

**ANNUAL REPORTS AND RELATED DOCUMENTS::**

## Issuer &amp; Securities

## Issuer/ Manager

METRO HOLDINGS LTD

## Securities

METRO HOLDINGS LIMITED - SG1111878499 - M01

## Stapled Security

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Company Secretary

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Please refer to the attached files for a copy of the following documents:

1. Annual Report 2019 ; and
2. Letter to Shareholders

## Additional Details

## Period Ended

31/03/2019

## Attachments

[Metro%20AR19.pdf](#)

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[LTS%20-%2012.7.2019.pdf](#)

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Total size = 3616K MB

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# EXTENDING FOOTPRINT **GROWING PRESENCE**

METRO HOLDINGS LIMITED / ANNUAL REPORT 2019



## CONTENTS

<b>2</b>	<b>Metro Holdings at a Glance</b>	<b>25</b>	<b>Corporate Structure</b>
<b>4</b>	<b>Key Facts</b>	<b>26</b>	<b>Portfolio Review</b>
<b>7</b>	<b>Chairman's Message</b>	<b>39</b>	<b>Financial Highlights</b>
<b>15</b>	<b>Board of Directors</b>	<b>41</b>	<b>Financial Summary</b>
<b>20</b>	<b>Key Management</b>	<b>43</b>	<b>Corporate Social Responsibility</b>
<b>22</b>	<b>Partnerships</b>	<b>45</b>	<b>Corporate Governance</b>

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## OUR VISION

Metro aims to be a leading property investment and development group in the region, building on the synergies of our rich retail experience, strong foothold in our core markets, and our strategic partnerships.

# EXTENDING FOOTPRINT **GROWING PRESENCE**

At Metro, sustainable growth is at the heart of our business. To this end, we execute our core strategies one step at a time, steadily extending our footprint to grow our presence across geographical markets in a sustainable manner.

Recognising that success cannot be achieved alone, Metro strives to build strong relationships with our partners, leveraging on our rich retail experience and strong foothold in our core markets to capture opportunities in Asia and beyond.

# METRO HOLDINGS AT A GLANCE

## ABOUT US

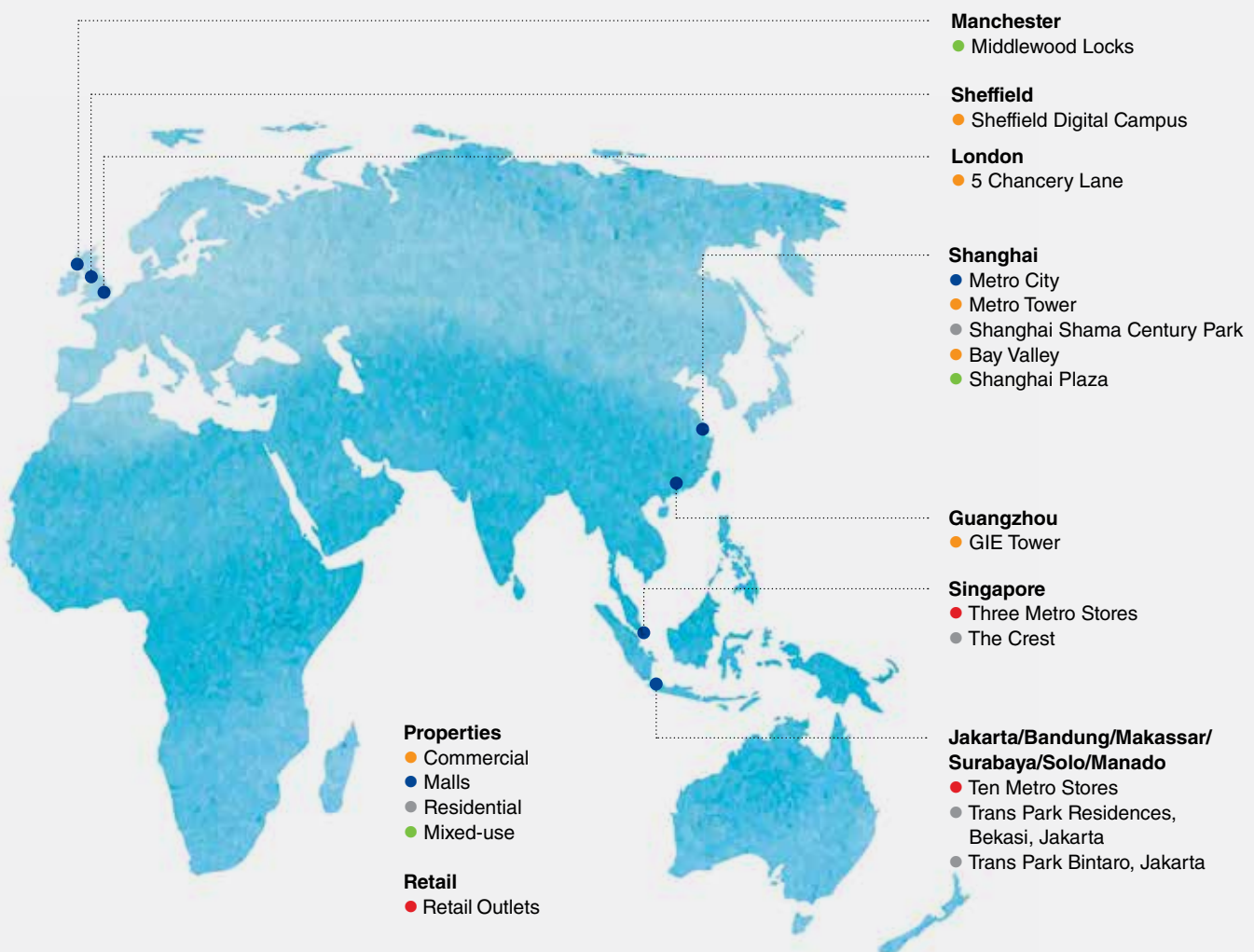
Listed on the Mainboard of the SGX-ST in 1973, Metro Holdings was founded in 1957 by the late Mr Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Singapore, Metro has grown over the years to become a property investment and development group with a broadened and diversified asset portfolio, backed by an established retail track record, with a turnover of S\$172.0 million and net assets of S\$1.5 billion as at 31 March 2019.



Metro Tower and Metro City, Shanghai

## OUR PRESENCE

Today, the Group operates two core business segments – property investment and development, and retail. It is focused on key markets in the region such as Singapore, the People’s Republic of China (“PRC”), Indonesia and the United Kingdom (“UK”).



# METRO HOLDINGS AT A GLANCE

## PROPERTY INVESTMENT AND DEVELOPMENT

The Group's property arm has significant interests in almost 175,000 square metres of prime retail and office investment properties in London and first-tier cities in the PRC, such as Shanghai and Guangzhou, and over 493,000 square metres of residential and mixed-use development properties predominantly held for sale. The Group also owns 14.9% of Top Spring International Holdings Limited ("Top Spring"), a Hong Kong-listed PRC property developer and invests 23.7% and 9.1% in InfraRed NF China Real Estate Fund II (A), L.P. ("InfraRed Fund II") and InfraRed Fund III respectively, both private equity real estate opportunity funds and 7.5% in Mapletree Global Student Accommodation ("MGSA") Private Trust, a private trust in Singapore.



Middlewood Locks, Manchester



5 Chancery Lane, London



Bay Valley, Shanghai



Shanghai Plaza, Shanghai



GIE Tower, Guangzhou



The Crest, Singapore



Trans Park Residences @ Juanda Bekasi, Jakarta



Trans Park Bintaro, Jakarta

### CHINA

**Shanghai:** Metro City, Metro Tower, Shanghai Plaza, Shanghai Shama Century Park, Bay Valley

**Guangzhou:** GIE Tower

### INDONESIA

**Jakarta:** Trans Park Residences @ Juanda Bekasi, Trans Park Bintaro

### SINGAPORE

The Crest at Prince Charles Crescent

### UNITED KINGDOM

**Manchester:** Middlewood Locks

**Sheffield:** Sheffield Digital Campus

**London:** 5 Chancery Lane

### CHINA INVESTMENT

Top Spring

InfraRed Fund II

InfraRed Fund III

### SINGAPORE INVESTMENT

MGSA Private Trust

## RETAIL

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another 10 department stores in Indonesia, with one new store that opened in 1QFY2020. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise in over 1.4 million square feet of downtown and suburban retail space in both Singapore and Indonesia.



Indonesia



Singapore

### INDONESIA

Jakarta, Bandung, Makassar, Surabaya, Solo and Manado

### SINGAPORE

Causeway Point, Paragon and The Centrepoint

# KEY FACTS

## REVENUE

**S\$172.0** million

S\$136.3 million in FY2018

## PROFIT ATTRIBUTABLE TO SHAREHOLDERS

**S\$95.3** million

S\$159.2 million in FY2018

## RETURN ON SHAREHOLDERS' FUNDS

**6.38** %

11.28% in FY2018

## EARNINGS PER SHARE

**11.5** cents

19.2 cents in FY2018

## DIVIDEND PER SHARE

**4.5** cents

5.0 cents in FY2018

## DIVIDEND PAYOUT RATE

**39.1** %

26.0% in FY2018

## NET ASSET VALUE ATTRIBUTABLE TO SHAREHOLDERS

**S\$1,515** million

S\$1,474 million in FY2018

## NET ASSETS PER SHARE

**S\$1.83**

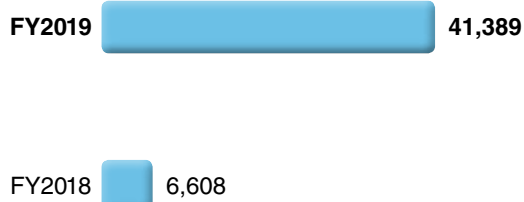
S\$1.78 in FY2018



# KEY FACTS

## PROPERTY DIVISION

### PROPERTY REVENUE (S\$'000)



Supported by revenue recognition of S\$34.5 million from the sale of property rights of the residential units in the development in Bekasi, Jakarta, revenue from the Property division increased to S\$41.4 million in FY2019 from S\$6.6 million reported a year ago. Overall, average occupancy rate for Metro's four investment properties, including those held by joint ventures, was 98.1% as at 31 March 2019.

### Recent Developments

- **Singapore** – Acquired premium Grade-A commercial development, 7 & 9 Tampines Grande, located in Tampines Regional Centre; Tampines Grande enjoys high committed occupancy of approximately 91% and has a well-diversified mix of reputable tenants
- **Shanghai, China** – Acquired Shanghai Plaza, a landmark mixed-use commercial building located at the prime Huai Hai Zhong Road, Huang Pu district, central Shanghai and one of the most densely populated urban districts in China
- **Chengdu, China** – Acquired prime commercial mall in Chengdu (“The Mall”), which is a part of the landmark mixed-use development, The Atrium, strategically located in the heart of Chengdu’s Central Business District (“CBD”); The Mall is LEED® Gold certified and has a total gross floor area of 45,352 sqm with net leasable area of 26,078 sqm
- **Jakarta, Indonesia** – Strengthened presence through a second collaboration with PT. Trans Corpora (“Trans Corp”) and the Lee Kim Tah Group for the development, marketing and sales of two residential towers in Bintaro, Jakarta, comprising

approximately 1,400 apartment units and 170 Small office Home office (“SoHo”) units; sales for both residential towers have been launched and construction of the development is on track and targeted to be completed by mid-2021

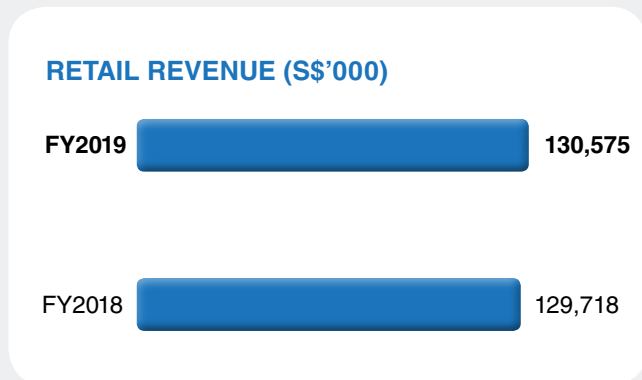
- **United Kingdom** – Phase 1 construction work for the 571 apartment units of the Middlewood Locks development project in Manchester has been completed in October 2018 and the apartments sold are being handed over in stages; the Group has achieved a significant milestone by selling over 800 apartment units – 277 units from Phase 1 and all 546 units from Phase 2 – to Get Living, a UK private rented sector venture backed by Delancey Oxford Residential, APG and Qatari Diar in September 2018; Acero Works, Sheffield, was sold in 2QFY2018

### Outlook

- **Singapore** – The acquisition of 7 & 9 Tampines Grande, an operational asset, will immediately contribute to the Group’s stable income stream with potential positive rental reversion from upcoming lease renewals leveraging on Singapore’s rising office market rents; despite the latest round of property cooling measures implemented by the Singapore government in July 2018, sales continue at a steady pace at the Group’s residential joint venture project The Crest at Prince Charles Crescent
- **China** – GIE Tower in Guangzhou as well as Metro City and Metro Tower in Shanghai will continue to contribute recurring rental income; leasing activities are underway for the Group’s office buildings in Bay Valley, Yangpu District, Shanghai; Shanghai Plaza, Shanghai has commenced asset enhancement works whilst leasing activities are also underway
- **Indonesia** – Construction of Bekasi and Bintaro residential towers are expected to be completed by end-2020 and mid-2021 respectively and sales are underway
- **United Kingdom** – 5 Chancery Lane continues to contribute recurring rental income; construction work on Phase 2 of the Middlewood Locks development project is ongoing; development efforts on Vidrio House, Sheffield, is in progress

# KEY FACTS

## RETAIL DIVISION

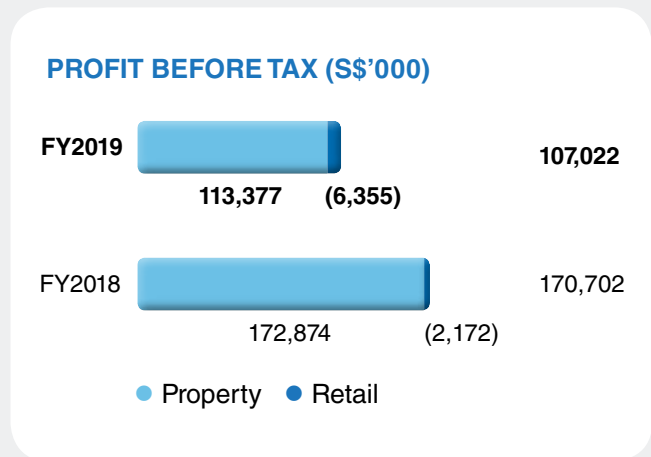


Metro's retail topline improved marginally by 0.7% to S\$130.6 million in FY2019 from S\$129.7 million in FY2018 due to higher sales from Singapore arising from increased sales promotions, amidst margin pressures from higher costs within a highly-competitive trading environment.

### Outlook

- Continues to operate in a challenging, competitive trading environment, coupled with high operating costs
- Focuses on business transformation with a strong emphasis on multi-media strategy, deployment of technology, development of fresh concepts, and improve assortment of merchandise to enhance customers' shopping experience
- Capitalise on retail brand name and tap on Indonesia's burgeoning middle-class by prudently identifying new sites and refreshing existing stores, including Metro Trans Studio Mall Cibubur which has opened in 1QFY2020
- Consolidate operational efforts to achieve higher efficiency and productivity

## PROFIT BEFORE TAX



The Group recorded net profit before tax ("PBT") of S\$107.0 million in FY2019, as compared to S\$170.7 million in FY2018 that includes the Group's share of a one-off gain (net of tax) of S\$164.5 million from a very substantial disposal of eight property projects by its Hong Kong-listed associate, Top Spring, and a divestment gain of S\$15.8 million from the disposal of the Group's 30% equity interest in its associate in Nanchang. This was mitigated by contributions driven by fair value gain on revaluation of investment properties held directly by the Group mainly GIE Tower, Guangzhou, of S\$14.7 million and increase in fair value gains of S\$26.4 million through joint ventures comprising Metro Tower and Metro City in Shanghai, and 5 Chancery Lane, UK, coupled with contributions from the two ongoing residential projects mainly The Crest in Singapore and the residential development project in Bekasi, Jakarta.

# CHAIRMAN'S MESSAGE

“Leveraging our strong financial standing and established networks in key markets, we continue to grow our presence through new investments and developments with established partners in high quality property assets, with a view of broadening revenue streams and facilitating sustained profitability.”

**Lt-Gen (Retd) Winston Choo**  
Chairman



## Dear Shareholders,

On behalf of the Board of Metro Holdings Limited (“Metro” or the “Group”), it is my pleasure to present our Annual Report for the financial year ended 31 March 2019 (“FY2019”).

## FINANCIAL REVIEW

The Group registered a 26.1% year-on-year (“YoY”) growth in revenue to S\$172.0 million for FY2019, an improvement of S\$35.6 million over last year (“FY2018”) mainly driven by the revenue recognition from the sale of property rights of the residential development properties in Bekasi, Jakarta.

Metro’s FY2019 net profit after tax (“PAT”) was S\$95.7 million, as compared to S\$159.7 million in FY2018 that includes the Group’s share of a one-off gain of S\$164.5 million from a very substantial disposal of eight property projects by its Hong Kong-listed associate, Top Spring International Holdings Limited (“Top Spring”), and a divestment gain of S\$15.8 million from the disposal of the Group’s 30% equity interest in its associate in Nanchang recognised in the comparative period. This was mitigated by contributions driven by fair value gain on revaluation of investment properties held directly by the Group mainly GIE Tower, Guangzhou, of S\$14.7 million and increase in fair value gains of S\$26.4 million through its joint ventures comprising Metro Tower and Metro City in Shanghai, and 5 Chancery Lane in the UK, coupled with contributions from the two ongoing residential projects mainly The Crest in Singapore and residential development project in Bekasi, Jakarta.

As at 31 March 2019, the Group maintained a healthy balance sheet, with net assets of S\$1.5 billion and cash and cash equivalents of S\$195.3 million. The Group’s strong financial position coupled with the S\$1 billion

multicurrency debt issuance programme established in October 2018 provides headroom for us to seize growth opportunities in our key markets of Singapore, China, Indonesia and the UK.

## PROPERTY INVESTMENT AND DEVELOPMENT

### Expanding Geographical Presence and Property Classes

In FY2019, Metro continued to extend our footprint to new geographies while growing our presence in existing markets through strategic alliances with well-established local partners. Overall, the average occupancy rate of our three investment properties in Guangzhou and Shanghai and one office property in London improved by two percentage points to 98.1% as at 31 March 2019 (31 March 2018: 96.1%).

During the year, we grew our presence in our core markets of China and Indonesia, with an investment in Shanghai Plaza, Shanghai and the development of two residential towers in Bintaro, Jakarta. Subsequent to the financial year-end, we extended our footprint in Singapore and China with investments in 7 & 9 Tampines Grande and a prime commercial mall (“The Mall”) that is part of a landmark mixed-use development, The Atrium (“晶融汇”), in Chengdu.

### Singapore

In April 2019, we acquired two blocks of premium Grade-A eight-storey office towers namely 7 & 9 Tampines Grande through a 50% interest in a joint venture.

The property, which has a site area and gross floor area (“GFA”) of approximately 86,110 sqft and 361,660 sqft respectively, is strategically located in Tampines Regional Centre in Singapore, a 25-minute drive from

# CHAIRMAN'S MESSAGE

the CBD, a 10-minute drive from Changi Airport and a 5-minute walk from Tampines MRT interchange that is part of both East-West and Downtown lines. The property enjoys high committed occupancy of approximately 91% and has a well-diversified mix of reputable tenants. The acquisition represents an excellent proposition for the Group to mark its entry and exposure to Singapore's limited Grade-A decentralised office market.

## China

In May 2018, we invested 35% equity in a joint venture to acquire a 90% stake of a mixed-use commercial building, Shanghai Plaza, in Shanghai for a total investment value of RMB2,907 million (S\$613 million). Shanghai Plaza, which has a GFA of 40,693 sqm spanning across seven floors, is located at the prime Huai Hai Zhong Road in Huang Pu district, central Shanghai and one of the most densely populated urban districts in China. The property is close to the popular shopping district of Xintiandi, People's Square and the Lujiazui CBD, and highly accessible with connectivity to major train lines and expressways.

Shanghai Plaza is currently undergoing asset enhancement works for office and retail. We have received a strong level of interest from potential tenants.

In May 2019, we acquired 25% equity stake for an investment amount of RMB200 million (S\$39.8 million) in a prime commercial mall, which is part of a landmark mixed-use development, The Atrium, in Chengdu. The Mall is LEED® Gold certified and has a total gross floor area of 45,352 sqm with net leasable area ("NLA") of 26,078 sqm and 387 carpark lots.

The Mall is strategically located in the heart of Chengdu's CBD and the Dacisi business corridor, close to the Chunxi and the Hong Xing Road pedestrian malls such as Taikoo Li Chengdu. It enjoys excellent connectivity to the public transport network with Chunxi Road Station to the west, Dongmendaqiao Station to the southeast and over 20 bus lines via Dongmendaqiao and Shamaojie stops.

The Mall marks Metro's entry into the high growth city of Chengdu. We believe there is an opportunity to enhance asset value through active asset management strategies and repositioning strategies.

## Indonesia

In Indonesia, we achieved another significant milestone in April 2018 with our second collaboration with the established PT. Trans Corpora ("Trans Corp") and the Lee Kim Tah Group for the development, marketing and sales of two residential towers in Bintaro, Jakarta.

