LETTER TO SHAREHOLDERS

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

Registered office: 391A Orchard Road #19-00 Tower A, Ngee Ann City, Singapore 238873

27 August 2020

To the shareholders of
METRO HOLDINGS LIMITED

Dear Sir/Madam

1. INTRODUCTION

1.1 **Summary.** We refer to Resolution 9 in the Notice convening the Forty-Seventh Annual General Meeting of Metro Holdings Limited (the "**Company**") to be held on 11 September 2020 ("**AGM**"). Resolution 9 relates to the renewal of the Company's share purchase mandate (the "**Share Purchase Mandate**") and will be proposed as an ordinary resolution at the AGM.

Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate.

1.2 **This Letter.** The purpose of this Letter is to provide shareholders of the Company ("**Shareholders**") with information relating to the proposal for the renewal of the Share Purchase Mandate, to be tabled at the AGM.

2. THE RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 **Background.** Shareholders had approved the renewal of the Share Purchase Mandate at the Forty-Sixth Annual General Meeting of the Company held on 29 July 2019 ("**2019 AGM**"). The authority and limitations of the Share Purchase Mandate were set out in the Company's Letter to Shareholders dated 12 July 2019 and the ordinary resolution relating to the Share Purchase Mandate in the notice of the 2019 AGM. The Share Purchase Mandate approved at the 2019 AGM was expressed to continue in force until the next Annual General Meeting of the Company and, as such, will be expiring on 11 September 2020, being the date of the forthcoming AGM. It is proposed that the Share Purchase Mandate be renewed at the AGM. Accordingly, Resolution 9 will be tabled as an ordinary resolution for Shareholders' approval at the AGM.

2.2 **Rationale for the renewal for the Share Purchase Mandate.** The Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its ordinary shares ("**Shares**") at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share purchases or acquisitions allow the Company greater flexibility over its share capital structure with a view to improving, *inter alia*, its return on equity. The Shares which are purchased or acquired may be held as treasury shares which may be used for prescribed purposes pursuant to the Companies Act, Chapter 50 of Singapore ("**Companies Act**") such as selling treasury shares for cash, transferring them as consideration for the acquisition of assets or transferring them pursuant to a share scheme. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

It should be noted that the purchase or acquisition of Shares pursuant to the Share Purchase Mandate will only be undertaken if it can benefit the Company and Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Company and its subsidiaries (collectively, the "**Group**") and/or affect the listing status of the Company on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). In addition, any purchase or acquisition of its Shares has to be made in accordance with, and in the manner prescribed by, the Companies Act, the listing rules of the SGX-ST and such other laws and regulations as may for the time being be applicable.

2.3 Authority and limitations. The authority and limitations on the purchase or acquisition of Shares by the Company under the Share Purchase Mandate for which renewal is sought are summarised below. In this regard, the authority and limitations are substantially the same as that of the Share Purchase Mandate approved previously by Shareholders at the 2019 AGM, save that the definition of "Average Closing Price" (for determining the maximum purchase price for the purchase or acquisition of Shares pursuant to the Share Purchase Mandate) has been changed to take into account amendments to the Listing Manual of the SGX-ST ("**Listing Manual**") which took effect on 7 February 2020.

(a) Maximum number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury shares and any Shares held by subsidiaries of the Company in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act ("**subsidiary holdings**")) as at the date of the AGM. Under the Companies Act and the Listing Manual, treasury shares and subsidiary holdings are to be disregarded for the purposes of computing the 10% limit. As at 28 July 2020 (the "**Latest Practicable Date**"), the Company had 3,512,800 treasury shares and no subsidiary holdings.

Purely for illustrative purposes, on the basis of 828,035,874 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming that between the Latest Practicable Date and the date of the AGM (i) no new Shares are issued, (ii) no further Shares are repurchased by the Company and cancelled or held as treasury shares, (iii) no treasury shares are cancelled or used by the Company for any of the prescribed purposes, and (iv) no Shares are subsidiary holdings, then not more than 82,803,587 Shares (representing 10% of the total number of issued Shares as at that date, excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM, at which the Share Purchase Mandate is approved, up to:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting; or

(iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

(c) Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

(i) market purchases ("**Market Purchases**"); and/or

(ii) off-market purchases ("**Off-Market Purchases**").

