

REPORT ON FACTUAL FINDINGS

The Board of Directors

Metro Retail Stores Group, Inc.

Vicsal Building, Corner of C.D. Seno and W.O. Seno Streets
Guizo, North Reclamation Area
Mandaue City, Cebu
Philippines

We have performed the procedures agreed with you and enumerated below with respect to the attached Annual Progress Report dated January 25, 2018 on the use of proceeds generated from the Initial Public Offering (IPO) of Metro Retail Stores Group, Inc. (the Company) on November 24, 2015. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the application of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services (PSRS) 4400, *Engagement to Perform Agreed-upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures (AUP) engagements. These AUPs and results thereof are summarized as follows:

1. Check the mathematical accuracy of the Annual Progress Report on the Application of Proceeds from IPO (the Report).
2. Compare the list of all disbursements in the Report with the schedule of application of proceeds.
3. Obtain the supporting documents pertaining to the disbursements in the Report and agree the amount to the accounting records.

We report our findings below:

1. We checked the mathematical accuracy of the Report. No exceptions were noted.
2. We compared the list of all disbursements in the Report with the schedule of application of proceeds. No exceptions were noted.
3. We obtained the supporting documents (e.g. payment remittance advice, sales invoices, progress billings, etc.) pertaining to the disbursements in the Report and agreed the amount to the accounting records. No exceptions were noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagement (PSRE), we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's application of proceeds from the offering and items specified above do not extend to any financial statements of the Company, taken as a whole.

SYCIP GORRES VELAYO & CO.



Dolmar C. Montañez
Partner

CPA Certificate No. 112004

SEC Accreditation No. 1561-A (Group A),
April 21, 2016, valid until April 21, 2019

Tax Identification No. 925-713-249

BIR Accreditation No. 08-001998-119-2016,

February 15, 2016, valid until February 14, 2019
PTR No. 5908733, January 3, 2017, Makati City