Trans Park Bintaro comprises two residential towers with approximately 1,400 apartment units and 170 Small Office Home Office ("SoHo") units positioned for the middle to middle-upper level market and a Trans Studio retail mall with gross floor area of approximately 22,361 sqm. Located within Bintaro Jaya, a mature township and a popular residential area for professionals working in the CBD, Trans Park Bintaro is well connected to Jakarta through the toll road and the railway line. Sales for both residential towers are underway, construction of the development is on track and targeted to be completed by mid-2021.

## United Kingdom

We achieved our first major milestone for the Middlewood Locks development project in Manchester with the completion of Phase 1 construction work in October 2018. The apartments sold are being handed over in stages.

This mixed development will eventually provide 2,215 new homes and about 750,000 sqft of commercial space including offices, hotel, shops, restaurants, a convenience store and gym.

In September 2018, over 800 apartment units – 277 units from Phase 1 and all 546 units from Phase 2 – were sold to Get Living, a UK private rented sector venture backed by Delancey Oxford Residential, APG and Qatari Diar. Meanwhile, construction work on Phase 2 is ongoing.

## RETAIL

For FY2019, Metro's retail revenue improved marginally to S\$130.6 million from S\$129.7 million in FY2018, mainly due to higher sales from Singapore with increased sales promotions. However, the Singapore division reported an operating loss of S\$7.1 million in FY2019 as compared to S\$3.9 million loss in FY2018 mainly due to impairment of fixed assets and provision for stock obsolescence. The Group will continue to focus on cost discipline amidst a highly competitive environment, to cope with margin pressures.

The retail division's associate company in Indonesia faced pressure from strong competition resulting in

# CHAIRMAN'S MESSAGE

profit of S\$0.7 million in FY2019, as compared to profit of S\$1.7 million in FY2018.

## OUTLOOK

### **Property investment and development**

In Singapore, the residential property market remains challenging following the cooling measures implemented in July 2018. Nonetheless, projects with good locations and competitive prices can still achieve healthy initial launch take-up rates<sup>1</sup>.

For Singapore's commercial property sector, Grade-A core CBD vacancy tightened to 5.1% as at end 2018, reflecting strong take-up of prime and new office space. As core CBD rents continue to rise coupled with the decreasing availability of prime space, occupiers are expected to widen their location criteria<sup>2</sup>. Our recently acquired premium Grade-A office towers at Tampines Regional Centre is well-positioned to benefit from an increasing demand in the decentralised office market.

China registered GDP growth of 6.6% in 2018, as economic headwinds strengthened over the course of 2018 amid deleveraging, supply-side reform and the ongoing US-China trade conflict. Trade tensions are expected to impact China's economy, which is forecast to grow by 6.1% in 2019 as net exports will drag on economic growth after the trade surplus decreases. Despite headwinds, investment demand is likely to remain firm, with foreign and domestic buyers expected to continue to seek opportunities in China, supported by an easing monetary policy environment<sup>3</sup>.

Demand for Grade-A offices in Shanghai is expected to soften due to the subdued economic growth. With 7.4 million sqm of new supply scheduled to be completed over 2019 to 2023, and approximately 2.7 million sqm to be completed in 2019, rents are expected to drop in 2019 and flatten in 2020, before rising gradually over 2021 to 2023 as demand stabilises<sup>4</sup>. In 1Q2019, the retail property sector held relatively steady as vacancy rates increased by 0.2% quarter-on-quarter ("QoQ") to 6.8% in prime retail areas, and 1.1% QoQ to 7.9% in non-prime retail areas<sup>5</sup>.

In Guangzhou, over 825,000 sqm of new supply is scheduled to enter the market. Average rents in the city are expected to rise by 1% before picking up from 2021 to 2023 due to a decrease in new supply<sup>6</sup>.

While the outlook for Shanghai has been dampened by the weaker economic growth forecast, our core property investments, Metro City and Metro Tower, maintain a high occupancy rate and are expected to continue to contribute stable recurring income. Rental income from our GIE Tower in Guangzhou, China, is also expected to remain stable.

Backed by the local government's "First-store Economy" Plan, Chengdu has made significant progress in its transformation into an international retail city with the entry of several international brands to Chengdu. Demand for retail space in Chengdu remained stable in 1Q2019<sup>7</sup>. The Chengdu office segment benefitted from a healthy performance in 4Q2018, with no new completions, rent remained stable while vacancy rates declined<sup>8</sup>. This underpins our investment strategy to continue to grow in China with the recent acquisition of the prime commercial mall in Chengdu.

Indonesia holds vast potential as one of the largest economies in Southeast Asia with the real estate sector positioned to ride on the country's steady economic growth, rapid urbanisation, increasing domestic consumption, rising affluent middle class and young population. The country has maintained a stable GDP growth of 5.2% in 2018, a level that has historically signalled healthy office demand and boosted sentiment amongst residential market buyers<sup>9</sup>.

In the UK, Central London office was remarkably resilient in the face of Brexit with take-up reaching 14.8 million sqft in 2018, outperforming expectations and marking the highest annual total take-up since 2014<sup>10</sup>. Our office property at 5 Chancery Lane continues to be fully leased through 2023.

In Manchester, it is estimated that up to 3,000 units are needed per year for a growing city centre population expected to rise from 55,000 to 100,000 by 2026. Coupled with the low delivery level over the past five years, which averaged less than 1,000 new units per annum, a ramp up in supply is overdue. Residential prices in Manchester are expected to grow around 3% over the next five years, while rental growth is forecast to average 3.1% per annum<sup>11</sup>.

At the same time, we have made good progress for our Sheffield office development project with the sale of Acero Works in May 2018. Development works are now focused on Vidrio House.

<sup>1</sup> Savills, Singapore Residential Sales – March 2019

<sup>2</sup> CBRE, Singapore Real Estate Market Outlook 2019

<sup>3</sup> CBRE, Greater China Real Estate Market Outlook 2019

<sup>4</sup> Colliers, Shanghai Grade-A Office Market Update Q4 2018

<sup>5</sup> Savills, Shanghai Retail – April 2019

<sup>6</sup> Colliers, Guangzhou Q1 2019

<sup>7</sup> Savills, Chengdu Retail – April 2019

<sup>8</sup> Colliers, Chengdu Office Q4 2018

<sup>9</sup> JLL, Jakarta Property Market Review Q4 2018

<sup>10</sup> Knight Frank, Central London Quarterly Offices Q4 2018

<sup>11</sup> JLL, Northern England Residential Forecasts 2019

# CHAIRMAN'S MESSAGE

## **Retail**

While our Singapore retail operations continue to face headwinds from a highly competitive environment and increasing operating costs, Metro Retail has focused on a multi-media strategy and deployment of technology to enhance customers' shopping experience. Metro Retail will also consolidate operational efforts to achieve higher efficiency and productivity.

Indonesia's retail operations are supported by the country's strong economic growth, which continues to drive the overall consumption by the expanding middle-class. As such, we will continue to keep a lookout for opportunities to enhance our operating performance and expand. Subsequent to year end, in 1QFY2020, Indonesia opened a new store, Metro Trans Studio Mall Cibubur, bringing the total number of stores to 11 in Indonesia with a total retail space of approximately 1.2 million sqft.

## **In Conclusion**

Leveraging our strong financial standing and established networks in key markets, we continue to grow our presence through new investments and developments with established partners in high quality property assets, with a view of broadening revenue streams and facilitating sustained profitability. As we continue to forge ahead in our key markets of Singapore, China, Indonesia and the UK, Metro will also explore regional countries for diversification. We will pro-actively optimise the capital structure to deliver value to our shareholders.

## **PROPOSED DIVIDEND**

To reward shareholders, the Board has recommended on a per share basis, dividends totalling 4.5 Singapore cents, comprising ordinary final dividend of 2.0 Singapore cents and a special dividend of 2.5 Singapore cents. Together, these represent a dividend yield of 4.5%<sup>12</sup> and payout ratio of 39.1% of the net profit attributable to shareholders for FY2019.

## **APPRECIATION**

Our Group has been built on the hard work and commitment of our staff and management team across the Metro Group of companies, including associates and joint venture companies. I would like to express my heartfelt thanks to our management team, our loyal shareholders who have committed their trust to us, as well as to our business partners, associates, customers and tenants for their continued support.

I would like to extend the Board's congratulations to Mr Yip Hoong Mun, who has been promoted to Group Chief Executive Officer as of 1 June 2019. Hoong Mun's extensive experience and proven expertise in the property industry will be invaluable to Metro. We are confident that Hoong Mun and his dedicated and experienced management team will be able to drive Metro to greater heights.

On behalf of the Board, I would like to express our appreciation to Mr Lawrence Chiang, Metro's former Group Chief Executive Officer, for his strong commitment and contribution to the Group over the past 30 years and his leadership in grooming a new senior team over the last few years to ensure a smooth transition. Lawrence will remain as an Advisor of the Group to provide management oversight.

Having contributed to Metro for the past 27 years, Mr David Lee, Metro's Group Financial Controller, retired on 1 August 2018. I would like to thank David for his dedication and invaluable contributions to Metro. At the same time, I would also like to congratulate Ms Eve Chan, who was appointed Group Chief Financial Officer on 1 August 2018. Eve has deep knowledge and experience in finance and will play a key role to support Metro's growth going forward.

I would also like to thank my fellow Board members for their dedication and commitment in these challenging times. Their invaluable counsel has been key in seeing the Company through the leadership transition and the execution of our new growth strategy.

Going forward, we remain focused on our long-term strategy of driving sustainable growth and value for our shareholders. With our strong foundation and clear vision, Metro will continue to grow as a leading property investment and development group in the region and beyond.

**Lt-Gen (Retd) Winston Choo**  
Chairman

19 June 2019

<sup>12</sup> Share price of S\$0.995 as at 29 March 2019

## 主席致词

“依靠我们稳健的财务状况和在主力市场已建立的成熟关系网,与现有的商务伙伴携手合作,集团将继续对优质房地产进行新的投资和开发,以期扩大收入来源并提升可持续的盈利能力。”

**朱维良中将**  
集团主席



尊敬的各位股东:

我代表美罗控股有限公司(简称“美罗”或“集团”)董事会,很高兴地向各位公布截至2019年3月31日(“2019财政年度”)的财政年度报告。

### 财务回顾

在2019财政年度,集团取得了同比26.1%的财政收入增长,达到1.72亿新元,与去年(“2018财政年度”)同期相比,收入增加了3,560万新元,主要由于集团在雅加达勿加泗(Bekasi)的住宅房地产的销售产权中所获得的收益确认。

美罗在2019财政年度取得了9,570万新元的税后净利润,而2018财政年度的净利润为1.597亿新元,原因是去年集团的联营公司—在香港上市的莱蒙国际集团有限公司(简称“莱蒙”)的房产销售使集团获得了一次性的1.645亿新元收益,在该大规模销售中,莱蒙售出了旗下八个大型房地产项目。去年的收益也来自集团出售了在中国南昌联营公司中所占30%股份而获得的1,580万新元收益。集团的投资物业重估了其公允价值,集团直接持有的、主要是位于广州的广州国际电子大厦的公允价值收益为1,470万新元,集团的合资公司包括位于上海的美罗大厦及美罗城、以及英国伦敦市中心法院巷5道房产的公允价值收益增长共为2,640万新元,这些收益缓解了本年度的利润减少幅度。同时美罗在新加坡的嘉御苑和雅加达的勿加泗(Bekasi)两个正在开发及销售的住宅房地产也为集团收益做出贡献。

截至2019年3月31日,美罗保持稳健的资产负债表,净资产达15亿新元,现金和现金等价物为1.953亿新

元。2018年10月集团设立了价值为10亿新元的多币种债券发行计划更增强了其强健的财务状况,为我们在新加坡、中国、印度尼西亚和英国这些集团的主力市场中寻求增长机会提供了空间。

### 房地产投资和发展

#### 扩展房地地域范围和房地产类别

在2019财政年度,我们和有丰富经验的当地知名商务伙伴合作,组成房地产开发和策略联盟,在现有的房产市场持续发展并扩展在新地域的投资版图。总体而言,截至2019年3月31日,美罗位于广州和上海的三个投资性物业以及伦敦的一栋写字楼今年平均出租率上升了2个百分点,取得了高达98.1%的平均出租率。相较于截至2018年3月31日的平均出租率为96.1%。

本年度集团在核心房地产区域中国和印尼投资了两项新的房地产项目,即位于上海的上海广场和位于印尼雅加达宾塔罗(Bintaro)的两栋住宅项目。在本财年的年底之后,集团也扩展了在新加坡和中国的房产版图,分别投资了位于新加坡的“7 & 9 Tampines Grande”和位于中国成都的一个优质商业中心(“The Mall”),该商业中心是晶融汇(“The Atrium”)地标性商业综合体的一部分。

#### 新加坡

在本财年的年底之后,即2019年4月,集团通过拥有50%合资公司的股份收购了新加坡的7 & 9 Tampines Grande,这是两栋楼高8层的优质甲级办公楼。

该项目占地面积约为86,110平方英尺,建筑面积约为361,660平方英尺,策略性地建立在新加坡淡滨尼区域

## 主席致词

中心,距离中央商务区25分钟的车程,距离樟宜机场10分钟的车程,距离淡滨尼地铁转换站步行仅需5分钟,该地铁站有东西线和市中心线两条主线。该项目享有大约91%的稳定出租率,声誉良好的租户来自各个层面。这一收购代表了集团又一明智的计划,标志着集团已迈入新加坡供应有限的、去中心化的甲级写字楼市场。

### 中国

2018年5月,集团投资了一家合资公司35%的股权,该公司斥资人民币29.07亿元(6.13亿新元)收购了位于上海的综合性商业大厦—上海广场90%的股份。上海广场建筑面积约为40,693平方米(地下一层及地上六层),战略性地位于上海市中心黄浦区淮海中路繁华地段,为中国人口最密集的地段之一。该项目靠近知名购物地标如新天地、人民广场以及陆家嘴中央商务区,非常便捷地与地铁主线和多条高速公路连接。

上海广场已全面启动翻新工程,改造为办公楼及商场综合体。该项目已经受到潜在租户的高度关注和兴趣。

2019年5月,集团以人民币2亿元(3,980万新元)投资了位于成都的一个优质商业中心25%的股份,该项目是晶融汇(“The Atrium”)地标性商业综合体的一部分。该项目获得LEED®Gold认证,总建筑面积约为45,352平方米,可租用净面积约26,078平方米,并设有387个停车位。

该项目战略性地建在成都中央商务区和大慈寺商务走廊的心脏地段,靠近春熙路和红星路步行街商圈,例如成都太古里,且方便地与公共交通系统连接,交通便利,它的西边是春熙路站,东南边是东门大桥站,通过东门大桥站和纱帽街站有超过20条公共汽车的线路穿行。

这一商业中心的收购标志着美罗已入驻高增长的成都市,凭借积极的资产管理和重新定位策略,我们相信将来有机会提升其资产价值。

### 印度尼西亚

2018年4月集团在印尼与富有经验的PT. Trans Corpora(简称“Trans Corp”)以及新加坡的李金塔控股有限公司联手进行了第二个里程碑式合作,在雅加达的宾塔罗(Bintaro)对两栋住宅楼进行开发、市场推广和销售。

Trans Park Bintaro项目是两栋拥有约1,400套单元的公寓和170套SoHo格式的住宅楼,市场定位为中产及中产以上的阶层。Trans Studio则是建筑面积约为22,361平方米的一家零售商场。该项目位于宾塔罗Jaya成熟区域,是工作在中央商务区的专业人士所热衷的居住地。Trans Park Bintaro通过收费公路和铁路与雅加达紧密相连。两栋大楼的预售已开始进行,开发建设正有序展开,预计在2021年中旬即可竣工。

### 英国

对于英国曼彻斯特 the Middlewood Locks发展项目,集团已达到了第一个主要里程碑,在2018年10月完成了第一期的建设工程,已售出的公寓单元正在分批交付中。

这一综合性开发项目最终可提供2,215套单元的住宅,以及约750,000平方英尺的商业楼面,包括写字楼、酒店、商铺、餐厅、便利店和健身房。

2018年9月,该项目的800多套公寓单元—第一期的277套和第二期全部的546套由买家Get Living购得,Get Living为一家受到Delancey Oxford Residential、APG和Qatari Diar支持的英国私人租赁机构。同时第二期的建设工程正在进行中。

### 零售业务

2019财政年度,美罗的零售部门的业绩表现有所提高,总收入达到1.306亿新元,相较于2018财政年度的总收入为1.297亿新元,该提高主要由于新加坡零售部门增加促销活动所带来的业绩贡献。然而在本财政年度,新加坡零售部门也呈现710万新元的营运亏损,相较于2018财政年度为390万新元的营运亏损,主要原因是固定资产减值和过时商品存货的准备金。在零售业竞争极为激烈的环境下,集团将继续专注于成本控制,以应对利润下滑的压力。

美罗在印度尼西亚的零售联营公司同样面对激烈竞争的市场压力,2019财年的盈利为70万新元,相较于2018财年的盈利是170万新元。

### 展望未来

#### 房地产投资和发展

2018年7月新加坡实施房地产降温措施后,住宅房地产市场充满挑战。尽管如此,具有良好地理位置和深具竞



# 主席致词

争力价格的房产项目仍可实现稳健的初始出售购买率<sup>1</sup>。

对于新加坡的商业房产，截至2018年底，核心的中央商务区甲级写字楼空置率收紧至5.1%，反映了市场对优质新办公楼的强劲需求。由于核心的中央商务区租金持续上涨，加上位置优越的楼宇可租用面积逐步减少，预测租户将扩大其租赁地点的选择范围<sup>2</sup>。我们最近在淡滨尼中心区域收购的优质甲级写字楼可谓一个良好的定位，使集团从办公楼市场去中心化这一日益增长的需求中获益。

由于去杠杆化、供应方改革和持续发生的美中贸易冲突，2018年经济逆风的增强，中国在2018年国内生产总值增长率为6.6%。贸易紧张局势必将影响到中国经济，由于贸易顺差减少后净出口将拖累其经济增长，预计2019年的增长率为6.1%。尽管存在着负面因素，投资需求仍可能保持坚挺，估计外国和国内买家将在宽松货币政策环境下继续在中国寻找合适的投资机会<sup>3</sup>。

由于经济增长缓慢，上海甲级写字楼需求预计将趋于疲软。2019年至2023年计划将完成740万平方米的新供应量，2019年将完成约270万平方米。预计在2019租金将下降，2020年租金将持平，当需求趋稳后，租金将在2021年到2023年间逐步上扬<sup>4</sup>。2019年第一季度零售物业保持相对稳定，与上个季度比较，优质零售地区的空置率增长了0.2%至6.8%，非优质零售区的空置率季度环比增长了1.1%至7.9%<sup>5</sup>。

超过825,000平方米的新增供应量按计划将在广州进入市场。由于新增房产量的减少，预计该城市的平均租金将上升1%，并在2021年至2023年之间增长<sup>6</sup>。

虽然上海的前景受到了经济增长疲弱预测的负面影响，但集团拥有的核心房地产项目，即美罗城和美罗大厦仍保持着高出租率，并有望继续提供稳定及可预期的租金收入。我们在中国广州的广州国际电子大厦的租金收入预期将保持稳定。

在当地政府“首店经济”计划的支持下，成都市在改造成国际化商业城市方面取得了重大进展，一些国际品牌陆续进驻成都。成都的零售楼面需求在2019年第一季度保持稳定<sup>7</sup>。成都的写字楼市场受益于2018年第四季度稳健的经济表现，由于没有新的房产推出，故租金保持稳定而空置率下降<sup>8</sup>。随着最近集团收购了位于成都的一个优质商业中心，显示出美罗持续投资中国的策略，使得集团在中国的物业稳固增长。

作为东南亚最大的经济体之一，印度尼西亚拥有巨大的潜力。随着印尼经济稳定增长、迅速的都市化、国内消费增加、富裕的中产阶级和年轻人口的增长等因素，房地产行业得以顺势发展。印尼在2018年保持了5.2%的稳定GDP增长率，如此的增长也意味着办公楼具有强大市场需求，提升了购买者对住宅市场的信心<sup>9</sup>。

位于英国伦敦中心的写字楼在脱欧的情形下显示出其强劲的韧性，2018年办公楼的出租面积达到1,480万平方英尺，超出了预期，是2014年以来最高的年度总量<sup>10</sup>。集团投资的位于大法官道5号的写字楼继续全部出租至2023年。

在英国的曼彻斯特，估计每年需要多达3,000个新住宅单位以便应对市中心人口增长的需求，预计到2026年人口将从55,000人增至100,000人，加上过去五年的低交货状况，平均每年少于1,000个新单元的完成量，市场早已急需增加住宅供应量。曼彻斯特的住宅价格预计将在未来五年内增长3%左右，预计租金的平均增长率为每年3.1%<sup>11</sup>。

与此同时，美罗在英国谢菲尔德市的办公楼项目上进展顺利，在2018年5月出售了Acero Works。现在开发工作集中在Vidrio House项目。

## 零售业务

集团在新加坡的零售业务继续面临竞争激烈的环境和不断增加的运营成本，美罗零售部门已经专注于多媒体战略和技术部署，以提升消费者的购物体验。零售部门还将整合运营工作，以实现更高的工作效率和提升生产力。