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST or, as the case may be, other stock exchange for the time being on which the Shares may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisition of Shares from Shareholders. The Directors of the Company ("**Directors**") may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

(1) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(2) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(3) the terms of all the offers shall be the same, except that there shall be disregarded:

(aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and

(bb) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain, *inter alia*, the following information:

(A) the terms and conditions of the offer;

(B) the period and procedures for acceptances;

(C) the reasons for the proposed Share purchases;

(D) the consequences, if any, of Share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers ("**Take-over Code**") or other applicable take-over rules;

(E) whether the Share purchases, if made, would have any effect on the listing of the Shares on the SGX-ST;

(F) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(G) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Purchase price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the maximum purchase price (the "**Maximum Price**") to be paid for a Share as determined by the Directors must not exceed:

(i) in the case of a Market Purchase, 5% above the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, the NTAV of a Share,

in either case, excluding related expenses of the purchase or acquisition. For the above purposes:

"**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, such other stock exchange on which the Shares are listed or quoted, 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;

"**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

"**date of the making of the offer**" means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of purchased or acquired Shares. Under the Companies Act, the Shares purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to those Shares will expire on cancellation, unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

2.5 Treasury shares. Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

(a) Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. For this purpose, any Shares that are held by subsidiaries in the circumstances referred to in Sections 21(4B) and 21(6C) of the Companies Act shall be included in computing the 10% limit.

(b) Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares of the usage.

2.6 Source of funds. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution of the Company and applicable laws. Under the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's capital and/or profits so long as the Company is solvent. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements, financial flexibility or investment ability of the Group.

2.7 Financial effects. The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. The financial effects on the Group and the Company based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2020 are based on the assumptions set out below.

(a) Purchase or acquisition out of capital and/or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

(b) Maximum Price paid for Shares purchased or acquired

Based on 828,035,874 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase by the Company of 10% of such issued Shares will result in the purchase or acquisition of 82,803,587 Shares.

Assuming that the Company purchases or acquires the 82,803,587 Shares at the Maximum Price on the Latest Practicable Date, the maximum amount of funds required is approximately:

(i) in the case of Market Purchases of Shares, $62,930,726 based on $0.76 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST over the last five market days preceding the Latest Practicable Date); and

(ii) in the case of Off-Market Purchases of Shares, $149,874,492 based on $1.81 for each Share (being the price equivalent to the NTAV of a Share taken from the unaudited financial results of the Company and Group for the financial year ended 31 March 2020 released by the Company on 25 June 2020).

For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

(1) the Share Purchase Mandate had been effective on 1 April 2019;

(2) the purchase of Shares took place at the beginning of the financial year on 1 April 2019;

(3) there was no issuance of Shares after the Latest Practicable Date; and

(4) the Share purchases were funded entirely by internal resources,

the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 March 2020 would have been as follows:

MARKET PURCHASE [1]

	GROUP		COMPANY	
	Before Share Purchase $'000	After Share Purchase $'000	Before Share Purchase $'000	After Share Purchase $'000
As at 31 March 2020				
Share Capital	169,717	169,717	169,717	169,717
Treasury Shares	(1,768)	(64,699)	(1,768)	(64,699)
Foreign Currency Translation Reserve	(10,296)	(10,296)	-	-
Statutory Reserve	4,734	4,734	-	-
Revenue Reserve	1,337,258	1,337,258	185,215	185,215
Other Reserves	434	434	-	-
Equity Attributable to Owners of the Company	1,500,079	1,437,148	353,164	290,233
Non-Controlling Interests	28,618	28,618	-	-
Total Equity	1,528,697	1,465,766	353,164	290,233
Current Assets	829,357	766,426	359,384	296,453
Current Liabilities	208,619	208,619	218,589	218,589
Borrowings	493,513	493,513	367,137	367,137
Cash and Cash Equivalents	349,367	286,436	63,703	772
Net Tangible Assets (NTA) [2]	1,500,079	1,437,148	353,164	290,233
Net Profit After Tax	33,080	33,080	28,286	28,286
Profit Attributable to Owners of the Company	32,248	32,248	28,286	28,286
Number of Shares ('000)	828,036	745,232 [3]	828,036	745,232 [3]
Financial Ratios				
NTA per Share ($)	1.81	1.93	0.43	0.39
Gearing (times) [4] (Net D/E)	0.1	0.1	0.9	1.3
Current Ratio (times) [5]	4.0	3.7	1.6	1.4
Earnings per Share (cents) [6]	3.9	4.3	3.4	3.8

