, will give the Company the flexibility to undertake purchases of its issued shares at any time, subject to market conditions, during the period that the Mandate is in force.
- 12.2 The Company Secretary also informed the Meeting that Mr Gerald Ong Chong Keng, Mr Ong Sek Hian (Wang ShiXian) and the Relevant Parties named on pages 17 and 18 of the Letter to Shareholders dated 4 July 2024 will abstain from voting on the Resolution relating to the renewal of the Share Purchase Mandate. Mr Gerald Ong Chong Keng, Mr Ong Sek Hian (Wang ShiXian) and the Relevant Parties who are individuals have not accepted any proxy appointment in respect of this Resolution.

12.3 The resolution on the Renewal of Share Purchase Mandate was proposed by the Chairman.

12.4 The Chairman invited questions from the shareholders.

12.5 There being no questions, the Chairman requested the shareholders to cast their votes on the resolution.

12.6 The results for Resolution 10 were as follows:

		For		Against	
	<u>Total Number of shares represented by votes for and against the Resolution</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>	<u>Number of Shares</u>	<u>Percentage (%)</u>
Resolution 10 To approve the Renewal of the Share Purchase Mandate	121,934,854	119,348,012	97.88	2,586,842	2.12

12.7 The Chairman declared that the following resolution was carried:

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, 1967 (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and/or any other stock exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, before the date of the market purchase by the Company, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the market purchase by the Company;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“Maximum Limit” means that number of Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST));

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 5% above the Average Closing Price; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, the NTAV of a Share; and

“NTAV of a Share” means the net tangible asset value of a Share taken from the latest announced consolidated financial statements of the Company preceding the date of the making of the offer pursuant to the off-market purchase; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

12.8 With the permission of the Chairman, Mr Tan Soo Khoon gave a speech of thanks to Chairman for his invaluable service to the Metro Group. A copy of the speech is attached to the minutes for record purposes.

13.0 **END OF MEETING**

13.1 The Fifty-First Annual General Meeting was declared closed at 5.00 p.m.

Confirmed as correct record:

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman of the Meeting

Speech by Mr Tan Soo Khoon at Metro Holdings Limited's Annual General Meeting held on 26 July 2024

Ladies and Gentlemen,

On behalf of Metro Holdings Board of Directors, the management and staff, I would like to take this opportunity to thank Lt-Gen (Retd) Winston Choo Wee Leong for his seventeen years of service to Metro Holdings.

Lt-Gen (Retd) Winston Choo joined Metro's Board in 2007 as the Vice Chairman. When the late Mr Ong Tjoe Kim stepped down, Lt-Gen (Retd) Winston Choo took over the chairmanship, a position he has held to this day.

Lt-Gen (Retd) Winston Choo's service to the nation is well known, particularly his long career in our armed forces culminating in his position as Chief of Defence Force.

After retiring from the armed forces, he embarked on a remarkable career as a diplomat, and over a span of 3 decades served as our country's High Commissioner to Australia, Papua New Guinea, South Africa and Ambassador to Israel. He is also well remembered for his role as Chairman of the Singapore Red Cross Society from 1996 to 2008.

Together with the late Mr Jopie Ong, Lt-Gen (Retd) Winston Choo played a pivotal role in shaping Metro to where it is today. For the past seventeen years, he has guided Metro in navigating complex economic and geo-political landscapes. His visionary leadership extended Metro's footprint to new horizons. Under his stewardship, we successfully ventured into new markets, including the UK and Australia. This expansion not only broadened our global presence, but it exemplified a strategic foresight and determination to embrace opportunities for growth and impact across borders.

Underscoring Metro's commitment to the community and his own compassion for education, Chairman Winston Choo also spearheaded the "Metro Is Singapore" initiative during the challenging times of the COVID-19 pandemic. Metro donated 2.5% of its department store revenue in the month of September 2020 amounting to \$250,000 to provide more than 200 laptops for low-income Singaporean students to enable them to have home-based on-line learning during the lock-down.

Chairman Winston Choo has also been aware of the need to infuse fresh blood into our organization. Under his leadership he has overseen smooth and effective transitions in the management and in the composition of the Board. This ensures continuity and stability to the organization, while empowering new leaders to take Metro to greater heights.

Lt-Gen (Retd) Winston Choo,

You are a remarkable leader. Not only have you led us with unwavering dedication, but you have also transformed our vision into tangible realities.

You have also had a profound impact on each of us personally and professionally.

Your legacy is not just the achievements, but it is also your visionary leadership and dedication that serves as the inspiration for all of us. On behalf of the Board members, management and staff, I express my heartfelt gratitude to you, Lt-Gen (Retd) Winston Choo, for your invaluable leadership, your unwavering commitment, and the transformative impact you have had.

We wish you many happy years in your retirement. I am also glad to inform all of you that his retirement does not mean he is severing his ties with Metro Holdings completely. We are delighted that Lt-Gen (Retd) Winston Choo will continue to contribute his wealth of experience and insights as Senior Advisor to Metro Holdings.

Please join me in expressing our deepest appreciation to Lt-Gen (Retd) Winston Choo.

Thank you.

----- End -----