印度尼西亚的零售业受到其强劲经济增长的支撑，该增长也持续推动不断扩大的中产阶级的整体消费，有鉴于此，我们将继续留意提升经营业绩和扩展的良机。2020财政年度的第一季度，集团在印尼开设了一家新店Metro Trans Studio Mall Cibubur，使我们在印尼开设的零售分店总数达11家，总零售面积约为120万平方英尺。

<sup>1</sup> Savills, Singapore Residential Sales – March 2019

<sup>2</sup> CBRE, Singapore Real Estate Market Outlook 2019

<sup>3</sup> CBRE, Greater China Real Estate Market Outlook 2019

<sup>4</sup> Colliers, Shanghai Grade-A Office Market Update Q4 2018

<sup>5</sup> Savills, Shanghai Retail – April 2019

<sup>6</sup> Colliers, Guangzhou Q1 2019

<sup>7</sup> Savills, Chengdu Retail – April 2019

<sup>8</sup> Colliers, Chengdu Office Q4 2018

<sup>9</sup> JLL, Jakarta Property Market Review Q4 2018

<sup>10</sup> Knight Frank, Central London Quarterly Offices Q4 2018

<sup>11</sup> JLL, Northern England Residential Forecasts 2019

# 主席致词

## 结论

依靠我们稳健的财务状况和在主力市场已建立的成熟关系网,与现有的商务伙伴携手合作,集团将继续对优质房地产进行新的投资和开发,以期扩大收入来源并提升可持续的盈利能力。随着集团在新加坡、中国、印度尼西亚和英国等主要市场的不断扩展,美罗也将探索在其他区域国家的机会以便强化企业的多元化经营,并且将积极优化资本结构,为股东创造更高的价值。

## 股息提议

为了报答股东们,董事会对股息分配做出提议。建议每股总股息为4.5分新元,包括了2分新元的末期普通股股息以及2.5分新元的特别股息,这显示了4.5%<sup>12</sup>的股息收益率。在2019财政年度,美罗共派发的年度股息达到集团股东应占净盈利的39.1%的派息率。

## 致谢

集团所取得的业绩是建立在美罗全体同仁和管理团队持续的奉献和兢兢业业的努力上的,包括联营企业和合资企业全体同仁的敬业工作。我代表董事会,对美罗的管理团队表示衷心的感谢。我也要感谢忠诚的股东毫不动摇的信任,感谢美罗的商务合作伙伴、联营企业、顾客群和租户们所给予我们的持续支持。

在此,我代表董事会恭贺叶康文先生。自2019年6月1日起,叶先生晋升为美罗集团首席执行官。叶先生在房地产领域丰富的经验和经过验证的专业知识对集团有着非常宝贵的价值。我们有信心,叶先生和他领导的敬业且经验丰富的管理团队能够引领美罗更上一层楼。

我也代表董事会,衷心地感谢美罗原首席执行官郑国杉先生在过去30年来对集团全心全意的投入和宝贵的贡献,以及他在近几年中培养起一支新的高层管理团队,以便确保领导层的顺利过渡。郑先生将担任集团的顾问,为美罗提供管理监督。

集团的财务总监李清荣先生于2018年8月1日退休。我在此感谢李先生在过去27年来对美罗的忠诚、敬业和贡献。同时我也祝贺曾美玲女士,她于2018年8月1日受委为集团首席财务官。曾女士在金融方面拥有丰富的知识和经验,她将在辅助美罗发展上发挥其关键性的作用。

在此我对美罗董事会的董事们表示感谢,感谢他们在当今充满挑战的阶段所做出的奉献和承诺。董事们的宝贵意见对于集团高层的转换与交接以及执行美罗新的发展策略均起着极其重要的作用。

展望未来,集团将继续专注于为股东带来可持续盈利增长和价值的长期战略。凭借集团强大的基础和清晰的愿景,我们将立足于本区域并将触角延伸出本区域,继续成长为一个领先的房地产投资和开发集团。

**朱维良中将**  
集团主席

2019年6月19日

<sup>12</sup> 截至2019年3月29日,股价为每股0.995新元

## BOARD OF DIRECTORS



**LT-GEN (RETD) WINSTON CHOO  
WEE LEONG**  
*Chairman, Non-Executive and  
Independent*



**PHUA BAH LEE**  
*Director, Non-Executive and  
Independent*



**GERALD ONG CHONG KENG**  
*Director, Non-Executive*



**FANG AI LIAN (MRS)**  
*Director, Non-Executive and  
Independent*



**TAN SOO KHOON**  
*Director, Non-Executive and  
Independent*



**LAWRENCE CHIANG KOK SUNG**  
*Group Chief Executive Officer,  
Executive Director (Until 31 May 2019)  
Advisor (From 1 June 2019)*



**DEBORAH LEE SIEW YIN**  
*Director, Non-Executive and  
Independent*



**YIP HOONG MUN**  
*Deputy Group Chief Executive Officer  
(Until 31 May 2019)  
Group Chief Executive Officer,  
Executive Director (From 1 June 2019)*

# BOARD OF DIRECTORS

## LT-GEN (RETD) WINSTON CHOO WEE LEONG

朱维良中将

*Chairman, Non-Executive and Independent*  
非执行独立主席

Lt-Gen (Retd) Winston Choo Wee Leong was appointed Director of Metro Holdings Limited ("Metro") in June 2007 and assumed the position of Chairman in July 2007. He is also the Chairman of the Nominating and Investment Committees and a member of the Remuneration Committee.

He had a distinguished military career from 1959 to 1992 and was Singapore's Chief of Defence Force from 1974 to 1992. He served as Singapore's High Commissioner to Australia and concurrently Ambassador to Fiji from 1994 to 1997. He also served as Singapore's Non-Resident High Commissioner to the Republic of South Africa and the Independent State of Papua New Guinea from 2000 to 2006. He is currently Singapore's Non-Resident Ambassador to the State of Israel.

Lt-Gen Choo is an experienced company director, having served on the Boards of several listed companies since 1993. Currently, he is a member of the Board of Directors of Foodfare Catering Pte Ltd, Newstar Investment Holdings Pte Ltd and Tridex Pte Ltd.

Lt-Gen Choo holds a Master of Arts in History from Duke University, USA and has completed the Advance Management Programme at Harvard University, USA.

朱维良中将于2007年6月受委为美罗控股有限公司("美罗")的董事,并在2007年7月开始受委为集团主席一职。他也是提名委员会和投资委员会的主席以及薪酬委员会的成员。

朱维良中将曾于1959年至1992年期间拥有卓越辉煌的军旅生涯,并于1974年至1992年间担任新加坡国防部队三军总长。他曾于1994年至1997年间同时担任新加坡驻澳大利亚最高专员兼任驻斐济的大使。2000年至2006年间,他也曾担任新加坡驻南非和巴布亚新几内亚独立国的非常驻最高专员。他现任新加坡驻以色列的非常驻大使。

朱维良中将是位经验丰富的公司董事,自1993年起便在多家上市公司的董事会担任过职务。他目前是Foodfare Catering Pte Ltd, Newstar Investment Holdings Pte Ltd 和 Tridex Pte Ltd的董事会成员。

朱维良中将拥有美国杜克大学的历史文学硕士学位,并在美国哈佛大学完成了高级管理培训课程。

## PHUA BAH LEE

潘峇厘

*Director, Non-Executive and Independent*  
非执行独立董事

Mr Phua Bah Lee joined the Board of Metro in 1993. He is the Chairman of the Remuneration Committee and a member of the Nominating Committee. He is also a Director of Singapura Finance Ltd and also holds directorships in a number of private companies.

Mr Phua was the Parliamentary Secretary of the Ministry of Communications from 1968 to 1971 and Senior Parliamentary Secretary of the Ministry of Defence from 1972 to 1988. He was a Member of Parliament for the Tampines Constituency from 1968 to 1988. He graduated from the Nanyang University, Singapore, with a Bachelor of Commerce degree.

潘峇厘先生于1993年加入美罗董事会。他是薪酬委员会的主席及提名委员会的成员。他也是富雅金融有限公司的董事会成员,也在多家私人企业担任董事。

潘先生曾于1968年至1971年间担任通讯部的政务次长,以及在1972年至1988年间担任国防部的高级政务次长。潘先生曾于1968年至1988年间担任淡滨尼选区的国会议员。他毕业于新加坡南洋大学,获商业学士学位。

## GERALD ONG CHONG KENG

王宗庆

*Director, Non-Executive*  
非执行董事

Mr Gerald Ong Chong Keng was appointed a Director of Metro in June 2007. He is a member of the Audit, Nominating and Investment Committees.

He is currently the Deputy Chairman of the PrimePartners Corporate Finance Group and is the Chairman of Aseana Properties Ltd (listed on the London Stock Exchange Main List). Mr Ong has more than 25 years of corporate finance related experience. He has held senior positions at various financial institutions including NM Rothschilds & Sons (Singapore) Ltd, the DBS Bank Group, Tokyo-Mitsubishi International (Singapore) Pte Ltd and Hong Leong (Malaysia) Group. During his time with these institutions, Mr Ong's duties encompassed the provision of a wide variety of Corporate Finance services from advisory, M&A activities and fund raising exercises incorporating various structures such as equity, debt, equity-linked and derivative-enhanced issues.

## BOARD OF DIRECTORS

Mr Ong has been recognised as an IBF Distinguished Fellow and is a Council Member and Treasurer of the Singapore Institute of International Affairs ('SIIA'). He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

王宗庆先生于2007年6月受委为美罗的董事。他也是审计、提名和投资委员会的成员之一。

他现在是建力企业财务策划有限公司的副主席，同时也是Aseana Properties Ltd，一家在伦敦证券交易所主板上市公司的主席。王先生在金融领域拥有超过25年的丰富经验。他曾经在多家金融机构，包括洛希尔父子(新加坡)有限公司、新加坡星展银行集团、东京三菱国际(新加坡)有限公司以及马来西亚丰隆集团担任资深职务。王先生在以上机构任职期间的责任覆盖广泛，包括金融顾问，企业并购，以及通过资本、债务、资本关联和强化衍生债权的企业融资服务。

王先生被授予IBF(新加坡银行和金融研究所)杰出学者的资格，并是新加坡国际事务研究所的理事会成员和财务秘书。王先生是新加坡国立大学、英属哥伦比亚大学及哈佛大学商学院的校友会成员。

### FANG AI LIAN (MRS)

方爱莲夫人

*Director, Non-Executive and Independent*  
非执行独立董事

Mrs Fang Ai Lian was appointed a Director of Metro in July 2008. She is also the Chairman of the Audit Committee and a member of the Nominating Committee.

She is an Independent Director of Banyan Tree Holdings Limited, Singapore Post Limited, Jubilant Pharma Limited and Cromwell EREIT Management Pte. Ltd. and Advisor to the Far East Organization Group. She is Chairman of the Board of Trustees of the Singapore Business Federation and Medishield Life Council. She also serves on the Board of Trustees of the Singapore University of Technology and Design, and is a member of Tote Board (Singapore Totalisator Board).

Mrs Fang was the Chairman of Great Eastern Holdings Limited and its insurance subsidiaries as well as a Director of OCBC Bank until her retirement in April 2014. Prior to that, she was with Ernst & Young ("EY") for 37 years where she last held the position of Chairman of EY Singapore until her retirement on 31 March 2008. She previously served as the Chairman of the Charity Council. She is also a Justice of the Peace and was awarded the Public Service Star in 2009. Her past directorships include Singapore Telecommunications Limited and MediaCorp Pte Ltd.

Mrs Fang qualified as a Chartered Accountant in England and is a Fellow of the Institute of Chartered Accountants in England and Wales as well as a Fellow of the Institute of Singapore Chartered Accountants.

方爱莲夫人于2008年7月受委为美罗的董事。她也是审计委员会的主席和提名委员会的成员。

她是悦榕控股有限公司、新加坡邮政有限公司、Jubilant Pharma有限公司以及Cromwell EREIT管理私人有限公司的独立董事，同时是远东机构的顾问。她是新加坡工商联合总会受托人董事会和终身健保委员会的主席。她也是新加坡科技设计大学受托人董事会的成员以及新加坡赛马博彩管理局的董事会成员。

在2014年4月她退休之前，方夫人曾担任大东方控股公司及其保险子公司的主席，以及华侨银行的董事，在此之前，方夫人在安永会计事务所任职37年。方夫人于2008年3月31日以新加坡安永会计事务所主席的身份退休。方夫人也曾担任慈善理事会的主席。身为太平绅士，方夫人在2009年被授予公共服务星章。她曾经在新加坡电信有限公司以及新传媒有限公司担任董事一职。

方夫人在英国取得特许会计师的资格，而且是英格兰和威尔士特许会计师协会的资深会员。方夫人也是新加坡特许会计师协会的资深会员。

### TAN SOO KHOON

陈树群

*Director, Non-Executive and Independent*  
非执行独立董事

Mr Tan Soo Khoon was appointed a Director of Metro in December 2011. He is a member of the Audit and Investment Committees.

Mr Tan, a businessman, is also a Director of Parkson Retail Asia Limited and several private companies. Since 1978, he has been the Chairman of watch distribution companies, Crystal Time (S) Pte Ltd and Crystal Time (M) Sdn Bhd.

Mr Tan holds a bachelor's degree in Business Administration with Honours from the National University of Singapore. Mr Tan was a Member of the Singapore Parliament from 1976 to 2006. He also served as Speaker of Parliament from 1989 to 2002. Since 2007, he has been Singapore's non-resident Ambassador to the Czech Republic.

陈树群先生于2011年12月加入美罗董事会担任董事。他是审计和投资委员会的成员之一。

陈先生是一位商人，现任百盛零售亚洲有限公司和多家私人公司的董事。自1978年以来，他一直担任手表分销

# BOARD OF DIRECTORS

公司Crystal Time (S) Pte Ltd和Crystal Time (M) Sdn Bhd的主席。

陈先生毕业于新加坡国立大学，获荣誉工商管理学士学位。1976年至2006年间，他曾担任新加坡国会议员。1989年至2002年间，他则被委任为新加坡国会议长。从2007年至今，陈先生仍担任新加坡驻捷克共和国的非常驻大使。

## LAWRENCE CHIANG KOK SUNG

### 郑国杉

*Group Chief Executive Officer, Executive Director (Until 31 May 2019)*

*Advisor (From 1 June 2019)*

*集团首席执行官, 执行董事 (至2019年5月31日)*

*集团顾问 (2019年6月1日起)*

Mr Lawrence Chiang was appointed as the Group Chief Executive Officer and Executive Director of Metro in June 2016. On 1 June 2019, he was appointed Advisor of the Group.

He held executive responsibility over the business strategies and operational affairs of the Metro Group of companies. He has initiated and overseen the completion of the Group's property development projects and joint ventures in China, Singapore, the United Kingdom, Japan, Malaysia and Australia, having assumed a key role in the Group's investment strategy and business development.

Mr Chiang joined Metro in 1989 and has held positions as the Group's Head, Corporate Affairs and Special Projects and Financial Controller. He was appointed the Group General Manager in April 2007 before being re-designated as the Group Chief Operating Officer in July 2013. He was appointed as the Acting Group Chief Executive Officer in February 2016. He has 45 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel, engineering and trading operations.

郑国杉先生于2016年6月受委为美罗集团的首席执行官和执行董事。自2019年6月1日起，他受委担任集团顾问。

郑先生曾经对美罗集团的整体经营策略和运营担负着执行责任。他在中国、新加坡、英国、日本、马来西亚及澳大利亚启动并监督完成了集团的房地产开发和合资项目，且在集团的投资战略和业务发展上发挥了关键的作用。

郑先生于1989年加入美罗，曾分别担任过集团的企业事务及特别项目的主管和财务总监。在2007年4月他受委为集团总经理并于2013年7月受委为集团首席运营官。郑先生于2016年2月受委为集团代理首席执行官。他在房地产开发及管理、零售及百货商店、游轮、酒店、工程和贸易领域拥有长达45年的丰富管理工作经验。

## DEBORAH LEE SIEW YIN

### 李秀纓女士

*Director, Non-Executive and Independent  
非执行独立董事*

Ms Deborah Lee Siew Yin was appointed a Director of Metro in June 2018. She is a member of the Audit and Remuneration Committees.

Ms Lee is presently an Independent Director of Ascendas Hospitality Trust and Assurity Trusted Solutions Pte Ltd. She is also a board member of WTL Capital Pte Ltd and Integrated Health Information Systems Pte Ltd.

Ms Lee was previously Executive Vice-President, Corporate Development of Singapore Press Holdings Ltd ("SPH") from 2007 to 2015. Prior to joining SPH, she was a consultant, specialising in corporate development work and mergers and acquisitions.

Before her consultancy work, Ms Lee was Senior Vice-President, Business Development at the Wuthelam Group, overseeing the establishment of the industrial electronics business, real estate business development and private equity investment for the Group in the region. Ms Lee started her career as an auditor with Pricewaterhouse and subsequently joined Hewlett Packard, holding various management positions over a period of 11 years.

Ms Lee holds a Bachelor of Accountancy (Honours) and a Master in Applied Finance from the National University of Singapore. She is a Chartered Financial Analyst charterholder.

李秀纓女士于2018年6月受委为美罗的董事。她是审计和薪酬委员会的成员之一。

李女士现为Ascendas Hospitality Trust以及Assurity Trusted Solutions Pte Ltd的独立董事，她也是WTL Capital Pte Ltd 和 Integrated Health Information Systems Pte Ltd 的董事会成员。

从2007年至2015年，李女士曾担任新加坡报业控股 (SPH) 企业发展的执行副总裁。加入新加坡报业控股之前，李女士担任顾问职务，专长于企业发展、收购及合并项目。

李女士在担任顾问之前，曾任职于Wuthelam Group为业务发展高级副总裁，负责该集团在区域开发和建立工业电子业务、房地产发展和私募股权投资业务。李女士早年加入普华永道审计事务所 (Pricewaterhouse) 作为审计师，开始了她的职业生涯。随后她加入了惠普 (Hewlett Packard)，在11年中担任多个资深管理职务。

## BOARD OF DIRECTORS

李秀纓女士毕业于新加坡国立大学，拥有会计学学士学位（荣誉）和应用金融硕士学位。她也是一位CFA特许金融分析师。

### YIP HOONG MUN

#### 叶康文

*Deputy Group Chief Executive Officer*

*(Until 31 May 2019)*

*集团副首席执行官(至2019年5月31日)*

*Group Chief Executive Officer, Executive Director*

*(From 1 June 2019)*

*集团首席执行官, 执行董事(2019年6月1日起)*

Mr Yip Hoong Mun was appointed Group Chief Executive Officer and Executive Director with effect from 1 June 2019. He is a member of the Investment Committee.

As Group Chief Executive Officer, he plays a key role in the Group's investment strategies and holds executive responsibility over the business performance of the Metro Group of companies. He oversees the Group's property investment and development projects and joint ventures in Singapore, China, Indonesia and the UK. Prior to this, he was Metro's Deputy Group Chief Executive Officer, a position he assumed since May 2018. Before this, Mr Yip served as Group Chief Operating Officer and Chief Executive Officer of Metro China.

Mr Yip has over 30 years of experience in executive and senior management roles in strategic planning, operations, hospitality, real estate investment and development. Mr Yip started his career with Indeco Engineers and later joined BP South East Asia. Prior to joining Metro, he spent over 20 years with the CapitaLand Group, and served different roles in various strategic business units. He was Managing Director of Ascott China in 2003 and then Chief Executive Officer, Asia Pacific and the Gulf Region of The Ascott Group in 2006. Subsequent to that, Mr Yip has been involved

in property developments in the Gulf Region, Vietnam and Indonesia of the CapitaLand Group.

Mr Yip has a Bachelor of Civil Engineering degree with first class honours from the National University of Singapore and a Master's degree in Business Administration from Stanford University, USA. He also completed a management course at Fudan University, Shanghai, China.

叶康文先生于2019年6月1日起受委为美罗集团首席执行官和执行董事。他也是投资委员会的成员之一。

作为美罗集团的首席执行官，叶先生对集团的投资策略发挥着关键作用，对集团各公司的经营业绩担负着执行责任。叶先生管理着集团的房地产投资和发展项目，以及在新加坡、中国、印尼和英国的美罗合资企业。在担任此重任之前，叶先生自2018年5月起，为集团副首席执行官，在此之前担任美罗的首席运营官及美罗中国私人有限公司首席执行官。

叶先生担任执行级和高层管理职位超过30年，在企业的策略制定、营运、管理服务、房地产投资和开发各方面拥有丰富的管理经验。叶先生的职业生涯始于Indeco Engineers，随后他加入英国石油东南亚公司。在加入美罗之前，他在凯德集团任职20多年，曾在多个商务部门担任不同的职务。2003年，他在雅诗阁 - 中国公司出任常务董事。2006年，叶先生受委为雅诗阁集团在亚太和中东湾区的首席执行官，随后他从事凯德集团在中东湾区、越南及印尼的房地产开发工作。

叶康文先生早年在新加坡国立大学获得土木工程系一级荣誉学位，并在美国史坦福大学获得工商管理硕士学位。他也在中国上海的复旦大学完成了管理课程。

# KEY MANAGEMENT



## LAWRENCE CHIANG KOK SUNG

*Group Chief Executive Officer  
(Until 31 May 2019)  
Advisor (From 1 June 2019)*



## YIP HOONG MUN

*Deputy Group Chief Executive Officer  
(Until 31 May 2019)  
Group Chief Executive Officer  
(From 1 June 2019)*



## WONG SIOE HONG

*Executive Chairman,  
Metro (Private) Limited*

## LAWRENCE CHIANG KOK SUNG

*Group Chief Executive Officer (Until 31 May 2019)  
Advisor (From 1 June 2019)*

Mr Lawrence Chiang was appointed as the Group Chief Executive Officer and Executive Director of Metro in June 2016 until handing over to Mr. Yip on 31 May 2019. On 1 June 2019, he was appointed Advisor of the Group to provide management oversight.