OFF-MARKET PURCHASE [1]

	GROUP		COMPANY	
	Before Share Purchase $'000	After Share Purchase $'000	Before Share Purchase $'000	After Share Purchase $'000
As at 31 March 2020				
Share Capital	169,717	169,717	169,717	169,717
Treasury Shares	(1,768)	(151,643)	(1,768)	(151,643)
Foreign Currency Translation Reserve	(10,296)	(10,296)	-	-
Statutory Reserve	4,734	4,734	-	-
Revenue Reserve	1,337,258	1,337,258	185,215	185,215
Other Reserves	434	434	-	-

Equity Attributable to Owners of the Company	1,500,079	1,350,204	353,164	203,289
Non-Controlling Interests	28,618	28,618	-	-
Total Equity	1,528,697	1,378,822	353,164	203,289
Current Assets	829,357	679,482	359,384	295,681
Current Liabilities	208,619	208,619	218,589	304,761
Borrowings	493,513	493,513	367,137	367,137
Cash and Cash Equivalents	349,367	199,492	63,703	-
Net Tangible Assets (NTA) [(2)]	1,500,079	1,350,204	353,164	203,289
Net Profit After Tax	33,080	33,080	28,286	28,286
Profit Attributable to Owners of the Company	32,248	32,248	28,286	28,286
Number of Shares ('000)	828,036	745,232 [(3)]	828,036	745,232 [(3)]
Financial Ratios				
NTA per Share ($)	1.81	1.81	0.43	0.27
Gearing (times) [(4)] (Net D/E)	0.1	0.2	0.9	1.8
Current Ratio (times) [(5)]	4.0	3.3	1.6	1.0
Earnings per Share (cents) [(6)]	3.9	4.3	3.4	3.8

Notes to the foregoing tables:

(1) The disclosed financial effects remain the same irrespective of whether:

(a) the purchase of the Shares is effected out of capital or profits; or

(b) the purchased Shares are held in treasury or are cancelled.

(2) NTA equals to Total Equity less Non-Controlling Interests.

(3) Exclude 3,512,800 Shares that are held as treasury shares.

(4) Gearing is defined as Borrowings (net of Cash and Cash Equivalents) divided by Equity Attributable to Owners of the Company.

(5) Current Ratio equals Current Assets divided by Current Liabilities.

(6) Earnings per Share is based on 828,035,874 Shares and 745,232,287 Shares respectively.

SHAREHOLDERS SHOULD NOTE THAT THE FOREGOING FINANCIAL EFFECTS ARE BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 MAY NOT BE REPRESENTATIVE OF FUTURE PERFORMANCE.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10%. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.8 Taxation. Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 **Listing status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10% of the total number of its issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is held by public shareholders at all times.

As at the Latest Practicable Date, approximately 47.69% of the total number of issued Shares (excluding treasury shares) are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without adversely affecting the listing status of the Shares on the SGX-ST. The Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is a sufficient float for an orderly market in its securities when purchasing its Shares.

2.10 **Listing rules.** The Listing Manual restricts a listed company from purchasing shares by way of market purchases at a price per share which is more than 5% above the "average closing price", being the average of the closing market prices of the shares over the last five market days on which transactions in the shares were recorded, before the day on which the purchases were made, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases referred to in Paragraph 2.3 above complies with this requirement. Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of the consolidated net tangible asset value of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price or trade sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board of Directors of the Company until such price or trade sensitive information has been publicly announced. In addition, the Company will not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the Company's half year and full year financial statements.

2.11 **Reporting requirements.** The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a market purchase, on the market day following the day of purchase or acquisition of any of its shares, and (b) in the case of an off-market purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form prescribed by the Listing Manual) must include details of the date of the purchase, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares.

