

## RESPONSE TO QUESTIONS FROM SHAREHOLDERS

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The Board of Directors (the "**Board**") of Metro Holdings Limited ("**Metro**" or the "**Company**", together with its subsidiaries, the "**Metro Group**") refers to:

(a) the annual report of the Company for the financial year ended 31 March 2022 (the "**Annual Report**");

(b) the notice of annual general meeting ("**AGM**") issued on 7 July 2022 informing shareholders that the Company's AGM will be convened and held by way of electronic means on Friday, 22 July 2022 at 11.00 a.m; and

(c) the accompanying announcement issued by the Company on 7 July 2022 setting out, inter alia, the alternative arrangements relating to attendance at the AGM via electronic means.

The Company would like to thank shareholders for submitting their questions in advance of our AGM. Please refer to Annex A hereto for the list of questions received from shareholders, and the Management and the Board's responses to these questions.

By Order Of The Board  
Tan Ching Chek and Eve Chan Bee Leng  
Joint Company Secretaries  
17 July 2022

## ANNEX A

### RESPONSES TO QUESTIONS FROM SHAREHOLDERS

#### A. Property Investment & Development

##### 1. Please elaborate on BentallGreenOak Real Estate Fund (“BGO”):

##### (i) Why did Metro invest in BGO? Is BGO a new fund or does it have a historical track record?

BentallGreenOak is a leading global real estate investment manager with US\$78 billion in assets under management as at 31 March 2022, and a global presence of 28 offices across 13 countries.

InfraRed NF Investment Advisers Limited (“InfraRed NF”) was a joint venture between InfraRed Capital Partners, a London-headquartered manager of specialist infrastructure and real estate funds, and Hong Kong’s Vervain Group (which includes entities operating under the former name of “Nan Fung China”). InfraRed NF was wholly acquired by BentallGreenOak in April 2021. Post acquisition, InfraRed NF was renamed BentallGreenOak Investment Advisers Limited (“BGO China”).

Metro’s partnership with BGO China started in 2007 with co-investments alongside InfraRed NF China Real Estate Fund, L.P. (“the Fund”), a fund managed by BGO China, with investments in EC Mall, No. 1 Financial Street and Metropolis Tower – in Beijing. In 2009 and 2011, Metro entered into joint ventures with the Fund and Tesco plc in six Tesco Lifespace malls in mainland China. Metro and the Fund have since divested their interest in all these developments.

In 2015, Metro invested in BentallGreenOak China Real Estate Fund II (A), L.P. (“Fund II”). Fund II is the follow-on fund to the Fund. In 2016, Metro extended the Group’s partnership with Fund II through a co-investment in a real estate debt instrument.

In 2018 and 2019, Metro invested in BentallGreenOak China Real Estate Fund III L.P. (“Fund III”) as well as co-invested with Fund III in real estate debt instruments.

##### (ii) Please provide more details on the S\$36.3 million impairment losses on amounts due from Associates

(refer to the Consolidated Income Statement on page 89 of Annual Report 2022 and Notes to the Financial Statements on pages 124 and 125 of Annual Report 2022)

On 26 June 2018, the Group announced that Firewave Management Limited (“Firewave”), an indirect wholly-owned subsidiary of the

Group, had set up a 43.77% associated company by the name of Jovial Paradise Limited (“Jovial Paradise”). The balance 56.23% of Jovial Paradise was controlled by Fund III. Jovial Paradise invested in real estate debt instruments in China. The Metro Group’s commitment for Jovial Paradise’s investments was about US\$35.8 million (approximately S\$48.7 million), and was arrived at based in arm’s length negotiations.

On 29 January 2019, the Group announced that Firewave, together with Elite Victory International Limited (“Elite Victory”), a subsidiary company of Fund III, had co-invested in Global Charm Ventures Limited (“Global Charm”). Firewave had acquired 57.47% of the issued share capital of Global Charm. The balance 42.53% of Global Charm was owned by Elite Victory. Global Charm invested in real estate debt instruments in China. The Group’s commitment for Global Charm’s investments was about US\$50 million (approximately S\$67.7 million), and was arrived at based on arm’s length negotiations.

Due to the ongoing China property sector credit situation, impairment losses of S\$36.3 million on the amounts due from associates, namely Jovial Paradise and Global Charm, was recognised in the Group’s consolidated income statement during the financial year ended 31 March 2022. The impairment assessment was performed based on the associates’ exposure on underlying debt instruments which was tied to the associated development projects of the borrowers. The Group had considered the current market and situation of China property sector and had provided the impairment taking into consideration the Loan-To-Value and Net Asset Value coverage of the underlying debt instruments. The impairment had been considered by the auditor as part of their audit in arriving at an unqualified audit opinion on the financial statements for the financial year ended 31 March 2022.