He held executive responsibility over the business strategies and operational affairs of the Metro Group of companies. He has initiated and overseen the completion of the Group's property development projects and joint ventures in China, Singapore, the United Kingdom, Japan, Malaysia and Australia, having assumed a key role in the Group's investment strategy and business development.

Mr Chiang joined Metro in 1989 and has held positions as the Group's Head, Corporate Affairs and Special Projects and Financial Controller. He was appointed the Group General Manager in April 2007 before being re-designated as the Group Chief Operating Officer in July 2013. He was appointed as the Acting Group Chief Executive Officer in February 2016. He has 45 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel, engineering and trading operations.

## YIP HOONG MUN

*Deputy Group Chief Executive Officer (Until 31 May 2019)  
Group Chief Executive Officer (From 1 June 2019)*

Mr Yip Hoong Mun was appointed Group Chief Executive Officer and Executive Director with effect from 1 June 2019.

As Group Chief Executive Officer, he plays a key role in the Group's investment strategies and holds executive

responsibility over the business performance of the Metro Group of companies. He oversees the Group's property investment and development projects and joint ventures in Singapore, China, Indonesia and the UK. Prior to this, he was Metro's Deputy Group Chief Executive Officer, a position he assumed since May 2018. Before this, Mr Yip served as Group Chief Operating Officer and Chief Executive Officer of Metro China.

Mr Yip has over 30 years of experience in executive and senior management roles in strategic planning, operations, hospitality, real estate investment and development. Mr Yip started his career with Indeco Engineers and later joined BP South East Asia. Prior to joining Metro, he spent over 20 years with the CapitaLand Group, and served different roles in various strategic business units. He was Managing Director of Ascott China in 2003 and then Chief Executive Officer, Asia Pacific and the Gulf Region of The Ascott Group in 2006. Subsequent to that, Mr Yip has been involved in property developments in the Gulf Region, Vietnam and Indonesia of the CapitaLand Group.

Mr Yip has a Bachelor of Civil Engineering degree with first class honours from the National University of Singapore and a Master's degree in Business Administration from Stanford University, USA. He also completed a management course at Fudan University, Shanghai, China.

He has accumulated extensive experience and network in numerous overseas markets and is trilingual in English, Mandarin and Malay.

## WONG SIOE HONG

*Executive Chairman, Metro (Private) Limited*

Mrs Wong was appointed as Executive Chairman of Metro (Private) Limited with effect from 1 October 2012. As Executive Chairman, she serves as the key strategist



## KEY MANAGEMENT



**EVE CHAN BEE LENG**  
*Group Chief Financial Officer*



**DAVID TANG KAI KONG**  
*Chief Executive Officer,  
Metro (Private) Limited*

of the Group's retail operations and is responsible for charting the future direction of this division. With over 40 years of industry expertise, Mrs Wong also holds the positions of Vice President of the Singapore Retailers Association as well as Vice Chairman of the Orchard Road Business Association.

Mrs Wong first joined Metro's retail organisation in 1971 and had served as the Managing Director of Metro (Private) Limited from 1994 to 2012, overseeing the overall retail operations of the Group in both Singapore and Indonesia. She has played an instrumental role in transforming the Metro retail arm into a major retail operator in Singapore and will continue to oversee the Group's retail expansion in the region. Mrs Wong holds a Bachelor of Science (Commerce) from the University of Santa Clara, USA.

**EVE CHAN BEE LENG**  
*Group Chief Financial Officer*

Ms Eve Chan Bee Leng joined Metro in August 2017 as the Director of Finance of the Group and was re-designated to the Group Chief Financial Officer in August 2018.

Ms Chan has more than 25 years of experience in group finance, audit, tax, accounting, corporate finance and treasury with public listed firms, engineering/power plant, real estate/property developer/private equity funds/REITs, hospitality and international auditing firm. She has also been involved in numerous corporate exercises such as mergers, acquisition and divestment exercises, Public Offering launches as well as the organisation and structuring of private equity real estate funds and real estate investment trusts with portfolios that span across Asia Pacific and Middle East regions. Prior to joining Metro, she was the Group Financial Controller for PacificLight Power

Group. Ms Chan also previously held various finance positions at ST Engineering, Keppel REIT, Kingdom Hotel Investment, CapitaLand/Ascott Group with portfolios that span across Asia Pacific and Middle East regions.

Ms Chan holds a Bachelor of Accountancy Degree from the Nanyang Technological University of Singapore and an Executive Master's of Business Administration from the University of Hull (UK). She is a Fellow Chartered Accountant of Singapore and a member of the Institute of Certified Public Accountants of Australia (CPA Australia).

**DAVID TANG KAI KONG**  
*Chief Executive Officer,  
Metro (Private) Limited*

Mr David Tang was appointed as the Chief Executive Officer of Metro (Private) Limited on 10 September 2012. A well regarded retail professional with extensive experience in retail operations, marketing and financial management, he started his retail career as Merchandising Manager with JC Penny in Indianapolis, Indiana, USA.

Prior to joining Metro, Mr Tang was at the helm of Robinsons as its Regional General Manager, a position he held since 2006. He spent 22 years at Robinsons, where he rose through the ranks, serving in various capacities from Fashion Buyer to Deputy Senior Merchandising Manager, Senior Merchandising Manager, General Manager (Merchandising) to General Manager (Department Stores). Mr Tang has a Master of Business Administration in Retailing and Wholesaling from the University of Stirling, Scotland, and a Bachelor of Science (Highest Distinction) in Finance from Indiana University, USA.

## PARTNERSHIPS



### TRANS CORP

(Since 2001)

Trans Corp is the Media, Lifestyle, Retail and Entertainment arm of CT Corp, a diversified holding company with businesses across a wide spectrum of industries. Trans Corp's businesses include two free-to-air news and entertainment television broadcast, Pay TV Channel, News Portal, shopping malls and hotels, indoor theme park and franchisee for certain food and beverage, as well as international high-end fashion franchises. Trans Corp also owns majority ownership of Trans Retail Indonesia (formerly Carrefour Indonesia), together with GIC.

Metro first collaborated with Trans Corp in 2001 when it opened its third store in Bandung Supermal. By 2008, Trans Corp had acquired a 40% stake in Metro Indonesia, and in recognising the country's growing demand for Metro stores, Trans Corp increased its shareholding to 50% in 2010.

Today, Metro Indonesia is one of the leading retailers in the country, housing a wide range of well-known international and local brands. Metro Indonesia currently has 11 stores spread across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado.

In November 2017, Metro entered into further collaboration with PT. Trans Corpora for the development, marketing and sales of apartment units in Bekasi, Jakarta, Indonesia. In April 2018, Metro strengthened the partnership with PT. Trans Corpora with the development, marketing and sales of apartment and SoHo units in Bintaro, Jakarta, Indonesia.



### INFRARED NF CHINA REAL ESTATE FUND

(Since 2007)

Headquartered in London with offices in Hong Kong, Sydney, New York and Seoul, InfraRed Capital Partners ("InfraRed") is a manager of specialist infrastructure and real estate funds.

Metro's partnership with InfraRed NF China Real Estate Fund, L.P. ("the Fund"), a fund managed by InfraRed in joint venture with Hong Kong's Vervain Group (which includes entities operating under the former name of "Nan Fung China"), started in 2007 with investments in EC Mall, No. 1 Financial Street and Metropolis Tower – in Beijing. In 2009, Metro entered into a joint venture with the Fund and Tesco plc in three Tesco Lifespace malls in Qinhuangdao, Fushun and Anshan. Another joint venture with the Fund and Tesco plc followed in February 2011 in three Tesco Lifespace malls in Fuzhou, Xiamen and Shenyang. Metro and the Fund have since divested their interest in all these developments.

In 2015, Metro invested in InfraRed NF 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 InfraRed NF China Real Estate Fund III L.P. ("Fund III") as well as co-invested with Fund III in real estate debt instruments.

## PARTNERSHIPS



### TOP SPRING INTERNATIONAL HOLDINGS LIMITED

(Since 2011)

Top Spring International Holdings Limited (“Top Spring”) is a real estate property developer in the PRC specialising in the development and operation of urban mixed-use communities and the development and sale of residential properties in the Greater Bay Area, the Yangtze River Delta, the Central China, the Beijing-Tianjin and the Chengdu-Chongqing regions in the PRC. Metro acquired an initial stake of 5% in Top Spring when it was listed on the Main Board of The Stock Exchange of Hong Kong Limited in March 2011. Top Spring’s revenue stood at HK\$0.6 billion for the year ended 31 December 2018.

In FY2013, Metro invested S\$48 million for 30% equity in Nanchang Top Spring Real Estate Co., Ltd (“Nanchang Top Spring”), a partnership with Top Spring. Known as Nanchang Fashion Mark and located at Hong Gu Tan Central Business District in Nanchang, Jiangxi Province in the PRC, the mixed-use development initially had total leasable/saleable gross floor area (“GFA”) of approximately 780,000 square metres (“sqm”). Metro and Top Spring divested their interest in Nanchang Top Spring in 2017/2018.

In December 2013, Metro acquired a 30% stake in Shanghai Shama Century Park from Top Spring for RMB 524 million. The property operated as serviced apartments with a total of 284 residential units across a total GFA of approximately 49,357 sqm. 278 residential units have been sold and handed over as at 31 March 2019.

On 1 July 2014, Top Spring became an associated company of the Metro Group when Metro’s nominated representative was appointed to the board of directors of Top Spring as non-executive director. As at 31 March 2019, Metro has an equity stake of approximately 16.5% voting rights and 14.9% ownership interest in Top Spring.

In September 2017, Metro, together with Top Spring, acquired three office buildings in Bay Valley in New Jiangwan City, Yangpu District, Shanghai, for RMB 2.5 billion. Metro’s stake is 30%.



### WING TAI HOLDINGS LIMITED

(Since 2012)

Wing Tai Holdings Limited is a public listed company in Singapore with a market cap of approximately S\$1.6 billion and asset value exceeding S\$4 billion. Its principal activity is that of an investment holding company focused on key markets in the Asia Pacific, with core businesses in property investment and development, hospitality management and lifestyle retail. The Wing Tai Asia network of companies include Wing Tai Holdings Limited, Wing Tai Malaysia Sdn. Bhd., Wing Tai Properties Limited and their subsidiaries in Singapore, Australia and China, as well as in Malaysia and Hong Kong. In late 2012, Metro invested 40% in a joint venture with Wing Tai Holdings Limited to jointly develop The Crest at Prince Charles Crescent in Singapore.

## PARTNERSHIPS



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### SCARBOROUGH GROUP INTERNATIONAL

(Since 2014)

Founded by Kevin McCabe in 1980, Scarborough Group International (“Scarborough”) has grown from a UK-based real estate developer and investor into a global organisation focusing predominantly on real estate with other past and present business interests in Europe, North America, Australia, Hong Kong, India, China and the United Kingdom.

Scarborough is now in its fourth decade of business, having developed into a global group with a diverse portfolio. It has a comprehensive investment portfolio which encompasses all aspects of real estate, interests in leisure – most notably a 50% stake in Sheffield United Football Club – as well as additional investments in a number of other sectors.

In July 2014, Metro entered into a joint venture with the Scarborough Group acquiring a 25% stake in two land plots for GBP5.7 million in Manchester, United Kingdom – Middlewood Locks (a predominantly residential mixed-use development) and Milliners Wharf The Hat Box (a 144 new build residential development). The collaboration was further strengthened in February 2016, when Metro participated in another joint venture with the Scarborough Group to develop two office buildings on a site in Sheffield, United Kingdom.



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### LEE KIM TAH HOLDINGS LIMITED

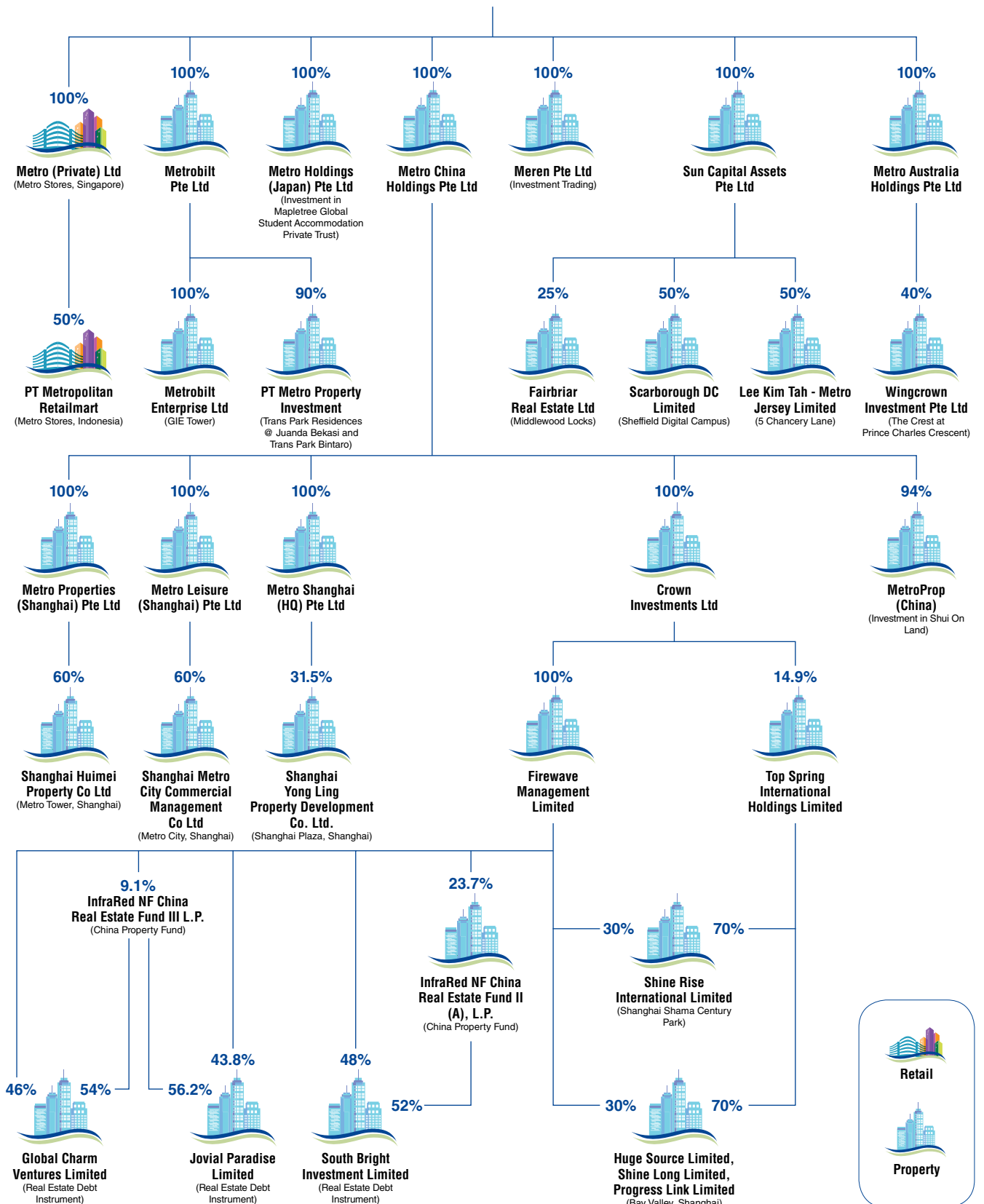
(Since 2017)

The Lee Kim Tah Group (“LKT Group”) built both its business and reputation upon sound foundations that date back to the 1920s. The LKT Group had its nascent beginnings when the late Mr Lee Kim Tah, who went on to become the founding Chairman of the LKT Group, took over the family business of supplying materials and labour to the British army, which was then stationed in Singapore. Steered by Mr Lee’s stalwart commitment to quality and innovation, the company grew to become a leader in the construction industry, as it introduced much needed modern construction technology to Singapore in the 1980s. The eventual listing in 1984 marked an important milestone for the local construction industry: the LKT Group was among the first few construction companies to be listed on the Singapore Exchange. The LKT Group was delisted from the Singapore Exchange in 2014.

Having firmly established itself in the construction sector, the LKT Group vigorously diversified into investment and property development. Its diversification saw the LKT Group successfully deliver a wide spectrum of developments, including luxury apartments, landed properties, shopping malls and hotels. The LKT Group’s footprint straddles across Australia, China, India, Indonesia and United Kingdom.

In November 2017, Metro, together with Trans Corp and the LKT Group, entered into a joint venture to develop, market and sell five 32-storey residential towers in Bekasi, Jakarta, Indonesia. In January 2018, Metro entered into a 50:50 joint venture with the LKT Group to jointly acquire a freehold office property in London, United Kingdom. Another joint venture with Trans Corp and the LKT Group followed in April 2018 to develop, market and sell two residential towers in Bintaro, Jakarta, Indonesia.

# CORPORATE STRUCTURE



# PORTFOLIO REVIEW

## PROPERTY INVESTMENT AND DEVELOPMENT

### INVESTMENT PROPERTIES

As at 31 March 2019, average occupancy for the Group's four investment properties, including those held by joint ventures, remained high at 98.1% (31 March 2018: 96.1%). The Group sold and handed over approximately 47,737 square metres in leaseable GFA or 278 units of its Shanghai Shama Century Park serviced apartments, bringing total disposal to about 98%.

### OCCUPANCY RATES

	As at 31.3.2019 (%)	As at 31.3.2018 (%)
GIE Tower, Guangzhou	94.2	88.6
Metro City, Shanghai	99.7	97.1
Metro Tower, Shanghai	98.3	98.5
5 Chancery Lane, London	100.0	100.0

### PROPERTY VALUATIONS

As at 31 March 2019, GIE Tower, Guangzhou, Metro Tower, Shanghai, and 5 Chancery Lane, London, recorded increases in valuations, while Metro City, Shanghai registered a decline in valuation.

	FY2019 (RMB'm)	FY2018 (RMB'm)	Change (%)	FY2019 (S\$m)	FY2018 (S\$m)	Change (%)
GIE Tower, Guangzhou <sup>(1)</sup>	555	482	+15.1	112	100	+12.0
Metro City, Shanghai <sup>(1)</sup>	987	988	-0.1	199	206	-3.4
Metro Tower, Shanghai <sup>(1)</sup>	1,162	973	+19.4	235	202	+16.3

	FY2019 (GBP'm)	FY2018 (GBP'm)	Change (%)	FY2019 (S\$m)	FY2018 (S\$m)	Change (%)
5 Chancery Lane, London <sup>(1)</sup>	80	76	+5.3	141	140	+0.7

n.m. not meaningful

<sup>(1)</sup> As at 31 March 2019

<sup>(2)</sup> Above figures represent 100% of the property valuations and are appraised by independent valuers Cushman & Wakefield Limited (Shanghai and Guangzhou) and Colliers International Valuation UK LLP

Exchange rates:

FY2019: S\$: RMB4.950: GBP0.5669

FY2018: S\$: RMB4.808: GBP0.5423

China registered GDP growth of 6.6% in 2018, as economic headwinds strengthened over the course of 2018 amid deleveraging, supply-side reform and the ongoing US-China trade conflict. Demand for Grade-A offices in Shanghai is expected to soften due to the subdued economic growth. In 1Q 2019, the retail property sector held relatively steady as vacancy rates increased by 0.2% quarter-on-quarter to 6.8% in prime retail areas. In Guangzhou, over 825,000 square metres of new supply is scheduled to enter the market. Average rents in the city are expected to rise by 1% before picking up from 2021 to 2023 due to a decrease in new supply.

In the UK, Central London office was remarkably resilient in the face of Brexit with take-up reaching 14.8 million square feet in 2018, outperforming expectations and marking the highest annual total since 2014.

### EXPIRY PROFILE BY GROSS RENTAL INCOME

	1HFY2020 (%)	2HFY2020 (%)
GIE Tower, Guangzhou	16.8	22.2
Metro City, Shanghai	16.7	14.4
Metro Tower, Shanghai	13.0	6.7
5 Chancery Lane, London	—	—

# PORTFOLIO REVIEW

## METRO CITY SHANGHAI



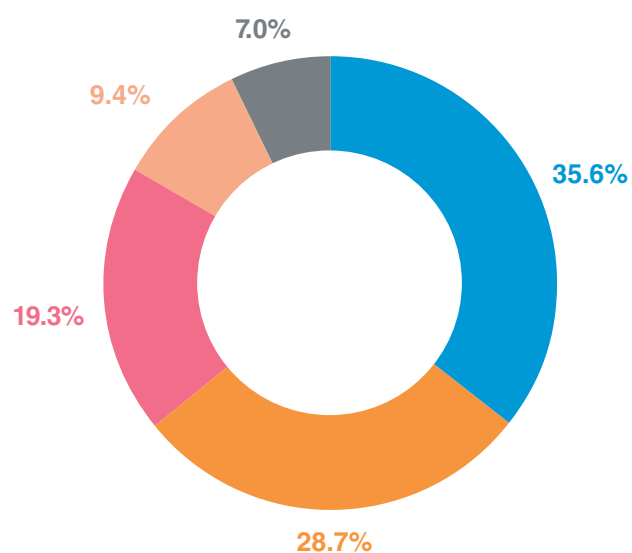
Strategically located at Xujiahui, Metro City, Shanghai, is a lifestyle entertainment centre with nine levels of space, spanning nearly 40,000 square metres. Directly linked to an underground MRT, the mall attracts high shopper traffic due to its prime location and accessibility.