2.12 **Take-over implications.** The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code. Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

(i) the following companies:

(a) a company;

(b) the parent company of (a);

(c) the subsidiaries of (a);

(d) the fellow subsidiaries of (a);

(e) the associated companies of any of (a), (b), (c) or (d);

(f) companies whose associated companies include any of (a), (b), (c), (d) or (e); and

(g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and

(ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts). Close relatives include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunts) as well as their children (i.e. cousins) and children of siblings (i.e. nephews and nieces).

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors

and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL ("SIC") AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

(d) The Relevant Director and his concert parties

As at the Latest Practicable Date, in respect of Mr Gerald Ong Chong Keng, a Non-Executive Director of the Company (the "**Relevant Director**") who represents Eng Kuan Company Private Limited (a substantial shareholder of the Company) on the Board of Directors of the Company, the following persons are presumed to be acting in concert with the Relevant Director under the Take-over Code:

(i) Eng Kuan Company Private Limited, and its directors, namely, Mr Ong Jen Yaw and Ms Ong Ling Ling;

(ii) immediate family members and other close relatives of each of Mr Ong Jen Yaw and/or Ms Ong Ling Ling (collectively with Mr Ong Jen Yaw and Ms Ong Ling Ling, the "**Ong Family**"); and

(iii) Dynamic Holdings Pte Ltd and Leroy Singapore Pte Ltd (collectively with Eng Kuan Company Private Limited, the "**Ong Companies**"),

who, collectively with the Relevant Director, are hereafter referred to as the "**Relevant Parties**".

As at the Latest Practicable Date, the Relevant Parties have an aggregate interest (direct and deemed) in 347,494,861 Shares, representing approximately 41.97% of the total number of issued Shares (excluding treasury shares). The interests of the Relevant Parties in the issued Shares as at the Latest Practicable Date are set out in the Appendix to this Letter.

In the event that the Company should, pursuant to the Share Purchase Mandate, purchase or acquire up to 10% of its issued Shares (excluding treasury shares and subsidiary holdings) ("**Full Buy-back**"), the aggregate shareholding interest of approximately 41.97% held by the Relevant Parties may increase by more than 1% in any 6-month period. As a consequence, the Relevant Director and other members of the Relevant Parties could incur a mandatory take-over obligation for the issued Shares under the Take-over Code.

(e) Conditions for exemption from having to make a take-over offer

The Relevant Director and persons acting in concert with him will be exempted from the requirement to make a general offer for the Company under Rule 14,

when read with Appendix 2 of the Take-over Code, following an increase in the aggregate percentage of total voting rights in the Company held by the Relevant Director and persons acting in concert with him by more than 1% in any 6-month period as a result of the Company purchasing its Shares under the Share Purchase Mandate, **subject to the following conditions**:

(i) the Letter to Shareholders seeking their approval for the Share Purchase Mandate will contain advice to the effect that by voting in favour of the resolution to approve the renewal of the Share Purchase Mandate (the "**Buy-back Resolution**"), Shareholders are waiving their right to a general offer at the required price from any of the Relevant Director and persons acting in concert with him;

(ii) the aforesaid Letter discloses the names and voting rights of the Relevant Director and persons acting in concert with him (a) as of the time of the Buy-back Resolution, and (b) after a Full Buy-back;

(iii) the Buy-back Resolution is approved by a majority of the Shareholders who are present and voting at the meeting on a poll who could not become obliged to make a general offer for the Company as a result of the buy-back of Shares by the Company pursuant to the Share Purchase Mandate;

(iv) within 7 days after the passing of the Buy-back Resolution, the Relevant Director is to submit to the SIC a duly signed form as prescribed by the SIC;

(v) the Relevant Director and persons acting in concert with him abstain from (a) voting on the Buy-back Resolution, and (b) recommending Shareholders to vote in favour of the Buy-back Resolution; and

(vi) the Relevant Director and persons acting in concert with him have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the renewal of the Share Purchase Mandate is imminent and the earlier of:

(a) the date on which the authority for the renewed Share Purchase Mandate expires; and

(b) the date on which the Company announces that it has (aa) bought back such number of Shares as authorised by the renewed Share Purchase Mandate, or (bb) decided to cease buying back the Shares, as the case may be,

if any such acquisitions, taken together with the Share buy-back, would cause the aggregate voting rights in the Company of the Relevant Director and persons acting in concert with him to increase by more than 1% in the preceding 6 months.

