METRO HOLDINGS LIMITED
(Company Registration No. 197301792W)

Response to SGX-ST's queries dated 24 July 2020 in relation to the Unaudited Full Year Results for the year ended 31 March 2020

In response to the queries from the SGX-ST dated 24 July 2020, the Board of Directors of Metro Holdings Limited ("**Metro"** or "the **Company**") would like to provide the following information in relation to the full year results for the year ended 31 March 2020.

Query 1:

We note that the Group has unsecured borrowings and debt securities of S$145,165,000 which are repayable in one year or less, or on demand.

(a) How does the Group intend to repay the amount of S$145,165,000 which is repayable in one year or less, or on demand?

(b) How much of the amount of S$145,165,000 is attributable to borrowings and debt securities which are repayable on demand? Further, what are the conditions or circumstances which would trigger repayment to be made on demand?

(c) Please provide further information as to whether the Company expects cash flow or liquidity issues with regards to the repayment S$145,165,000, in light of the COVID-19 situation and its impact on the Company's business operations. Please substantiate the Company's stand with details.

Where applicable, please elaborate on the matters set out in our Regulator's Column "What SGX expects of issuer's disclosures during COVID-19" dated 22 April 2020.

Response:

(a) The unsecured borrowings and debt securities of S$145,165,000 which are repayable in one year or less, or on demand relates to revolving credit facilities lines which are rolled over at every interest fixing date. It is the intention of the Group to continue to rollover such borrowings. Should the Group decide not to rollover at any interest fixing date, it intends to repay the amount of S$145,165,000 by utilizing the S$349,367,000 of the cash and cash equivalents (i.e. free cash) held as at 31 March 2020. The Group has and continues to have adequate cash resources to meet such payment demand. The Group has also adequate unutilised committed and uncommitted revolving credit facilities lines to draw, and our bankers continue to remain supportive of these lines and none of them has expressed an intent to withdraw their lines of credit.

(b) The entire S$145,165,000 is attributable to borrowings which are repayable on demand. As these are revolving credit facilities lines which are rolled over at every interest fixing date, repayment should not be triggered when interest is paid in full and on time.

(c) As explained in (a), the Company does not expect cash flow or liquidity issues with regards to the repayment S$145,165,000, in light of the COVID-19 situation and its impact on the Company's business operations. Should the repayment be triggered (for reasons other than non-payment of interest), the Group envisage utilising its cash and cash equivalents of S$349,367,000 at 31 March 2020 for this purpose.

Query 2

In respect of the Group's unsecured borrowings of S$348,348,000 which are repayable after one year, we note that these borrowings "relates to the $150 million 4% Notes due 2021 issued on 25 October 2018 and the $200 million 4.3% Notes due 2024 issued on 2 April 2019 by the Company pursuant to its $1 billion Multicurrency Debt Issuance Programme.". Please clarify how the Group intends to repay this amount.

Response:

Metro operates across five key countries mainly in China, Singapore, Indonesia, the UK and Australia. The Group has two business segments mainly property and retail in which the profits are mainly generated from the property segment.

In the property segment, we have stabilised and revenue-generating investment properties in China (mainly Guangzhou Tower, Metro City and Metro Tower), UK (5 Chancery Lane) and in Australia (14 freehold properties in office and retail neighbourhood centers) which generates stable and recurring cashflow to the Group. In addition, Metro held long-term and short-term investments as well as extend interest-bearing shareholders' loans to our associate and joint-ventures companies and this will generate stable dividend and interest income to the Group. The residential projects which the Group has in Manchester UK (Middlewood Locks) and in Singapore (The Crest), and the two Indonesia projects (Transpark Juanda Bekasi and Transpark Bintaro) which have achieved significant milestones' completion, whereby their sales and collections are also underway, will again provide the Group with the cashflow.

As part of the Group's cashflow planning, while the stabilised and revenue-generating investment properties generating the recurring cash flow, and other investments upon maturing/divesting/selling at the various stages, the Group has ear-marked these cash returns in order to repay the bonds upon their respective maturity dates.

Nonetheless, amidst the evolving COVID-19 pandemic situation which has created huge uncertainty and volatility in the market, Metro will continue to take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows and liquidity, reducing operational costs, whilst proactive asset management of our investment portfolios, and leveraging on the Group's resources and unutilised credit facilities.

By Order of the Board

Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries
27 July 2020