Asset enhancement on the last two levels of Metro City, Shanghai, was completed in March 2017. Its occupancy rate as at 31 March 2019 was 99.7% (2018: 97.1%).

### KEY STATISTICS

<b>% owned by Group</b>	60
<b>Site area (sqm)</b>	15,434
<b>Lettable Area (sqm)</b>	38,391
<b>Tenure</b>	36-year term from 1993 (10 years remaining)
<b>No. of Tenants</b>	185
<b>Occupancy Rate (%)</b>	99.7
<b>Valuation (100%)</b>	S\$199 million

### MALL TENANT MIX BY LETTABLE AREA (As at 31 March 2019)



- F&B/Food Court
- Leisure & Entertainment
- Fashion & Shoes
- Books/Gifts & Specialty/Hobbies/Toys/Jewelry
- Others

# PORTFOLIO REVIEW

## METRO TOWER SHANGHAI



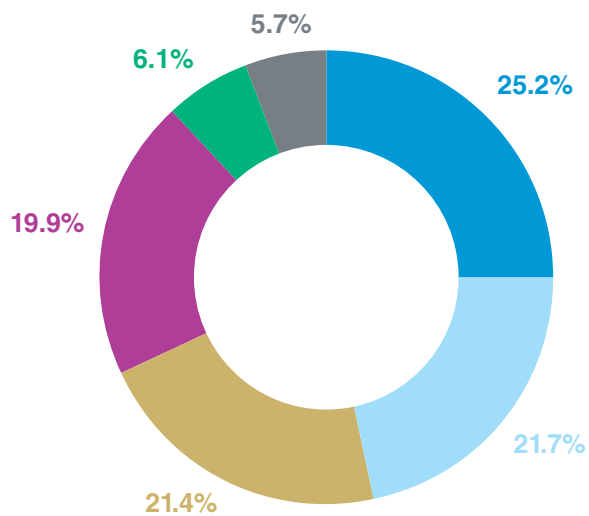
Located next to Metro City, Shanghai, Metro Tower offers over 40,000 square metres of Grade-A office space, spread across 26 floors.

Metro Tower, Shanghai, is supported by a strong multinational tenant base and its occupancy remains high at 98.3% as at 31 March 2019 (2018: 98.5%).

### KEY STATISTICS

<b>% owned by Group</b>	60
<b>Site area (sqm)</b>	4,933
<b>Lettable Area (sqm)</b>	40,349
<b>Tenure</b>	50-year term from 1993 (24 years remaining)
<b>No. of Tenants</b>	33
<b>Occupancy Rate (%)</b>	98.3
<b>Valuation (100%)</b>	S\$235 million

### OFFICE TENANT MIX BY LETTABLE AREA (As at 31 March 2019)



- F&B
- IT & Advertising Services & Telecommunication
- Petroleum/Chemicals & Related Industrial Products
- Consumer Products
- Banking, Insurance & Financial Services
- Others



# PORTFOLIO REVIEW

## GIE TOWER GUANGZHOU



Part of a 7-storey shopping podium and 35-storey office tower, GIE Tower, Guangzhou, is located at Huanshi Road East, in the Central Business District of Dongshan, Guangzhou.

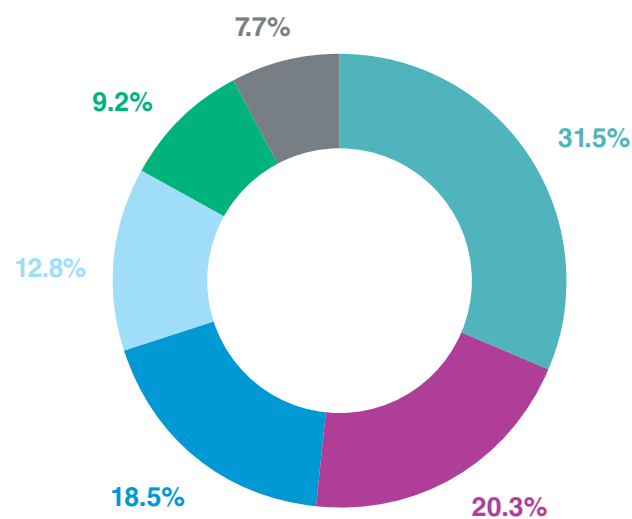
The Group owns over 28,000 square metres of Grade-A office space in the building. GIE Tower's occupancy rate rose to 94.2% as at 31 March 2019 (2018: 88.6%).

### KEY STATISTICS

<b>% owned by Group</b>	100
<b>Site area (sqm)</b>	Strata-titled
<b>Lettable Area (sqm)</b>	28,390
<b>Tenure</b>	50-year term from 1994 (25 years remaining)
<b>No. of Tenants</b>	36
<b>Occupancy Rate (%)</b>	94.2
<b>Valuation (100%)</b>	S\$112 million

### OFFICE TENANT MIX BY LETTABLE AREA

(As at 31 March 2019)



- Pharmaceutical/Medical & Petroleum/Chemicals
- Consumer Products, Trading and Education
- F&B
- IT and Shipping Services & Telecommunication
- Banking, Insurance & Financial Services
- Others

## PORTFOLIO REVIEW

# SHANGHAI PLAZA SHANGHAI



Shanghai Plaza, a landmark mixed-use commercial building with a gross floor area of 40,693 square metres across seven floors, was acquired in May 2018.

It is located at the prime Huai Hai Zhong Road, Huang Pu district, Shanghai, which is one of the most densely populated urban districts in China. The property is also close to Xintiandi, People's Square and Lujiazui CBD, with connectivity to major train lines and expressways.

The mall is undergoing asset enhancement.

### KEY STATISTICS

<b>% owned by Group</b>	31.5
<b>Leaseable GFA (sqm)</b>	40,693
<b>Tenure</b>	50-year term from 1992 (23 years remaining)
<b>Valuation (100%)</b>	S\$606 million

# 5 CHANCERY LANE LONDON



The freehold office property at 5 Chancery Lane, London, has 84,836 square feet of office and ancillary facilities spread across its basement, lower ground, ground and five upper floors.

proximity to a few underground stations, namely Chancery Lane station, Temple station and the new Farringdon station hub of the upcoming Crossrail. It is also strategically located in the heart of the traditional legal area that is within a short walking distance from various key legal institutions such as the Law Society Building and the Royal Courts of Justice.

The property is currently fully leased until 2023.

### KEY STATISTICS

<b>% owned by Group</b>	50
<b>Site area (acres)</b>	0.487
<b>Lettable Area (sqm)</b>	7,882
<b>Tenure</b>	Freehold
<b>No. of Tenants</b>	1
<b>Occupancy Rate (%)</b>	100
<b>Valuation (100%)</b>	S\$141 million

It is situated in a central and traditional office location in the heart of Midtown Central London and in close

## PORTFOLIO REVIEW

# SHANGHAI SHAMA CENTURY PARK SHANGHAI



Acquired in October 2013, the property comprises a total of 284 residential units with a total gross floor area of approximately 49,357 square metres and 240 underground car park units, and was operated as serviced apartments.

Located at 99 Dongxiu Road in Pudong New District, Shanghai, the well-situated property is easily accessible from the subway station located just next door and is only approximately 15 minutes' drive from the Central Business District of Pudong, Shanghai.

As at 31 March 2019, leaseable GFA of approximately 47,737 square metres, comprising 278 units, have been sold and handed over.

### KEY STATISTICS

<b>Completion Date</b>	2006
<b>% owned by Group</b>	30
<b>Land use rights tenure ending on</b>	30 December 2072
<b>Saleable/Leaseable GFA (sqm)</b>	1,620
<b>Valuation (100%)</b>	S\$18 million

# BAY VALLEY SHANGHAI



Acquired in September 2017, the office building comprise a gross floor area of approximately 19,043 square metres and 42 car park spaces. In December 2018, the property was reclassified from property held for sales to investment property.

Located at No. 33 and 36, 1688 Guoquan North Road, the properties are well-located within the integrated business community development known as the Bay Valley. Bay Valley is situated in New Jiangwan City, which is in the Yangpu District of Shanghai, one of China's most established industrial centres.

Leasing activities are underway.

### KEY STATISTICS

<b>Completion Date</b>	2014
<b>% owned by Group</b>	30
<b>Land use rights tenure ending on</b>	2 November 2058
<b>Saleable/Leaseable GFA (sqm)</b>	19,043
<b>Valuation (100%)</b>	S\$101 million

# PORTFOLIO REVIEW

## DEVELOPMENT PROPERTIES

Despite the latest round of property cooling measures implemented by the Singapore government in July 2018, sales continue at a steady pace at the Group's residential joint venture project, The Crest at Prince Charles Crescent.

Leasing activities are underway for Bay Valley in Shanghai. The office buildings are well-poised to benefit from its ideal location, being situated in Shanghai's Yangpu District. Bay Valley is expected to attract tenants from high-tech sectors amidst the government's plans to turn Shanghai into a world-class innovation hub, and for 100 innovation companies to set up on the Yangpu Waterfront<sup>1</sup>.

In Indonesia, the Group has launched sales for three of the five 32-storey residential towers for Trans Park Residences, the residential segment of the landmark mixed-development project, Trans Park @ Juanda

Bekasi in Jakarta. The Group's second development project in Jakarta, Trans Park Bintaro, has also been launched for sale. Construction of the Bekasi and Bintaro residential towers are expected to be completed by end-2020 and mid-2021 respectively.

In the UK, Phase 1 construction work for the 571 apartment units of the Middlewood Locks development project in Manchester has been completed and is being handed over in stages. Phase 2 construction work for 546 apartment units is ongoing and all units, including another 277 units from Phase 1, have been sold to Get Living, a UK private rented sector venture backed by Delancey Oxford Residential, APG and Qatari Diar. At the same time, the Sheffield Digital Campus office development project has made good progress, with the sale of Acero Works in May 2018. Development works are now focused on Vidrio House.

<sup>1</sup> McKinsey, January 2018 – Yangpu Waterfront: From rustbelt to brainbelt

## BAY VALLEY SHANGHAI



Acquired in September 2017, the two office buildings comprise a total gross floor area of approximately 78,811 square metres and 168 car park spaces.

Located at No. 25 and No. 78 and 79, 1688 Guoquan North Road, the properties are well-located within the integrated business community development known as the Bay Valley. Bay Valley is situated in New Jiangwan City, which is in the Yangpu District of Shanghai, one of China's most established industrial centres.



Leasing activities are underway.

In December 2018, the office building located at No. 33 and 36, 1688 Guoquan North Road, was reclassified from property held for sales to investment property.

### KEY STATISTICS

<b>Completion Date</b>	2014
<b>% owned by Group</b>	30
<b>Land use rights tenure ending on</b>	2 November 2058
<b>Saleable/Leaseable GFA (sqm)</b>	78,811

## PORTFOLIO REVIEW

### TRANS PARK BEKASI JAKARTA



The Group, together with Trans Corp and the Lee Kim Tah Group, will develop, market and sell the residential component, Trans Park Residences.

The residential units are expected to appeal to homeowners looking for quality affordable residential

apartments and is part of the larger Trans Park @ Juanda Bekasi, a quality landmark mixed-development consisting of five 32-storey residential towers (5,622 units), a hotel, a school, SoHo apartments, shophouses, an office building and a Transmart mall over a total site area of 4.5 hectares. The Transmart mall, with a gross floor area of approximately 30,485 sqm, opened in April 2019 with department stores, supermarkets and cinemas, as well as a theme park with Snow Town and Kidcity.

#### KEY STATISTICS

<b>% owned by Group</b>	90
<b>Construction start date</b>	November 2017
<b>Expected completion date</b>	End-2020
<b>Total saleable GFA (sqm)</b>	162,754
<b>Purchase consideration (100%)</b>	IDR 1.99 trillion

### TRANS PARK BINTARO JAKARTA



Metro further grows its presence in Indonesia through another strategic partnership with TransCorp and the Lee Kim Tah Group for the development, marketing and sales of two residential towers in Bintaro, Jakarta.

The development of the Bintaro project is over a site area of about 1.6 hectares, comprising of two residential

towers with approximately 1,400 apartment units and 170 Small Office Home Office (“SoHo”) units positioned for the middle to middle upper level market with quality design. A wide range of integrated facilities will be made available including Trans Studio, a retail mall with gross floor area of approximately 22,361 square metres with Transmart, cinema, F&B and theme park Kidcity.

Piling is now complete, super structural work and apartment sales are underway.

#### KEY STATISTICS

<b>% owned by Group</b>	90
<b>Construction start date</b>	March 2018
<b>Expected completion date</b>	Mid-2021
<b>Total saleable GFA (sqm)</b>	61,619
<b>Purchase consideration (100%)</b>	IDR 1.33 trillion

## PORTFOLIO REVIEW

# THE CREST AT PRINCE CHARLES CRESCENT SINGAPORE



### KEY STATISTICS

<b>% owned by Group</b>	40
<b>Site area (sqm)</b>	23,785
<b>Construction start date</b>	June 2013
<b>TOP</b>	February 2017
<b>Total GFA (sqm)</b>	50,854
<b>Land cost (S\$'million)</b>	516.3

The Crest at Prince Charles Crescent is a 469-unit condominium comprising four blocks of 5-storey and three blocks of 24-storey residential buildings. The development includes a basement carpark, swimming pool, landscape deck and communal facilities.

Located in the tranquil Jervois precinct, the leasehold site at Prince Charles Crescent fronts the Good Class Bungalows of the Chatsworth and Bishopgate estates in Singapore. The Crest, which sits on a land parcel of over 23,000 square metres, is of superior spatial quality, offering an openness and unblocked views that the site affords.

The architect commissioned for this development is Toyo Ito, a famed Japanese architect and Pritzker Architecture Prize winner, who designed the iconic VivoCity shopping mall in Singapore.

The development was completed in February 2017.

# SHEFFIELD DIGITAL CAMPUS SHEFFIELD



### KEY STATISTICS

<b>% owned by Group</b>	50
<b>Site area (acres)</b>	1.03
<b>Tenure</b>	Freehold
<b>Expected completion date</b>	2017/2020
<b>Estimated total saleable GFA (sqft)</b>	131,226

The Sheffield Digital Campus is a striking contemporary landmark that is centrally located on Sheaf Street and is adjacent to the Sheffield City Centre's main railway station. It is a prominent feature for those arriving in the City via the primary road and rail routes.

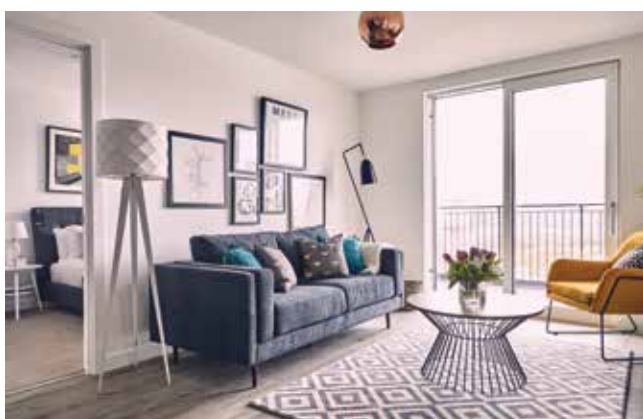
Acero Works, a Grade-A office building with six floors, spanning 80,300 square feet and with a secure car park facility, was completed in 3Q2017 and sold in May 2018.

Vidrio House, another Grade-A office building, will be built with eight floors, spanning 50,900 square feet and will have a secure car park facility.

Development works are now focused on Vidrio House.

## PORTFOLIO REVIEW

# MIDDLEWOOD LOCKS MANCHESTER



Middlewood Locks is situated at the Western boundary of the Manchester City Centre, next to the River Irwell and the Trinity Way Inner Ring Road. The development is a short distance away from major roads and is set to be a vibrant neighbourhood which will eventually provide 2,215 new homes. There will also be about 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym.

With beautifully landscaped open spaces, waterways and promenades, Middlewood Locks' modern apartments will be nestled within a vibrant and exciting environment.

Middlewood Locks' residential properties will be developed in phases.

Construction for Phase 1, comprising 571 apartment units, has been completed and apartments sold are being handed over. 277 units in Phase 1 and all 546 units in Phase 2 have been sold to Get Living, a UK private rented sector venture.

Sales and marketing activities for the remaining apartments in Phase 1 are in progress. Construction work for Phase 2 is ongoing.

### KEY STATISTICS

<b>% owned by Group</b>	25
<b>Site area (acres)</b>	24.0
<b>Tenure</b>	Freehold
<b>Estimated total GFA (sqft)</b>	2.4 million
<b>Gross Development Value</b>	£700 million

# PORTFOLIO REVIEW

## TOP SPRING INTERNATIONAL HOLDINGS LIMITED PRC



The Group owns about 14.9% of Top Spring as at 31 March 2019.

The Top Spring Group is specialised in the development and operation of urban mixed-use communities and the development and sale of residential properties in the Greater Bay Area, the Yangtze River Delta, the Central China, the Beijing-Tianjin and the Chengdu-Chongqing regions in the PRC.

As at 31 December 2018, the Group had a total of 18 projects over 10 cities in various stages of development,

including an estimated net saleable/leasable gross floor area ("GFA") of completed projects of approximately 319,553 square metres ("sqm"), an estimated net saleable/leasable GFA of projects under development of approximately 132,642 sqm, an estimated net saleable/leasable GFA of projects held for future development of approximately 30,494 sqm and an estimated net saleable/leasable GFA of projects contracted to be acquired or under application for change in land use of approximately 23,037 sqm, totalling an estimated net saleable/leasable GFA of approximately 505,726 sqm.



# PORTFOLIO REVIEW



## RETAIL

### RETAIL OPERATIONS

Since the late Mr Ong Tjoe Kim (王梓琴) launched his flagship store at 72 High Street in 1957, Metro has flourished into a retailer with a highly recognised brand name, one that travelled beyond the shores of Singapore.

To bring refreshing shopping experiences to its customers, Metro continually enhances its merchandise mix through its close collaboration with local and international business partners, the expansion of its product categories, and via optimisation of its product assortments. To further enhance its merchandise offering, the Group has also expanded its in-house development team to develop exclusive products just for its customers.

To-date, Metro has four exclusive in-house labels – Kiro, Kurt Woods, M. Maison and M. Essentials – which were developed by its in-house development team. Its products range from fashion to home furnishings.

Metro Retail continues to place strong focus on delivering a better in-store experience in order to meet the evolving needs of customers. This is delivered through a complete online-to-offline (“O2O”) customer experience, supported by a multi-media strategy, innovative concepts and a wide assortment of popular

merchandise. Through a convenient cross-store merchandising and selling option, customers can now buy, collect, exchange and return merchandise from any Metro store.

The Group’s business analytics team dedicates time to help understand customers’ needs and shopping preferences, which it carefully evaluates in order to continually improve customers’ shopping experience.

Metro’s Customer Relationship Management (CRM) is one way the Group rewards its loyal customers, while simultaneously leveraging on the platform to innovate, and find even more ways to delight its loyal customers through curated product offerings.

To grow its brand presence amidst the ongoing digital transformation, the Group continues to focus on its multi-media strategy of engaging its customers through various digital platforms such as Facebook, Twitter, Instagram, mobile web and electronic direct mail. With the rising popularity of messaging applications, the Group has embarked on multi-media platforms to further engage customers via instant marketing promotions and its “Metro App”.

Metro continues to adhere to the Personal Data Protection Act 2012 (PDPA), and ensures that there are proper protocols and processes in place to safeguard its customers’ data.

# PORTFOLIO REVIEW

## SINGAPORE

### METRO STORES

The Group currently has three stores in Singapore under its flagship brand, Metro:

- Metro Centrepoint
- Metro Paragon
- Metro Woodlands

Of the two stores, Metro Centrepoint and Metro Paragon, located in Singapore's main shopping belt, Orchard Road, Metro Centrepoint, the larger of the two, continues to offer its customers a one-stop shopping haven and its six floors of retail therapy is dedicated to beauty and wellness, women's and men's fashion, kids and toys, as well as bath and living, all while housing the largest and widest home lifestyle and beds selection in town. Meanwhile, Metro Paragon continues to evolve as a fashion store having an array of in-house, local and international brand names. Metro Woodlands, its only suburban store, continues to serve the neighbourhood community in Singapore's North West District.

On the marketing front, Metro stores are promoted for their best Design, Quality, Value and Services. The Group will continue to build on this principle as the bedrock of its business.

## INDONESIA

### METRO STORES

Metro started its operations in the Indonesian market in 1991 at Pondok Indah Mall and currently operates

11 stores in Indonesia with a total retail space of approximately 1.2 million square feet:

- Metro Pondok Indah, Jakarta
- Metro Plaza Senayan, Jakarta
- Metro Bandung Supermal, Bandung
- Metro Taman Anggrek, Jakarta
- Metro Trans Studio Makassar, Makassar
- Metro Gandaria City, Jakarta
- Metro Ciputra World, Surabaya
- Metro Park Solo, Solo
- Metro Puri Mall, Jakarta
- Metro Grand Kawanua Manado, Manado
- Metro Trans Studio Mall Cibubur, Jakarta (Newly opened in 1QFY2020)

Our Jakarta team focuses efforts on enhancing the merchandise offering across all its Indonesia outlets, improving customer service, as well as executing the Group's integrated multi-media strategy.