It follows that where the aggregate voting rights held by the Relevant Director and persons acting in concert with him increase by more than 1% solely as a result of the buy-back of Shares and none of them has acquired any Shares during the relevant period defined above, then the Relevant Director and/or persons acting in concert with him would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy-back Shares pursuant to the Share Purchase Mandate and the increase in the aggregate voting rights held by the Relevant Director and the persons acting in concert with him is less than 1%, the Relevant Director and persons acting in concert with him may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buy-back of Shares pursuant to the Share Purchase Mandate will be taken into account together with any voting rights acquired by the Relevant Director and persons acting in concert with him (by whatever means) in determining whether they have increased their voting rights by more than 1% in any 6-month period.

(f) Advice to Shareholders

Shareholders are advised that by voting in favour of the ordinary resolution relating to the renewal of the Share Purchase Mandate, they will be waiving their rights to a take-over offer at the required price from the Relevant Director and persons acting in concert with him who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, would increase their collective interest in the Shares by more than 1% in any period of 6 months.

(g) Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption (see condition (iv) of sub-paragraph (e) above headed "*Conditions for exemption from having to make a take-over offer*") from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, the Relevant Director has informed the Company that he will be submitting a Form 2 to the SIC within 7 days after the passing of the ordinary resolution relating to the renewal of the Share Purchase Mandate at the AGM.

(h) Voting rights of the Relevant Parties before and after share purchase

Based on the direct holdings of Shares of the Relevant Parties as at the Latest Practicable Date, and assuming that:

(i) there is no change in their direct holdings of Shares between the Latest Practicable Date and the date of the AGM;

(ii) no new Shares are issued to the Relevant Director and/or the Relevant Parties by the Company following the approval being received from Shareholders at the AGM for the renewal of the Share Purchase Mandate; and

(iii) the Relevant Parties do not sell or otherwise dispose of their holding of Shares,

the aggregate interest (direct and deemed) of the Relevant Parties in the issued Shares as at the date of the AGM and after the purchase by the Company of 10% of the issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Purchase Mandate are as follows:

Relevant Parties	Before Share Purchase (as at date of AGM) No. of Shares	% (1)	After Share Purchase No. of Shares	% (1)
Relevant Director				
Gerald Ong Chong Keng (2)	-	-	-	-
Ong Family (3)				
Yoong Sek Har	2,594,126	0.313	2,594,126	0.348
Ong Sioe Hong	21,211,182	2.562	21,211,182	2.846
Ong Jen Yaw	215,573,589	26.034	215,573,589	28.927
Ong Hiang Gin	2,494,944	0.301	2,494,944	0.335
Ong Huan Gie	297,392	0.036	297,392	0.040
Ong Ling Ling	237,364,198	28.666	237,364,198	31.851
Ong Jenn (Wang Zhen)	293,111,103	35.398	293,111,103	39.332
Ong Ching Ping	237,352,198	28.664	237,352,198	31.849
Ong Sek Hian (Wang ShiXian)	293,111,103	35.398	293,111,103	39.332
Ong Xiang Ming Alexander	63,360	0.008	63,360	0.009
Dana-Li Wong Han Loong	327,360	0.040	327,360	0.044
Sean Wong Kalani Sien Loong	327,360	0.040	327,360	0.044
Tan Zhong-Hao	57,600	0.007	57,600	0.008
Lau Guan Wen	57,600	0.007	57,600	0.008
Tan Kai Er	57,600	0.007	57,600	0.008
Lau Yi-Xuan	57,600	0.007	57,600	0.008
Ong Li Qi Valerie	57,600	0.007	57,600	0.008
Ong Companies (3)				
Eng Kuan Company Private Limited	188,995,635	22.825	188,995,635	25.361
Dynamic Holdings Pte Ltd	48,293,203	5.832	48,293,203	6.480
Leroy Singapore Pte Ltd	55,758,905	6.734	55,758,905	7.482

Notes:

(1) "**%**" Before Share Purchase is rounded to three decimal places and is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date, and "**%**" After Share Purchase is rounded to three decimal places and is based on 745,232,287 issued Shares (excluding treasury shares). There were no subsidiary holdings as at the Latest Practicable Date.