## **B. Others**

### **2. Please elaborate on the investment in DocMed Technology Pte. Ltd. (“DocMed”):**

#### **(i) Investment Rationale and growth. Does this new business mark a shift in Metro’s core strategy? Any synergies?**

Metro’s core business continues to be property investment and development, and retail. That said, the Group is on the constant lookout for new business opportunities with good partners to further diversify for resilience. Through the COVID-19 pandemic, Metro identified growth opportunities in the digital evolution of healthcare in the region, where there are high demand for e-prescription and teleconsultation services, and collaborated with SGX-listed Hyphens Pharma International Limited (“Hyphens”), an established partner

with a proven track record in the healthcare industry. Hyphens' history dates back to 1998, with a direct presence in Singapore, Indonesia, Malaysia, the Philippines and Vietnam, and supplemented by a marketing and distribution network covering 10 other markets – Bangladesh, Brunei, Cambodia, China, Hong Kong S.A.R., Macau S.A.R., Myanmar, Oman, South Korea and Sri Lanka. Given the geographical overlap, there are potential synergies for both parties to capture opportunities in the region where there is presence.

DocMed is Hyphens' new digital ventures division. DocMed plans to further its growth plans, which include further developing an integrated healthtech platform, incorporating various healthtech solutions to cater to healthcare stakeholders in Singapore and the Asia-Pacific region. The investment will help DocMed expand in the region, while leveraging on Hyphens' and Metro's regional presence. Hyphens' business includes wholesale pharmaceuticals and medical supplies in Singapore, POM Medical Hypermart, its B2B e-commerce platform, as well as WellAway, which is Singapore's first and only Health Sciences Authority registered e-pharmacy.

**(ii) Investment Evaluation Process, Valuation and Due Diligence**

In evaluating a new investment proposal or business opportunity, several factors will be considered by Management and the Board before a decision is being taken. These factors, which are essentially designed to ensure that the rate of returns commensurate with the risk exposure taken, including evaluating (i) return on investment; (ii) the pay-back period; (iii) cash flow generated from the operation; (iv) potential for growth; (v) investment climate; and (vi) political stability (refer to Corporate Governance section on page 73 of Annual Report 2022). The investment in DocMed underwent a thorough investment evaluation process whereby a professional, reputable, independent third party was engaged to conduct the valuation of the business in which a valuation of S\$60 million was arrived at. In addition to the valuation process, the due diligence exercise also included market and competitive scan, finance and legal aspects and the findings was deemed satisfactory.

**(iii) How much more will Metro commit to this business venture?**

We continually assess this investment and should there be further developments, we will make the necessary announcements.

### **3. Please discuss Board rejuvenation plans in terms of age, experiences and core competencies?**

Metro has a plan for Board rejuvenation and this is covered under the Corporate Governance section of the Annual Report 2022 (pages 66-70) under Provision 2.4 – Board composition and size and Board Membership.

The Nominating Committee (“NC”) and the Board review the size and composition of the Board which comprises members from different backgrounds and whose core competencies, qualifications, skills and experiences are extensive.

Taking into account the scope and nature of the Group’s operations, the NC considers the appropriateness of Board composition and size. The Board collectively provides relevant competencies to facilitate effective decision making for the existing needs and demands of the Group’s businesses and is not dominated by any individual or group of individuals.

Metro recognises and embraces the benefits of diversity of experience, age, skill sets, gender and ethnics on the Board (“Board Diversity”) and views Board Diversity as an essential element to support the attainment of its strategic objectives and sustainable development.

Although the Company does not have a written policy on Board Diversity, it has maintained a culture of diversity to benefit from a wide talent pool. This is to ensure that there is a balance of skills, knowledge, experiences and diversity of perspectives appropriate to the Group’s business so as to mitigate against group thinking.

The NC and the Board conduct their review of the composition of the Board annually which consists of members of both genders and from different backgrounds whose core competences, qualifications, skills and experiences meet the requirements of the Group. The current Board composition provides diversity in terms of skills, experience and knowledge.

In identifying suitable candidates for new appointment to the Board, the NC will ensure that female candidates are included for consideration. Nevertheless, gender is but one aspect of diversity and new directors will continue to be selected based on their merits and the potential contributions which they can bring to the Board. Currently, the Board has two female directors.

In terms of refreshment of the Board, Deborah Lee Siew Yin was appointed a Director of Metro in June 2018 and is a member of the Remuneration and Investment Committees. Ng Ee Peng was appointed a Director of Metro in April 2021 and is a member of the Audit and Remuneration Committees. Their respective biographies and qualifications can be found on Annual Report pages 30 and 31 respectively.