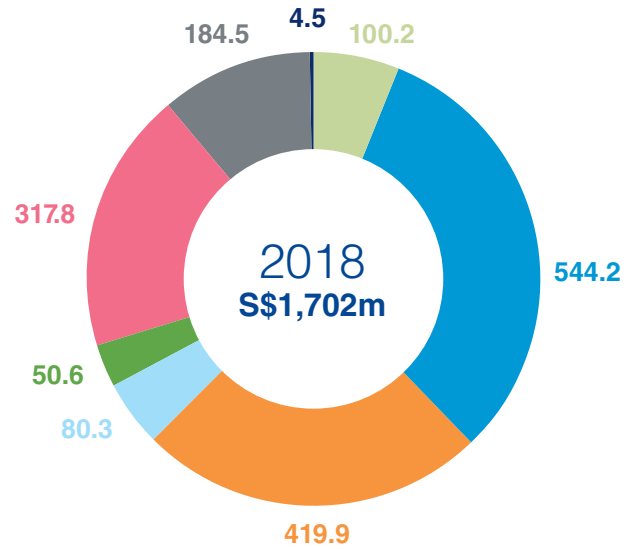
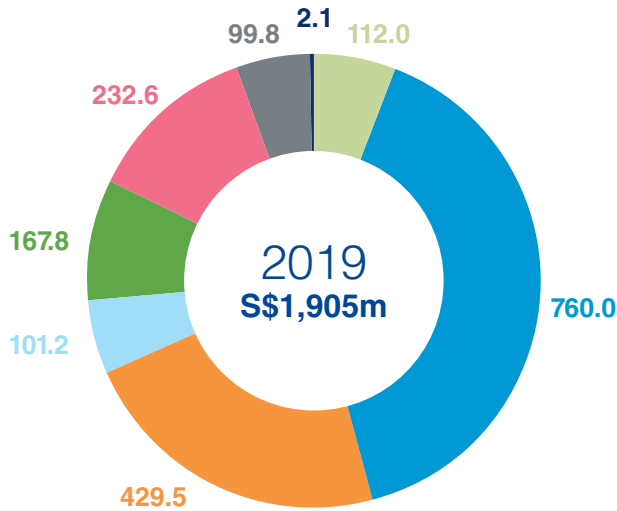
### OUTLOOK

Given the cautious sentiment surrounding the retail market, competitive environment and high operating costs, the Group expects the division to remain under pressure. Notwithstanding the challenges, the division will continue to introduce innovative elements to reinvent the customer shopping experience, while keeping a lookout for opportunities to expand its departmental stores and refresh existing stores. In the coming year, the number of stores in Indonesia has increased to 11, with the opening of one new store in 1QFY2020.



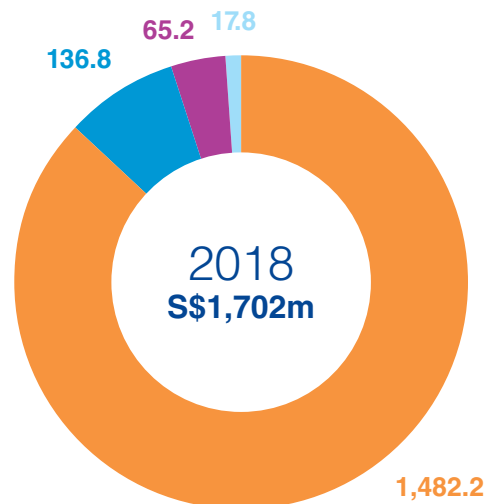
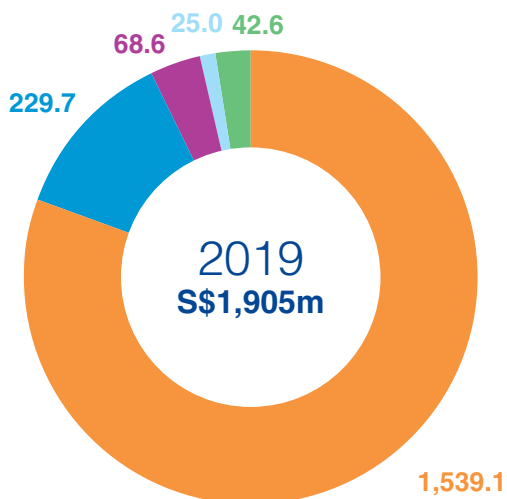
# FINANCIAL HIGHLIGHTS

## TOTAL ASSETS OWNED (S\$ million)



- Plant and Equipment
- Long Term Investments
- Investment Property
- Development Properties
- Associates
- Cash and Cash Equivalents (including pledged deposits)
- Joint Ventures
- Others

## TOTAL LIABILITIES AND CAPITAL (S\$ million)

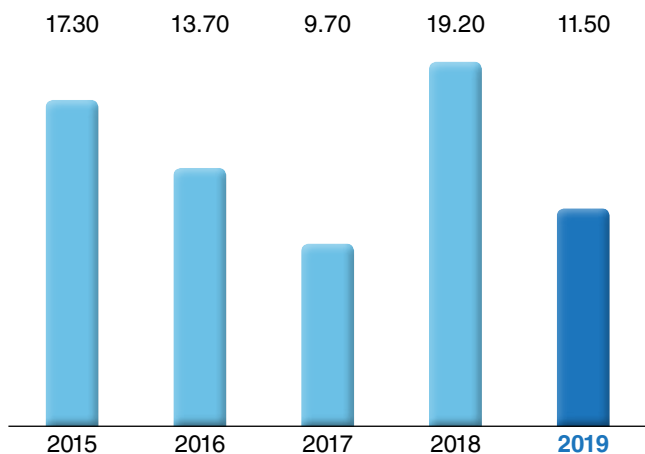


- Total Equity
- Borrowings
- Trade and Other Payables
- Tax and Deferred Tax Liabilities
- Amount due to Joint Venture

# FINANCIAL HIGHLIGHTS

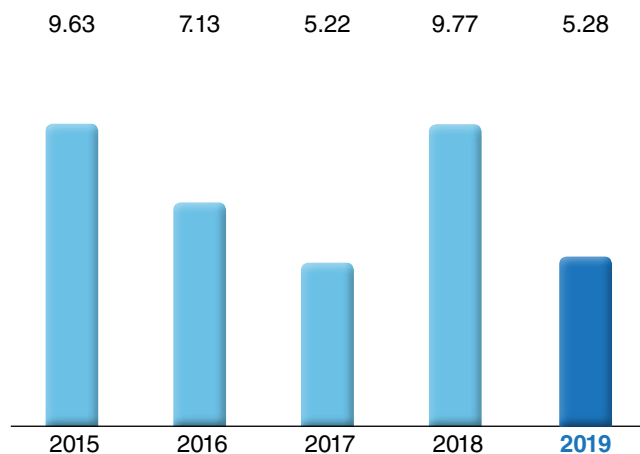
## EARNINGS PER SHARE

(cents)



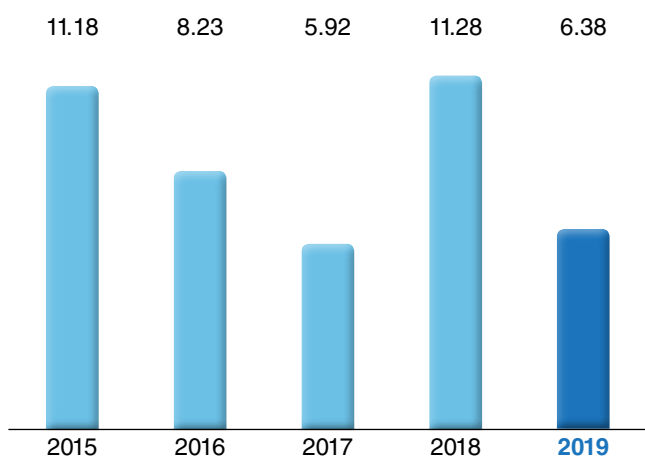
## RETURN ON TOTAL ASSETS

(%)



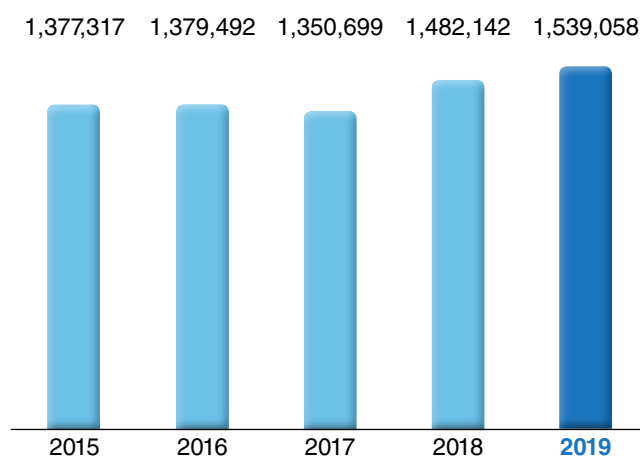
## RETURN ON SHAREHOLDERS' FUNDS

(%)

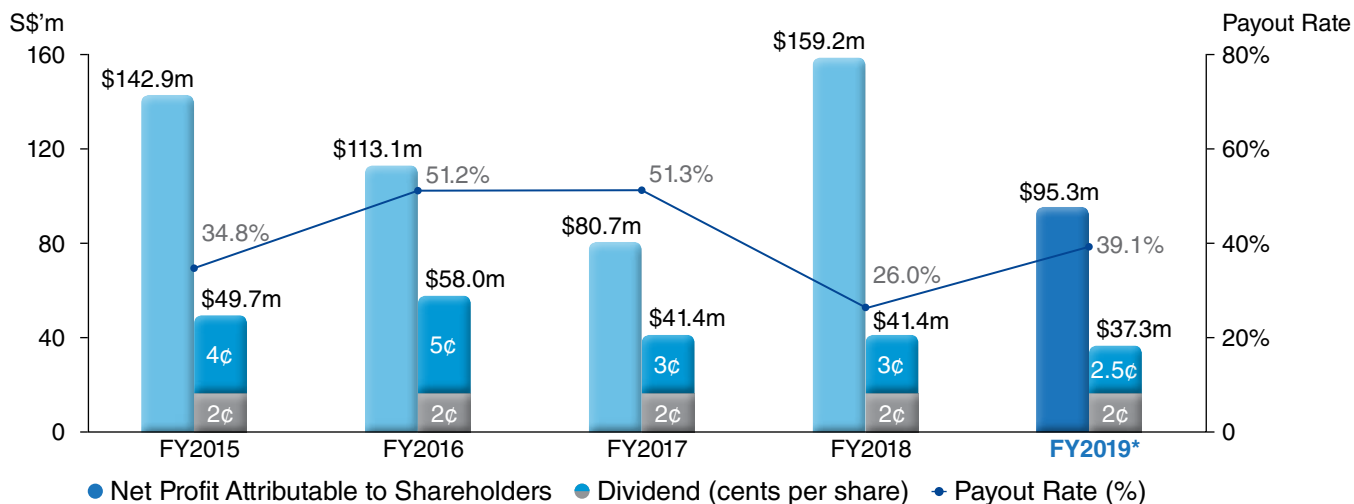


## TOTAL NET ASSETS

(\$'000)



## DIVIDEND PAYOUT



\* FY2019's proposed dividend subject to shareholders' approval at the AGM in July 2019

# FINANCIAL SUMMARY

	2019	2018*	2017	2016	2015
<b>Financial Results (S\$'000)</b>					
Turnover	171,964	136,326	131,224	154,595	145,826
Net profit from operating activities before tax	107,022	170,702	82,541	122,332	145,538
Taxation	(11,338)	(11,007)	(1,522)	(9,040)	(3,181)
Profit after tax	95,684	159,695	81,019	113,292	142,357
Non-controlling interests	(413)	(500)	(337)	(163)	510
Net profit attributable to shareholders	95,271	159,195	80,682	113,129	142,867
Net final dividend proposed/paid	16,561	16,561	16,561	16,561	16,561
Net final special dividend proposed/paid	20,701	24,841	24,841	41,402	33,121
<b>Balance Sheets (S\$'000)</b>					
Plant and equipment	2,128	4,466	5,062	4,872	6,083
Investment properties	112,029	100,214	104,423	106,653	168,948
Other non-current assets	1,096,939	1,044,427	986,347	865,142	910,343
Current assets	693,492	552,813	460,225	558,301	556,149
Total assets	1,904,588	1,701,920	1,556,057	1,534,968	1,641,523
Current liabilities	(166,376)	(192,076)	(175,247)	(126,546)	(199,401)
Long-term and deferred liabilities	(199,154)	(27,702)	(30,111)	(28,930)	(64,805)
Net assets	1,539,058	1,482,142	1,350,699	1,379,492	1,377,317
Financed by:					
Share capital	169,717	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	1,347,253	1,305,608	1,180,277	1,207,698	1,206,018
Shareholders' funds	1,515,202	1,473,557	1,348,226	1,375,647	1,373,967
Non-controlling Interests	23,856	8,585	2,473	3,845	3,350
	1,539,058	1,482,142	1,350,699	1,379,492	1,377,317

## Notes:

\* The results for the period ended 31 March 2018 have been restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)) and new SFRS(I).

# FINANCIAL SUMMARY

	2019	2018*	2017	2016	2015
<b>Financial Ratios</b>					
Earnings per share after tax and non-controlling interests (cents) <sup>#</sup>	11.5	19.2	9.7	13.7	17.3
Return on shareholders' funds (%) <sup>^#</sup>	6.38	11.28	5.92	8.23	11.18
Return on total assets (%) <sup>^#</sup>	5.28	9.77	5.22	7.13	9.63
Dividend proposed					
Special final & interim net dividend per share (cents)	2.50	3.00	3.00	5.00	4.00
Final/Interim net dividend per share (cents)	2.00	2.00	2.00	2.00	2.00
Dividend cover (times) <sup>#</sup>	2.56	3.85	1.95	1.95	2.88
Net assets per share (S\$) <sup>#</sup>	1.83	1.78	1.63	1.66	1.66
Debt equity ratio	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Total liabilities to shareholders' funds (times)	0.24	0.15	0.15	0.11	0.19
Interest cover (times) <sup>#</sup>	19.44	85.13	298.98	220.63	126.90

## Notes:

\* The results for the period ended 31 March 2018 have been restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)) and new SFRS(I).

<sup>^</sup> In calculating return on shareholders' funds and return on total assets, the average basis has been used.

<sup>#</sup> The financial ratios are based on continuing operations.

# CORPORATE SOCIAL RESPONSIBILITY

As we continue our journey to grow Metro's presence and deliver shareholder value, Metro holds firm to its commitment to be a responsible corporate citizen through positive contributions to society. Specifically, we continue to focus on children, the future pillars of society, enabling them through education; and taking care of the silver generation.

## MAKING A DIFFERENCE, ONE STUDENT AT A TIME

### Shanghai, China

#### Shanghai Children's Fund

Metro is a strong believer in the importance of extracurricular activities and supports the Shanghai Children's Fund that organises enriching summer camps, in appreciation of families where both parents hold occupations that play an active role in contributing to society such as policemen, healthcare professionals and engineers.

With numerous day care classes and extracurricular activities, the summer camp introduces healthy lifestyle practices and important values to the students, while promoting the learning of new life skills.

Shanghai Metro contributed RMB330,000 to the Fund Committee in June 2018, in addition to the earlier contribution of RMB330,000 in 2017.

#### Metro Scholarship

Metro holds firm to our belief that the future of every child should not be restricted by their socio-economic background. As an advocate of empowerment through education, Metro has provided many underprivileged students in the Shanghai Xuhui district with access to education.

Established by the late Mr Jopie Ong (former Managing Director of Metro) in 2005, our flagship Metro scholarship has benefitted more than 1,000 primary and secondary school students. Over the past 15 years, the programme granted RMB100,000 each year to provide students proper education and the opportunity to break out of the poverty cycle and become capable of contributing back to society.

In 2019, Shanghai Metro will continue to donate RMB100,000 to provide financial aid for students from low-income households.

#### Supporting Minority Students

Shanghai Metro has upheld its pledge to support the minority students of the Shanghai Xuhui district for the past 10 years with an annual donation of RMB10,000 to nine universities, reaching out to 90 students of minority races each year.

The contribution holds a meaningful purpose as it includes a set of inspirational books, which are intended to provide moral support and encouragement for these underprivileged students. In 2019, Shanghai Metro will contribute another RMB10,000 to support this activity.

### Tongjiang, Sichuan, China

#### Happy Summer in Metro

Marking the 19th year that "Happy Summer in Metro" has been held, the event which has become a popular community activity to Shanghai Metro, seeks to promote academic excellence among less-privileged students.

In 2018, over 10 students and teachers from Tong Jiang Secondary School in remote Sichuan were invited to visit Metro City in Shanghai. The participants gained



# CORPORATE SOCIAL RESPONSIBILITY

the rare opportunity to visit Shanghai, a world-class city at the forefront of China's economic development.

Once again, Shanghai Metro will contribute another RMB40,000 for the 20th "Happy Summer in Metro", which will take place this year in July.

As part of the "Happy Summer in Metro" event, Shanghai Metro also donated RMB150,000 to Shanghai Xuhui district Education Development Fund in 2018 with an aim to further education development as well as to reward outstanding teachers. Shanghai Metro plans to donate another RMB150,000 in 2019.



## Anhui, China

### Shanghai Metro Hope School

Visiting the Shanghai Metro Hope School in Feng Yang County is an annual affair for our team at Metro Shanghai. Each year, the team prepares a different theme to express their love and concern for the students.

In September 2018, the Metro Shanghai team once again visited the Shanghai Metro Hope School for a school gathering and interaction session with the students. Apart from the donation of quality

education facilities and equipment, Metro Shanghai also presented scholarships to eight underprivileged students in recognition of their academic achievements.

Supported by shop owners, tenants and shoppers at Shanghai Metro City, Shanghai Metro will continue to donate RMB20,000 to upgrade the school's facilities and provide financial assistance to the students.

## Jiangxi, China

### Wuyishan Mdm Yu Hui Cheng Hope Primary School

The school building for Wuyishan Mdm Yu Hui Cheng Hope Primary School, which was completed in September 2011, was sponsored by the late Mr Jopie Ong and his family with a donation of RMB1,000,000.

Shanghai Metro visited the school in October 2018 and pledged another RMB20,000 contribution to improve the school facilities.

## CARING FOR THE ELDERLY

At Metro, we recognise the contributions made by the elderly in the early days of nation-building and remain committed to help maintain a comfortable living environment.

Since 2006, Shanghai Metro has contributed to Shanghai Xujiahui Street Home for the elderly annually. In February 2019, Shanghai Metro continued to show its care and concern through a donation of bed linings worth RMB10,000.

## A RESPONSIBLE CORPORATE CITIZEN

Recognising that our success was built with the support of the greater community, Metro actively participates in activities and initiatives that benefit society. The Group remains fully committed to supporting our communities by providing education opportunities whilst caring for the elderly. Through our efforts, we seek to strengthen the future pillars of society, so as to create a ripple effect for future generations to come.



# CORPORATE GOVERNANCE

Metro Holdings Limited (“**Metro**” or “the **Company**”) is committed to high standards of corporate governance. This Report describes the Company’s corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the “Code 2012”).

## THE BOARD’S CONDUCT OF AFFAIRS

**Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with management to achieve this objective and the management remains accountable to the Board.**

The Board oversees the business affairs of the Group and sets overall corporate strategy and direction. It approves the Group’s strategic plans, key business initiatives and financial objectives, major investment and divestment and funding proposals. The Board also monitors operating and financial performance and oversees the processes for risk management, financial reporting and compliance and evaluating the adequacy of internal controls. It approves nominations to the Board of Directors. Matters specifically reserved for Board’s decisions are those involving material acquisitions and disposal of assets, corporate or financial restructuring, share issuances and dividends. The Board has adopted a set of internal guidelines on these matters. The Board has delegated certain of its functions to the Nominating, Audit, Remuneration and Investment Committees.

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings can be convened as warranted by circumstances. Management has access to the directors for guidance or exchange of views outside of the formal environment of the Board meetings.

Directors are briefed on regulatory changes, especially those on the Company’s or director’s disclosure obligations. In order to ensure that the Board is able to fulfill its responsibilities, prior to the Board meetings, the Management provides the Board with information containing relevant background or explanatory information required to support the decision-making process.

Newly-appointed directors will be given briefings by the Management on the business activities of the Group and its strategic directions as well as its corporate governance practices. Newly appointed Directors will also be recommended by the Nominating Committee to attend training in the roles and responsibilities of a listed company director if they do not have any prior experience.

To keep abreast with developments in corporate, financial, legal and other compliance requirements, Directors are encouraged to attend relevant courses, conferences and seminars funded by the Company.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board by the Company Secretary so that the Board as a whole is kept up-to-date on pertinent matters relating to the relevant regulatory requirements and their key changes such as listing rules, corporate governance, risk management, financial reporting standards and the Companies Act Chapter 50.

The Board has separate and independent access to the Company Secretaries at all times. The Company Secretaries attend Board and Committees’ meetings and are responsible for ensuring that Board procedures are followed. The Board also has access to independent professional advice, where necessary, at the Company’s expense.