(2) As at the Latest Practicable Date, the Relevant Director did not have any interest in Shares.

(3) The individuals comprising the Ong Family and the companies comprising the Ong Companies and their respective direct and deemed interests in issued Shares as at the Latest Practicable Date are set out in the Appendix to this Letter.

2.13 Particulars of Shares purchased in the past year. As at the Latest Practicable Date, the Company has not purchased any Shares pursuant to the Share Purchase Mandate approved at the 2019 AGM.

3. DIRECTORS' RECOMMENDATION

The Directors (other than the Relevant Director, Mr Gerald Ong Chong Keng) are of the opinion, for the reasons set out in Paragraph 2.2 above, that the Share Purchase Mandate is in the interests of the Company. They accordingly recommend that Shareholders vote in favour of Resolution 9, being the ordinary resolution relating to the renewal of the Share Purchase Mandate at the AGM. Mr Gerald Ong Chong Keng (in accordance with the conditions referred to in Paragraph 2.12(e) above), has abstained from making any recommendation to Shareholders on Resolution 9 relating to the renewal of the Share Purchase Mandate.

4. VOTING RESTRICTIONS

In accordance with the conditions referred to in Paragraph 2.12(e) above, the Relevant Parties will abstain from voting on Resolution 9, being the ordinary resolution relating to the renewal of the Share Purchase Mandate at the AGM. The renewal of the Share Purchase Mandate must be approved by a majority of those Shareholders present and voting at the AGM on a poll, who could not become obliged to make a take-over offer as a result of the buy-back of Shares under the Share Purchase Mandate. The Chairman of the AGM will accept appointment as proxy for any other Shareholder to vote in respect of Resolution 9, where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of Resolution 9.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Interests of Directors.** The interest of a Director in the issued Shares, based on the Company's Register of Directors' Shareholdings, as at the Latest Practicable Date, is as follows:

Director	No. of Shares Direct Interest	%	No. of Shares Deemed Interest	%
Mr Phua Bah Lee	-	-	72,576	0.009

Note:

"**%**" is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

5.2 **Interests of substantial Shareholders.** The interests of substantial Shareholders in the issued Shares, based on the Company's Register of Substantial Shareholders, as at the Latest Practicable Date, are as follows:

Substantial Shareholders	No. of Shares Direct Interest	% (1)	No. of Shares Deemed Interest	% (1)
Eng Kuan Company Private Limited	188,995,635	22.824	-	-
Dynamic Holdings Pte Ltd	48,293,203	5.832	-	-
Leroy Singapore Pte Ltd	-	-	55,758,905 (2)	6.734
Ong Jen Yaw	70,540	0.009	215,503,049 (3)	26.026
Ong Ling Ling	75,360	0.009	237,288,838 (4)	28.657
Ong Ching Ping	63,360	0.008	237,288,838 (4)	28.657
Ong Jenn (Wang Zhen)	63,360	0.008	293,047,743 (5)	35.391
Ong Sek Hian (Wang ShiXian)	-	-	293,111,103 (6)	35.398
Ngee Ann Development Pte Ltd	85,515,056	10.327	-	-
Ngee Ann Kongsi	-	-	85,515,056 (7)	10.327
Takashimaya Company Limited	-	-	85,515,056 (8)	10.327

Notes:

(1) "**%**" is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Leroy Singapore Pte Ltd ("**Leroy**")'s deemed interest is held through Raffles Nominees (Pte.) Limited.

(3) Mr Ong Jen Yaw's deemed interest is held through Eng Kuan Company Private Limited ("**Eng Kuan**") (188,995,635 Shares) and Citibank Nominees Singapore Pte Ltd (26,507,414 Shares). Mr Ong Jen Yaw is deemed to be interested in the Shares through his interest in Eng Kuan.

(4) Ms Ong Ling Ling's and Ms Ong Ching Ping's deemed interests are each held through their respective interests in Dynamic Holdings Pte Ltd ("**Dynamic**") and Eng Kuan.

(5) Mr Ong Jenn (Wang Zhen)'s deemed interest is held through his interests in Dynamic, Eng Kuan and Leroy.