# CORPORATE GOVERNANCE

## BOARD COMPOSITION AND GUIDANCE

**Principle 2:** There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises the following directors:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
Lt-Gen (Retd) Winston Choo Wee Leong	Chairman	–	Chairman	Member	Chairman
Phua Bah Lee <sup>(1)</sup>	Member	–	Member	Chairman	–
Gerald Ong Chong Keng <sup>(2)</sup>	Member	Member	Member	–	Member
Mrs Fang Ai Lian	Member	Chairman	Member	–	–
Tan Soo Khoon	Member	Member	–	–	Member
Lawrence Chiang Kok Sung <sup>(3)</sup>	Member	–	–	–	Member
Deborah Lee Siew Yin <sup>(4)</sup>	Member	Member	–	Member	–
Yip Hoong Mun <sup>(5)</sup>	Member	–	–	–	Member

(1) Stepped down as a member of the Audit Committee on 12 November 2018

(2) Stepped down as a member of the Remuneration Committee on 12 November 2018

(3) Stepped down as an Executive Director and Group Chief Executive Officer, and as a member of the Investment Committee on 31 May 2019

(4) Appointed as a member of the Audit Committee and Remuneration Committee on 12 November 2018

(5) Appointed as the Executive Director and Group Chief Executive Officer, and as a member of the Investment Committee on 1 June 2019

Lt-Gen (Retd) Winston Choo Wee Leong is the non-executive and independent Chairman. Mr Gerald Ong Chong Keng is a non-executive director and who is a representative of Eng Kuan Company Private Limited with effect from 5 June 2018. Mr Phua Bah Lee, Mrs Fang Ai Lian, Mr Tan Soo Khoon and Ms Deborah Lee Siew Yin are non-executive and independent directors. Mr Lawrence Chiang Kok Sung stepped down as the Executive Director and Group Chief Executive Officer, and as a member of the Investment Committee on 31 May 2019 and was appointed as an Advisor with effect from 1 June 2019. Mr Yip Hoong Mun was appointed as the Executive Director and Group Chief Executive Officer, and as a member of the Investment Committee with effect from 1 June 2019.

The Company's Constitution permits directors to attend meetings through the use of audio-visual communication equipment. The attendance of directors at Board and Committees' meetings, whilst they were members, as well as the Annual General Meeting in FY2019 are set out below:

	MHL Board		Audit Committee		Nominating Committee		Remuneration Committee		Investment Committee		Annual General Meeting Attended
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	
Lt-Gen (Retd) Winston Choo Wee Leong	4	3	4	3*	2	2	1	1	9	9	1
Phua Bah Lee	4	4	4	4 <sup>(1)</sup>	2	2	1	1	–	–	1
Gerald Ong Chong Keng	4	4	4	4	2	2	1	1	9	9	1
Mrs Fang Ai Lian	4	4	4	4	2	2	1	1*	–	–	1
Tan Soo Khoon	4	4	4	4	2	2*	1	1*	9	9	1
Lawrence Chiang Kok Sung	4	4	4	4*	2	2*	1	1*	9	9	1
Deborah Lee Siew Yin <sup>#</sup>	4	3	4	3 <sup>(2)</sup>	2	1*	–	–	–	–	1

\* Attendance by invitation

(1) Attended one meeting by invitation

(2) Attended two meetings by invitation

# Appointed as Non-Executive and Independent Director on 12 June 2018

# CORPORATE GOVERNANCE

There is strong and independent element on the Board. The Board is able to exercise objective judgment independently from Management and no individual or small group of individuals dominate the decisions of the Board.

The non-executive and independent directors contribute to the Board by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide different perspectives to the Group's businesses. While challenging Management's proposals or decisions, they bring independent judgment to bear on business activities and transactions, involving conflicts of interest and other complexities.

Where appropriate and necessary, the non-executive directors would also meet without the presence of Management.

The Nominating Committee and the Board reviews the size of the Board from time to time. The Nominating Committee and the Board are of the view that the current Board size and composition is appropriate taking into account the nature, scope and size of the Group's operations. The Board and the Board Committees have an appropriate balance and diversity of expertise and business experience and collectively possess the necessary core competence to lead, govern and manage the Group's affairs effectively. Each director has been appointed on the strength of his or her calibre, experience and stature and not based on gender or age or ethnicity. Each director is expected to bring valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Board has no dissenting view on the Chairman's statement for the year in review.

## CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

**Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.**

The Company's Chairman and the Group Chief Executive Officer who is also an Executive Director are separate persons who are not related. There is a clear segregation of the roles and responsibilities between the Chairman and the Group Chief Executive Officer.

The Chairman provides overall vision and strategic guidance and bears responsibility for the workings of the Board.

The Group Chief Executive Officer bears full executive responsibility for the Group's operations including making key day-to-day operational decisions.

The Chairman assumes the responsibilities of scheduling and setting agendas for Board meetings and exercises control over the quality, quantity and timeliness of information flow between the Board and Management.

## BOARD MEMBERSHIP AND BOARD PERFORMANCE

**Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.**

**Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.**

The Nominating Committee comprises four directors, three of whom, including the Chairman, are independent directors. The Committee Chairman is Lt-Gen (Retd) Winston Choo Wee Leong and the other members are Mr Phua Bah Lee, Mr Gerald Ong Chong Keng and Mrs Fang Ai Lian.

The Nominating Committee's written key terms of reference describe its responsibilities and these include:

- (i) reviewing and assessing candidates for directorships (including executive directorships) before nominating such candidates for the approval by the Board of Directors;
- (ii) reviewing and recommending to the Board of Directors the re-election of any Director under the retirement provisions and appointment of Director, if required, in accordance with the Company's Constitution at each annual general meeting;

# CORPORATE GOVERNANCE

- (iii) reviewing the composition of the Board of Directors annually to ensure that the Board of Directors has an appropriate balance of independent directors and ensuring an appropriate balance of expertise, skills, attributes and abilities among our directors;
- (iv) reviewing and determining annually if a director is independent, in accordance with the Code and any other salient factors;
- (v) where a director has multiple board representations, deciding whether the director is able to and has been adequately carrying out his duties as director; and
- (vi) reviewing the succession plan for directors and key executives of the Group.

The Nominating Committee recommends all appointments and re-nominations of directors to the Board. The Company's Constitution provides for one-third of the directors, to retire by rotation and be subject to re-election at every Annual General Meeting. A newly appointed director must also subject himself for retirement and re-election at the Annual General Meeting immediately following his appointment. The Nominating Committee, in considering the nominating of any director for re-election, will evaluate the performance of the director involved.

The Nominating Committee also determines the independence of directors and evaluates and assesses the effectiveness of the Board taking into consideration appropriate performance criteria.

The Board, through the delegation of its authority to the Nominating Committee, has used its best efforts to ensure that directors appointed to the Board possess the background, experience and knowledge in technology, business, finance and management skills critical to the Group's businesses and that each director, through his unique contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates.

New directors are appointed by the Board after the Nominating Committee has reviewed and recommended their appointment. Such new directors are however required to submit themselves for re-election at the next Annual General Meeting of the Company.

The Nominating Committee has assessed the independence of the directors based on the definition of independence as set out in the Code 2012. The Nominating Committee requires all the independent directors to confirm their independence and their relationships with the directors, management and 10% shareholders of the Company by a declaration in writing annually.

As at 31 March 2019, three independent directors, namely Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong and Mrs Fang Ai Lian have served on the Board for more than nine years from the date of their respective first appointment. In subjecting the independence of Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong and Mrs Fang Ai Lian to particularly rigorous review, the Nominating Committee and the Board have (with each of them abstaining from discussion and deliberation on their independence) placed more emphasis on whether each of them has demonstrated independent judgment, integrity, professionalism and objectivity in the discharge of his or her duties rather than imposing a maximum number of years that he or she should serve. The Nominating Committee and the Board have noted that each of them has not hesitated to express his or her own viewpoint as well as seeking clarification from Management on issues he or she deems necessary. It is noted that each of them is able to exercise objective judgment on corporate matters independently, in particular from Management and 10% shareholders, notwithstanding that each of them has served more than 9 years on the Board. The Nominating Committee and the Board also noted that Mr Phua Bah Lee is also able to exercise objective judgment on corporate matters independently notwithstanding his common directorship in Ngee Ann Development Pte Ltd.

After due consideration and careful assessment, the Nominating Committee and the Board are of the view that Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong and Mrs Fang Ai Lian remain independent.

The Nominating Committee is also of the opinion that the directors, who have been classified as independent under the Board Composition section, are indeed independent and the current size of the Board is adequate for the purposes of the Group.

## CORPORATE GOVERNANCE

When a director has multiple board representations, such director has to ensure that sufficient time and attention is given to the affairs of the Company and the Nominating Committee is satisfied that the director is able to and has been adequately carrying out his duties as a director of the Company. The Nominating Committee is of the view that the issue relating to multiple board representations should be left to the judgment and discretion of each director. As such, the Nominating Committee and the Board have decided not to set any maximum number of listed company board representations that any director may hold.

The Nominating Committee has recommended the re-election of Mr Phua Bah Lee and Mr Gerald Ong Chong Keng who are retiring by rotation pursuant to Article 94 of the Company's Constitution at the forthcoming Annual General Meeting. The Nominating Committee also recommended the re-election of Mr Yip Hoong Mun who is retiring pursuant to Article 100 of the Company's Constitution at the forthcoming Annual General Meeting.

The retiring directors have offered themselves for re-election. The Board has accepted the recommendations of the Nominating Committee.

The dates of initial appointment and last re-election of each director are set out as follows:

Name of Director	Appointment	Date of Initial Appointment	Date of Last re-election
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive/ Independent Director	18 June 2007	27 July 2018
Phua Bah Lee	Non-Executive/ Independent Director	5 October 1993	28 July 2016
Gerald Ong Chong Keng	Non-Executive Director	18 June 2007	28 July 2016
Mrs Fang Ai Lian	Non-Executive/ Independent Director	16 July 2008	17 July 2017
Tan Soo Khoon	Non-Executive/ Independent Director	9 December 2011	17 July 2017
Lawrence Chiang Kok Sung <sup>(1)</sup>	Executive Director and Group Chief Executive Officer	1 June 2016	27 July 2018
Deborah Lee Siew Yin	Non-Executive/ Independent Director	12 June 2018	27 July 2018
Yip Hoong Mun	Executive Director and Group Chief Executive Officer	1 June 2019	Not Applicable

<sup>(1)</sup> Stepped down as an Executive Director and Group Chief Executive Officer on 31 May 2019

The Nominating Committee has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole annually. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information and Board accountability. The findings of such evaluations were analysed and discussed with a view to identifying areas for improvement and implementing certain recommendations to further enhance the effectiveness of the Board. In its evaluation, the Nominating Committee considers the expertise and experience of each Board member, their attendance, participation and contributions to the Board both inside and outside of Board meetings which can be in many forms, including Management's access to him or her for guidance or exchange of views outside the formal environment of the Board meetings.

No external facilitator had been engaged by the Board for this purpose.

The Nominating Committee had also considered that individual evaluation on each director was not necessary for the time being as the assessment of the Board as a whole was sufficient.

The Nominating Committee also reviews succession plans for the Board of Directors as well as key management staff from time to time.

# CORPORATE GOVERNANCE

## ACCESS TO INFORMATION

**Principle 6:** In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors are given full access to the management team and Company Secretary, all Board and Board committees' minutes and all approval and information papers. In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memoranda to enable the Directors to make informed decisions. The Company supports the directors, either individually or as a group, if they require independent professional advice in discharging their duties to the Company.

## PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE OF REMUNERATION

**Principle 7:** There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

**Principle 8:** The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

**Principle 9:** Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Remuneration Committee is chaired by Mr Phua Bah Lee with Lt-Gen (Retd) Winston Choo Wee Leong, who are non-executive and independent directors, Mr Gerald Ong Chong Keng, who is a non-executive director (who stepped down on 12 November 2018) and Ms Deborah Lee Siew Yin who is a non-executive and independent director (who was appointed as a member of the Remuneration Committee on 12 November 2018), as members.

The Remuneration Committee's written key terms of reference describe its responsibilities and these include:

- (i) recommending to the Board of Directors, in consultation with the Chairman of the Board of Directors, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the directors and key executives of the Group;
- (ii) recommending specific remuneration packages for each of the directors and the Group Chief Executive Officer;
- (iii) in the case of service agreements, considering what compensation commitments the directors' or key executives' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance and to recognise the duty to mitigate loss;
- (iv) approving performance targets for assessing the performance of each of the key executives of the Group and recommending such targets as well as employee specific remuneration packages for each of such key executive for endorsement by the Board of Directors; and
- (v) administering the share incentive plans of the Company, if any.

The Remuneration Committee reviews and recommends to the Board the framework of remuneration for key executives and for directors serving on the Board and Board committees. The review of specific remuneration packages includes fees, salaries, bonuses and incentives. Although the recommendations are made in consultation with Management, the remuneration packages are ultimately approved by the Board. No director is involved in deciding his own remuneration.

The Remuneration Committee aims to be fair and avoids rewarding poor performance.

## CORPORATE GOVERNANCE

The executive director has a service contract which includes terms of termination under appropriate notice. Non-executive directors are remunerated based on basic fees for serving on the Board and Board committees as is the executive director. Such fees are recommended for approval by shareholders as a lump sum payment at the Annual General Meeting.

The Remuneration Committee has access to expert professional advice on remuneration matters whenever there is a need to obtain such advice. During the financial year, the Remuneration Committee did not require the service of an external remuneration consultant.

The Company does not have a share option scheme.

Remuneration for key executives are based on corporate and individual performance with certain key executives entitled to profit-sharing bonuses calculated as a percentage of profit from operations and based on certain profits arising from disposals of investments and investment properties on a realised basis.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Remuneration Committee will consider, if required, whether there is a requirement to institute such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the executive directors and key management executives paid in prior years in such exceptional circumstances.

Breakdown of directors' remuneration for FY2019:

Name of Director	Total Remuneration S\$'000	Base Salary etc/Directors' Fees	Performance-Related/Bonuses	Long Term Incentive
Lt-Gen (Retd) Winston Choo Wee Leong	239	100%	–	–
Phua Bah Lee	97	100%	–	–
Gerald Ong Chong Keng	161	100%	–	–
Mrs Fang Ai Lian	129	100%	–	–
Tan Soo Khoon	150	100%	–	–
Lawrence Chiang Kok Sung*	2,123	54%	42%	4%
Deborah Lee Siew Yin#	64	100%	–	–

\* Stepped down as an Executive Director and Group Chief Executive Officer on 31 May 2019.

# Appointed as a Non-Executive and Independent Director on 12 June 2018.

Remuneration of top five key executives (who are not directors) for FY2019:

Remuneration Band & Name of Key Executive	Base Salary etc	Performance-Related/Bonuses	Long Term Incentive
S\$1,250,000 to S\$1,499,999			
Yip Hoong Mun*	63%	33%	4%
Lee Chin Yin#	45%	55%	–
S\$750,000 to S\$999,999			
Eve Chan Bee Leng®	59%	41%	–
S\$500,000 to S\$749,999			
Wong Sioe Hong	82%	18%	–
David Tang Kai Kong	82%	18%	–

\* Appointed as Executive Director and Group Chief Executive Officer on 1 June 2019

# Retired as Group Financial Controller on 1 August 2018 and has left the Company on 31 March 2019

® Appointed as Group Chief Financial Officer on 1 August 2018

# CORPORATE GOVERNANCE

Given the highly competitive industry conditions the Group operates in and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the disclosure relating to the remuneration of the top five key executives (who are not directors or the Group Chief Executive Officer) of the Group is only set out in bands of S\$250,000 and above. Their profiles are found on page 20 and 21.

The aggregate total remuneration of the top five key executives (who are not directors or the Group Chief Executive Officer) was S\$4,765,869.

There are no employees of the Group who are immediate family members of a director or the Group Chief Executive Officer and whose remuneration exceeds S\$50,000 for the financial year.

## ACCOUNTABILITY

**Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.**

The Board is mindful of the obligation to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects including information on all major developments that affect the Group and strives to maintain a high standard of transparency.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Group's performance, position and prospects on a monthly basis.

## RISK MANAGEMENT AND INTERNAL CONTROLS, AUDIT COMMITTEE AND INTERNAL AUDIT

**Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.**

**Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.**

**Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.**

The Audit Committee comprises three non-executive independent directors and one non-executive director. It is chaired by Mrs Fang Ai Lian and the members are Mr Phua Bah Lee (who stepped down on 12 November 2018), Mr Gerald Ong Chong Keng, Mr Tan Soo Khoon and Ms Deborah Lee Siew Yin (who was appointed on 12 November 2018). The Audit Committee has full authority to investigate matters relating to the Group and any matters within its terms of reference.

The Audit Committee's written key terms of reference describe its responsibilities and these include:

- (i) assisting the Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- (ii) reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- (iii) reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- (iv) reviewing and evaluating with internal auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational, compliance and information technology controls, and risk management policies and framework;
- (v) reviewing any interested person transactions as defined in the Listing Manual;
- (vi) appraising and reporting to the Board of Directors on the audits undertaken by the external auditors and internal auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls;



# CORPORATE GOVERNANCE

- (vii) making recommendations to the Board of Directors on the appointment, re-appointment and removal of the external auditors and internal auditors, and approving the remuneration and terms of engagement of the external auditors and internal auditors; and
- (viii) reviewing whistle blowing and fraud investigations within the Group and ensuring appropriate follow up action, if required.

The Audit Committee has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant issues were discussed with management and the external auditors and reviewed by the Audit Committee in respect of FY2019:

Significant matters	How the Audit Committee addressed these issues
Valuation of investment property	<p>The Audit Committee considered the appropriateness of the approach and methodology applied to the valuation model in assessing the valuation of the investment property.</p> <p>The Audit Committee also considered the reasonableness of the basis and the inputs used in the valuation model, as well as the independence, objectivity and competence of the external appraiser appointed to perform the valuation.</p> <p>The valuation of investment property was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2019 on page 61 of the Annual Report.</p>

Significant matters	How the Audit Committee addressed these issues
Accounting of interests in associates and joint ventures	<p>The Audit Committee considered the appropriateness of the approach and methodology used in the accounting of interests in associates and joint ventures, which are mainly involved in the business of property investment and development.</p> <p>The recoverability of the interests in and results from these associates and joint ventures are dependent on the fair valuation of the investment properties and the success of the relevant development projects.</p> <p>The Audit Committee was periodically briefed on the factors affecting the valuation of the investment properties and development of key projects, including the strength of the economy, government policies, and demand and supply in the respective markets. The Audit Committee also considered the risk of downward valuation of the investment properties and development projects.</p> <p>The accounting of interests in associates and joint ventures was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2019 on page 61 of the Annual Report.</p>

The Audit Committee reviews the scope, the audit plan, the results and effectiveness of the External and Internal Auditors. The internal audit function, which is outsourced to KPMG, reports directly to the Audit Committee.

The Audit Committee has reviewed and viewed that the Internal Auditors are independent and have the appropriate standing and adequately resourced to perform its functions effectively. The Audit Committee assesses the adequacy and effectiveness of the internal audit function annually.

The function of internal audit is guided by the Standards for the Professional Practice of Internal Auditing.

The Audit Committee has met with the External Auditor and Internal Auditors separately without the presence of management for the year in review. In addition, updates on changes in accounting standards and treatment are prepared by the External Auditor and circulated to members of the Audit Committee periodically for information.

The Audit Committee having reviewed the nature and extent of non-audit services provided by Ernst & Young LLP (“EY”) and Ernst & Young member firms, including the fees paid for their audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 March 2019, is of the view that the independence of the external auditor of the Company has not been compromised.

# CORPORATE GOVERNANCE

The Audit Committee has also reviewed and confirmed that EY is a suitable audit firm to meet the Company's audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, EY's other audit engagements, size and complexity of the Metro Group, number and experience of supervisory and professional staff assigned to the audit. Accordingly, the Audit Committee recommended to the Board the re-appointment of EY as External Auditor of the Group for the year ending 31 March 2020. Therefore, the Company complies with Rule 712 of the Listing Manual.

The Group has complied with the Rule 715 of the Listing Manual in relation to its auditing firms. EY has been engaged to audit the financial statements of the Company and all its Singapore-incorporated subsidiaries. Rule 716 does not apply to the Group as all its Singapore-incorporated subsidiaries are audited by EY and its Singapore-incorporated joint venture and associated company, which are not considered significant\*, are audited by one of the big four audit firms and a local audit firm respectively.

The financial statements of the significant\* foreign-incorporated associated company is audited by KPMG, one of the big four audit firms.

All the significant\* foreign-incorporated joint ventures are audited by EY member firms in their respective countries. The Group has certain foreign-incorporated joint ventures and associated companies which are currently not considered significant\* to the Group, and the financial statements of these joint ventures and associated companies are audited by two of the big four audit firms or the tenth largest audit firm (in terms of fee income) in the respective countries.

The following significant\* foreign-incorporated associated company and name of the audit firm is as follows:

Name of significant* foreign-incorporated Associate	Name of Auditor
Top Spring International Holdings Limited	KPMG

\* Significant or not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Board is cognizant of its responsibility for maintaining a sound system of internal controls to safeguard the investment of its shareholders and the assets and business of the Group. The Group has outsourced the internal audit function of the Group to KPMG. They conduct regular audit of internal control systems of the Group's companies, recommend necessary improvements and enhancements, and report to the Audit Committee.

The Audit Committee examines the effectiveness of the Group's internal control systems. The many assurance mechanisms operating are supplemented by the Internal Auditors' reviews of the effectiveness of the Group's material internal controls, including financial, operational and compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the Audit Committee. The Audit Committee reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal Auditors in this respect.

In addition, the Group has also put in place appropriate risk management policies and processes to evaluate the operating, investment and financial risks of the Group. The Investment Committee and the Audit Committee assist the Board by providing an oversight of the operating, investment and financial risks. 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.

The main areas of financial risk faced by the Group are foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. Further details of the financial risks and how the Group manages them are set out in note 31 to the financial statements.