(6) Mr Ong Sek Hian (Wang ShiXian)'s deemed interest is held through Raffles Nominees (Pte.) Limited (63,360 Shares) and his interests in Dynamic, Eng Kuan and Leroy.

(7) Ngee Ann Kongsi is deemed to be interested in the Shares through its interest in Ngee Ann Development Pte Ltd.

(8) Takashimaya Company Limited is deemed to be interested in the Shares through its interest in Ngee Ann Development Pte Ltd.

6. RESPONSIBILITY STATEMENT

6.1 **Directors' responsibility.** The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm, after having made all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, and the Company and its subsidiaries which are relevant to the proposed renewal of the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

6.2 **Disclaimer.** The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Letter. Shareholders who are in any doubt as to the action they should take should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
METRO HOLDINGS LIMITED

Lt Gen (Retd) Winston Choo Wee Leong
Chairman

FURTHER INFORMATION ON INTERESTS IN SHARES OF THE RELEVANT PARTIES

1. ONG FAMILY

The interests of members of the Ong Family in the issued Shares as at the Latest Practicable Date are set out below.

Name	No. of Shares Direct Interest	% (1)	No. of Shares Deemed Interest	% (1)
Yoong Sek Har	2,594,126	0.313	-	-
Ong Sioe Hong	4,211,182	0.509	17,000,000 (2)	2.053
Ong Jen Yaw	70,540	0.009	215,503,049 (3)	26.026
Ong Hiang Gin	2,494,944	0.301	-	-
Ong Huan Gie	297,392	0.036	-	-
Ong Ling Ling	75,360	0.009	237,288,838 (4)	28.657
Ong Jenn (Wang Zhen)	63,360	0.008	293,047,743 (5)	35.391
Ong Ching Ping	63,360	0.008	237,288,838 (4)	28.657
Ong Sek Hian (Wang ShiXian)	-	-	293,111,103 (6)	35.398
Ong Xiang Ming Alexander	63,360	0.008	-	-
Dana-Li Wong Han Loong	327,360	0.040	-	-
Sean Wong Kalani Sien Loong	327,360	0.040	-	-
Tan Zhong-Hao	57,600	0.007	-	-
Lau Guan Wen	57,600	0.007	-	-
Tan Kai Er	57,600	0.007	-	-
Lau Yi-Xuan	57,600	0.007	-	-
Ong Li Qi Valerie	57,600	0.007	-	-

Notes:

(1) "**%**" is rounded to three decimal places and is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Ms Ong Sioe Hong's deemed interest is held through Raffles Nominees (Pte.) Limited (17,000,000 Shares).

(3) Mr Ong Jen Yaw's deemed interest is held through Eng Kuan Company Private Limited (188,995,635 Shares) and Citibank Nominees Singapore Pte Ltd (26,507,414 Shares). Mr Ong Jen Yaw is deemed to be interested in the Shares through his interest in Eng Kuan Company Private Limited.

(4) Ms Ong Ling Ling's and Ms Ong Ching Ping's deemed interests are each held through their respective interests in Dynamic Holdings Pte Ltd and Eng Kuan Company Private Limited.

(5) Mr Ong Jenn (Wang Zhen)'s deemed interest is held through his interests in Dynamic Holdings Pte Ltd, Eng Kuan Company Private Limited and Leroy Singapore Pte Ltd.

(6) Mr Ong Sek Hian (Wang ShiXian)'s deemed interest is held through Raffles Nominees (Pte.) Limited (63,360 Shares) and his interests in Dynamic Holdings Pte Ltd, Eng Kuan Company Private Limited and Leroy Singapore Pte Ltd.

2. ONG COMPANIES

The interests of the Ong Companies in the issued Shares as at the Latest Practicable Date are set out below.

Name	No. of Shares Direct Interest	%(1)	No. of Shares Deemed Interest	%(1)
Eng Kuan Company Private Limited	188,995,635	22.825	-	-
Dynamic Holdings Pte Ltd	48,293,203	5.832	-	-
Leroy Singapore Pte Ltd	-	-	55,758,905 (2)	6.734

Notes:

(1) "**%**" is rounded to three decimal places and is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Leroy Singapore Pte Ltd's deemed interest is held through Raffles Nominees (Pte.) Limited.