# CORPORATE GOVERNANCE

The Board has obtained a written confirmation from the Group Chief Executive Officer, who is also the Executive Director, and the Group Chief Financial Officer:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) regarding the effectiveness of the Group's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors, and the statutory audit conducted by the External Auditor, and reviews performed by Management and various Board committees including the Audit Committee and Investment Committee, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, were adequate and effective as at 31 March 2019 to meet the needs of the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or misstatements, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Quarterly and full year results, including any interested person transactions are reviewed by the Audit Committee prior to their submission to the Board.

The Audit Committee has put in place "Whistle-Blowing" arrangements by which staff and third parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective is to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up action.

## SHAREHOLDER RIGHTS, COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDER MEETINGS

**Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.**

**Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.**

**Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.**

The Company does not practise selective disclosure. Price sensitive information is always released via SGX-ST's website after trading hours. Results and annual reports are announced or issued within the mandatory periods.

Shareholders are encouraged to attend the Annual General Meeting to ensure a greater level of shareholders' participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the Notice of Annual General Meeting and circulars and notices pertaining to any Extraordinary General Meetings of the Company. To facilitate participation by the shareholders, the Constitution of the Company allows the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the general meetings while a member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the general meetings through proxy forms deposited 72 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST's website.

# CORPORATE GOVERNANCE

Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. As authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email. Participation of shareholders is encouraged at the Annual General Meeting through the open question and answer session. The Directors, Management and the External Auditor are available to address any queries or concerns on matters relating to the Group and its operations.

To promote greater transparency and effective participation, the Company conducts the voting of all its resolutions by poll at all general meetings. The detailed voting results, including the total number of votes cast for or against each resolution tabled, are announced at the general meetings and via SGX-ST's website.

## **DIVIDEND POLICY**

While the Company has not formally instituted a dividend policy, it has a good track record of paying annual dividends to shareholders. In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, inter alia, the Group's financial position, retained earnings, results of operation and cash flow, the Group's expected working capital requirements, the Group's expected capital expenditure and future expansion and investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend payout.

## **DEALINGS IN SECURITIES**

The Group has adopted an internal code which prohibits the Company, directors and employees of the Group from dealings in securities of the Company while in possession of price-sensitive information, and during the period beginning two weeks and one month before the announcement of the quarterly and annual results respectively, and ending on the date of announcement. In addition, directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted period.

It also discourages dealings on short term considerations. Directors and employees are required to report securities dealings to the Company Secretaries who will assist to make the necessary announcements.

## **DIRECTORS' INTERESTS IN CONTRACTS ENTERED WITH THE GROUP**

There was no transaction by the directors or with firms/companies in which they are members and/or have a substantial financial interest during FY2019.

## **INTERESTED PERSON TRANSACTIONS**

There was no interested person transactions during FY2019.

## INDEX

<b>58</b>	Directors' Statement
<b>60</b>	Independent Auditor's Report
<b>65</b>	Consolidated Income Statement
<b>66</b>	Consolidated Statement of Comprehensive Income
<b>67</b>	Balance Sheets
<b>68</b>	Statements of Changes in Equity
<b>71</b>	Consolidated Statement of Cash Flows
<b>73</b>	Notes to the Financial Statements
<b>149</b>	Statistics of Shareholdings
<b>150</b>	Substantial Shareholders
<b>151</b>	Notice of Annual General Meeting and Notice of Books Closure Date
<b>157</b>	Information on Directors Seeking Re-election Proxy Form

# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2019.

## 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date, and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Winston Choo Wee Leong (Chairman)  
Phua Bah Lee  
Gerald Ong Chong Keng  
Mrs Fang Ai Lian  
Tan Soo Khoon  
Deborah Lee Siew Yin  
Yip Hoong Mun (appointed on 1 June 2019)

## 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed below.

## 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and warrants of the Company as stated below:

Name of director	Shareholdings in which the director is deemed to have an interest		
	As at 1.4.2018	As at 31.3.2019	As at 21.4.2019
<b>Ordinary shares</b>			
Phua Bah Lee	72,576	72,576	72,576

No other director of the Company who held office at the end of the financial year had an interest in any other shares of the Company's subsidiaries.

# DIRECTORS' STATEMENT

## 5. OPTIONS

There is presently no option scheme on unissued shares in respect of the Company.

## 6. AUDIT COMMITTEE

The Audit Committee comprises non-executive and independent directors, Mrs Fang Ai Lian (who chairs the Audit Committee), Mr Tan Soo Khoon and Ms Deborah Lee Siew Yin (appointed on 12 November 2018), and non-executive and non-independent director, Mr Gerald Ong Chong Keng.

The Committee meets at least four times a year and performs its functions in accordance with the Act.

The Committee reviews the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It meets with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting and financial controls. The Committee also reviews the annual financial statements of the Company and of the Group and the auditor's report thereon before submission to the Board, as well as interested person transactions. All major findings and recommendations are brought to the attention of the Board of Directors.

The Committee has also reviewed all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The Committee recommends that Ernst & Young LLP be nominated for re-appointment as auditor at the forthcoming Annual General Meeting.

## 7. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

**Winston Choo Wee Leong**  
Chairman

**Yip Hoong Mun**  
Executive Director

19 June 2019

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2019

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2019, the consolidated income statement, the consolidated statement of comprehensive income and consolidated cash flow statement of the Group and the statements of changes in equity of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year then ended.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2019

## Key audit matters (cont'd)

### 1. Valuation of investment property

As at 31 March 2019, the carrying value of the Group's investment property amounted to \$112.0 million. The Group records its investment property at its fair value. Management engages an independent professional valuer ("External Appraiser") in the country in which the investment property is located to determine the fair value of the property. The External Appraiser determines the fair value of the investment property based on the average of the direct capitalisation method and the direct comparison method. Management reviews the valuation carried out by the External Appraiser and adopts the fair value.

The valuation of the investment property is considered a key audit matter because it involves the use of a range of estimates (amongst others, capitalisation rates and rental rates) made by management.

As part of our audit procedures, we inquired and discussed with the auditor of the Group's significant subsidiary and performed a review of their working papers to evaluate the sufficiency of the audit evidence obtained in forming our opinion on the consolidated financial statements as a whole. Through our review of the working papers, we evaluated the professional competency, independence and objectivity of the External Appraiser. We also read the terms of engagement of the External Appraiser to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the External Appraiser. We considered the appropriateness of the valuation methodologies used. We reviewed the auditor's assessment of the reasonableness of the key assumptions used in the projected cash flows by comparing to supporting leases, available industry data and current property market outlook.

Based on the work performed, we considered the valuation methodologies and key assumptions used by management to be appropriate.

We also assessed the adequacy of the disclosures included in Notes 12 and 32(d) to the financial statements.

### 2. Accounting of interests in associates and joint ventures

The Group has significant interests in associates and joint ventures which comprise the investments in and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property investment and development. As at 31 March 2019, the carrying value of the interests in associates and joint ventures amounted to \$995.7 million, representing 82.2% of non-current assets and 52.3% of total assets of the Group. For the financial year ended 31 March 2019, the Group's share of associates and joint ventures results was \$78.0 million representing 72.9% of the Group's profit from operations before taxation.

The recoverability of the interests in and results from these associates and joint ventures are dependent on the fair valuation of their investment properties and the success of the relevant development projects. The valuation of the investment properties and contributions from development projects are dependent on a number of factors including the economy, government policies, and demand and supply for properties in their respective markets. Consequently, there is a risk of downward valuation of the investment properties and development projects. Annually, management conducts an assessment to determine whether any indicator of impairment exists.

We identified this as a key audit matter because the interests in associates and joint ventures and the share of the results are material to the Group's balance sheet and profit and loss, and the impairment assessment involve significant management judgement and are based on assumptions that are affected by expected future market and economic conditions.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2019

## Key audit matters (cont'd)

### 2. Accounting of interests in associates and joint ventures (cont'd)

Amongst other audit procedures, we discussed with management and auditors of the associates and joint ventures future market conditions and the status of projects under construction. We performed a review of the auditors' working papers of the significant associates and joint ventures of the Group and had discussions with them to assess the reasonableness of revenue recognised during the year and profitability of the projects. In addition, we assessed the reasonableness of the estimated selling prices of the development properties and properties under construction by comparing to recently transacted prices and prices of comparable projects located in the vicinity as the development projects. For those associates and joint ventures with significant investment properties, we reviewed the valuation of investment properties.

We obtained the latest available audited financial statements of the Group's associates and joint ventures, and checked mathematical accuracy on the computation of the share of results. Where the accounting periods of the associates, joint ventures and the Group are not coterminous, we reviewed management's adjustments made for the effects of significant transactions or events that occurred between the date of those financial statements and the date of the Group's financial statements.

The results of our evaluation shows that management's accounting for interests in associates and joint ventures are reasonable.

We also assessed the adequacy of the disclosure on the accounting for interests in associates and joint ventures in Notes 15 and 16 to the financial statements.

## Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2019

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2019

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Seng Choon.

**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
19 June 2019

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2019

(In Singapore dollars)

	Note	2019 \$'000	2018 \$'000
<b>Revenue</b>	4	171,964	136,326
Cost of revenue	5	(161,857)	(128,550)
<b>Gross profit</b>		10,107	7,776
Other net income	6	33,945	52,322
Fair value gain on an investment property	12	14,706	416
General and administrative expenses		(23,816)	(25,290)
Finance costs	7	(5,803)	(2,029)
Interest in associates			
– Share of results, net of tax	15	13,841	129,671
– Dilution loss		(158)	(1,319)
		13,683	128,352
Interest in joint ventures			
– Share of results, net of tax	16	64,200	(317)
– Reversal of write down of amount due from a joint venture	16	–	9,472
		64,200	9,155
<b>Profit from operations before taxation</b>	8	107,022	170,702
Taxation	9	(11,338)	(11,007)
<b>Profit net of taxation</b>		95,684	159,695
<b>Attributable to:</b>			
Owners of the Company		95,271	159,195
Non-controlling interests		413	500
		95,684	159,695
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share</b>			
Basic	10	11.5	19.2
Diluted	10	11.5	19.2

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

(In Singapore dollars)

	2019 \$'000	2018 \$'000
<b>Profit net of taxation</b>	95,684	159,695
<b>Other comprehensive income:</b>		
<b><i>Item that will not be reclassified to profit or loss</i></b>		
Share of other comprehensive income of an associate	558	–
<b><i>Items that may be reclassified subsequently to profit or loss</i></b>		
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	4,759	(11,251)
Investments at fair value through other comprehensive income		
– Net fair value changes	–	7,991
– Net fair value changes reclassified to profit or loss	–	(5,782)
Translation of associates and joint venture transferred to profit or loss upon disposal/liquidation	–	(3,328)
Share of other comprehensive (expense)/income of associates and joint ventures	(17,502)	19,756
<b>Other comprehensive (expense)/income for the financial year</b>	(12,185)	7,386
<b>Total comprehensive income for the financial year</b>	83,499	167,081
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	82,780	166,733
Non-controlling interests	719	348
	83,499	167,081

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# BALANCE SHEETS

As at 31 March 2019

(In Singapore dollars)

	Note	Group			Company		
		31.3.2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	31.3.2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<b>ASSETS</b>							
<b>Non-current assets</b>							
Plant and equipment	11	2,128	4,466	5,062	30	42	73
Investment properties	12	112,029	100,214	104,423	–	–	–
Subsidiaries	13	–	–	–	17,790	17,790	17,790
Amounts due from subsidiaries	14	–	–	–	474,675	535,448	493,239
Associates	15	758,058	544,174	507,650	500	500	500
Joint ventures	16	237,685	419,917	382,674	–	–	–
Long term investments							
– Fair value through profit or loss	17	101,196	–	–	–	–	–
– Available-for-sale	17	–	80,336	94,921	–	–	–
Deferred tax assets	9	–	–	1,102	–	–	–
		<u>1,211,096</u>	<u>1,149,107</u>	<u>1,095,832</u>	<u>492,995</u>	<u>553,780</u>	<u>511,602</u>
<b>Current assets</b>							
Development properties	18	167,787	50,556	–	–	–	–
Inventories	19	13,695	16,950	19,433	–	–	–
Prepayments		707	1,922	1,073	–	–	–
Accounts and other receivables	20	53,520	135,350	7,819	2,273	192	212
Tax recoverable		–	–	250	–	–	–
Amounts due from subsidiaries	14	–	–	–	259,196	–	–
Amounts due from associates	15	1,976	–	–	–	–	–
Amounts due from joint ventures	16	191,849	–	–	4,169	–	–
Short term investments	17	31,400	30,262	42,208	–	–	–
Pledged fixed bank deposits	21	37,242	158,409	111,278	–	–	–
Cash and cash equivalents	21	195,316	159,364	278,164	33,743	9,588	9,192
		<u>693,492</u>	<u>552,813</u>	<u>460,225</u>	<u>299,381</u>	<u>9,780</u>	<u>9,404</u>
<b>Total assets</b>		<u>1,904,588</u>	<u>1,701,920</u>	<u>1,556,057</u>	<u>792,376</u>	<u>563,560</u>	<u>521,006</u>
<b>EQUITY AND LIABILITIES</b>							
<b>Current liabilities</b>							
Borrowings	22	80,484	136,752	65,915	–	–	–
Accounts and other payables	23	60,881	53,876	39,641	6,407	7,954	5,680
Amounts due to subsidiaries	23	–	–	–	274,465	–	–
Amount due to an associate	15	–	–	67,457	–	–	–
Amount due to a joint venture	16	22,357	–	–	–	–	–
Provision for taxation		2,654	1,448	2,234	26	15	69
		<u>166,376</u>	<u>192,076</u>	<u>175,247</u>	<u>280,898</u>	<u>7,969</u>	<u>5,749</u>
<b>Net current assets</b>		<u>527,116</u>	<u>360,737</u>	<u>284,978</u>	<u>18,483</u>	<u>1,811</u>	<u>3,655</u>
<b>Non-current liabilities</b>							
Borrowings	22	149,187	–	–	149,187	–	–
Amounts due to subsidiaries	23	–	–	–	–	255,192	244,226
Amount due to a joint venture	16	20,210	–	–	–	–	–
Deferred income	23	7,436	11,325	13,352	–	–	–
Deferred tax liabilities	9	22,321	16,377	16,759	26	12	11
		<u>199,154</u>	<u>27,702</u>	<u>30,111</u>	<u>149,213</u>	<u>255,204</u>	<u>244,237</u>
<b>Total liabilities</b>		<u>365,530</u>	<u>219,778</u>	<u>205,358</u>	<u>430,111</u>	<u>263,173</u>	<u>249,986</u>
<b>Net assets</b>		<u>1,539,058</u>	<u>1,482,142</u>	<u>1,350,699</u>	<u>362,265</u>	<u>300,387</u>	<u>271,020</u>
<b>Equity attributable to owners of the Company</b>							
Share capital	24	169,717	169,717	169,717	169,717	169,717	169,717
Treasury shares	24	(1,768)	(1,768)	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	25	1,347,253	1,305,608	1,180,277	194,316	132,438	103,071
		<u>1,515,202</u>	<u>1,473,557</u>	<u>1,348,226</u>	<u>362,265</u>	<u>300,387</u>	<u>271,020</u>
<b>Non-controlling interests</b>		<u>23,856</u>	<u>8,585</u>	<u>2,473</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>		<u>1,539,058</u>	<u>1,482,142</u>	<u>1,350,699</u>	<u>362,265</u>	<u>300,387</u>	<u>271,020</u>
<b>Total equity and liabilities</b>		<u>1,904,588</u>	<u>1,701,920</u>	<u>1,556,057</u>	<u>792,376</u>	<u>563,560</u>	<u>521,006</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

(In Singapore dollars)

Group	Note	Share capital \$'000	Treasury shares \$'000	FVOCI reserve \$'000	Foreign currency translation reserve			Statutory reserve \$'000	Other reserve \$'000	Revenue reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
					reserve \$'000	translation reserve \$'000	reserve \$'000						
At 1 April 2018 (FRS framework)		169,717	(1,768)	5,330	(42,219)	4,081	1,811	1,336,605	1,473,557	8,585	1,482,142		
Cumulative effects of adoption of SFRS(I)	2.2	-	-	-	47,456	-	-	(47,456)	-	-	-	-	
Cumulative effects of adoption of SFRS(I) 9	2.2	-	-	(5,330)	-	-	-	5,330	-	-	-	-	
At 1 April 2018 (SFRS(I) framework)		169,717	(1,768)	-	5,237	4,081	1,811	1,294,479	1,473,557	8,585	1,482,142		
Profit for the year		-	-	-	-	-	-	95,271	95,271	413	95,684		
Other comprehensive income													
Currency translation adjustments on foreign subsidiaries, associates and joint ventures		-	-	4,453	-	-	-	-	4,453	306	4,759		
Share of other comprehensive (expense)/income of associates and joint ventures		-	-	-	(16,697)	-	(805)	558	(16,944)	-	(16,944)		
Other comprehensive (expense)/income for the financial year, net of tax		-	-	-	(12,244)	-	(805)	558	(12,491)	306	(12,185)		
Total comprehensive (expense)/income for the financial year		-	-	-	(12,244)	-	(805)	95,829	82,780	719	83,499		
Contributions by and distributions to owners													
Dividends paid	26	-	-	-	-	-	-	(41,402)	(41,402)	-	(41,402)		
Dividends unclaimed		-	-	-	-	-	-	267	267	-	267		
Total contributions by and distributions to owners		-	-	-	-	-	-	(41,135)	(41,135)	-	(41,135)		
Changes in ownership interests in a subsidiary													
Interest in a subsidiary		-	-	-	-	-	-	-	-	14,552	14,552		
Total changes in ownership interests in a subsidiary		-	-	-	-	-	-	-	-	14,552	14,552		
Others													
Transfer to statutory reserve fund		-	-	-	-	240	-	(240)	-	-	-		
Total others		-	-	-	-	240	-	(240)	-	-	-		
At 31 March 2019		169,717	(1,768)	-	(7,007)	4,321	1,006	1,348,933	1,515,202	23,856	1,539,058		



# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

(In Singapore dollars)

Group	Note	Share capital \$'000	Treasury shares \$'000	FVOCI reserve \$'000	Foreign currency		Statutory reserve \$'000	Other reserve \$'000	Revenue reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
					translation reserve \$'000	reserve \$'000						
At 1 April 2017 (FRS framework)		169,717	(1,768)	3,366	(50,177)	3,880	1,474	1,221,734	1,348,226	2,473	1,350,699	
Cumulative effects of adoption of SFRS(I)	2.2	–	–	–	50,177	–	–	(50,177)	–	–	–	
At 1 April 2017 (SFRS(I) framework)		169,717	(1,768)	3,366	–	3,880	1,474	1,171,557	1,348,226	2,473	1,350,699	
Profit for the year		–	–	–	–	–	–	159,195	159,195	500	159,695	
Other comprehensive income		–	–	–	–	–	–	–	–	–	–	
Currency translation adjustments on foreign subsidiaries, associates and joint ventures		–	–	–	(10,854)	–	–	–	(10,854)	(397)	(11,251)	
Investments at fair value through other comprehensive income		–	–	7,399	–	–	–	–	7,399	592	7,991	
– Net fair value changes		–	–	(5,435)	–	–	–	–	(5,435)	(347)	(5,782)	
– Net fair value changes reclassified to profit or loss		–	–	–	–	–	–	–	–	–	–	
Translation of associates and joint venture transferred to profit or loss upon disposal/liquidation		–	–	–	(3,328)	–	–	–	(3,328)	–	(3,328)	
Share of other comprehensive income of associates and joint ventures		–	–	–	19,419	–	337	–	19,756	–	19,756	
Other comprehensive income/(expense) for the financial year, net of tax		–	–	1,964	5,237	–	337	–	7,538	(152)	7,386	
Total comprehensive income for the financial year		–	–	1,964	5,237	–	337	159,195	166,733	348	167,081	
Contributions by and distributions to owners		–	–	–	–	–	–	(41,402)	(41,402)	–	(41,402)	
Dividends paid	26	–	–	–	–	–	–	(41,402)	(41,402)	–	(41,402)	
Total contributions by and distributions to owners		–	–	–	–	–	–	(41,402)	(41,402)	–	(41,402)	
Changes in ownership interests in a subsidiary		–	–	–	–	–	–	–	–	–	–	
Interest in a subsidiary		–	–	–	–	–	–	–	–	5,764	5,764	
Total changes in ownership interests in a subsidiary		–	–	–	–	–	–	–	–	5,764	5,764	
Others		–	–	–	–	–	–	–	–	–	–	
Transfer to statutory reserve fund		–	–	–	–	201	–	(201)	–	–	–	
Total others		–	–	–	–	201	–	(201)	–	–	–	
At 31 March 2018		169,717	(1,768)	5,330	5,237	4,081	1,811	1,289,149	1,473,557	8,585	1,482,142	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

(In Singapore dollars)

Company	Note	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
At 1 April 2018 (FRS and SFRS(I) framework)		169,717	(1,768)	132,438	300,387
Profit for the year, representing total comprehensive income for the financial year		–	–	103,013	103,013
<u>Contributions by and distributions to owners</u>					
Dividends paid	26	–	–	(41,402)	(41,402)
Dividends unclaimed		–	–	267	267
At 31 March 2019		<u>169,717</u>	<u>(1,768)</u>	<u>194,316</u>	<u>362,265</u>
At 1 April 2017 (FRS and SFRS(I) framework)		169,717	(1,768)	103,071	271,020
Profit for the year, representing total comprehensive income for the financial year		–	–	70,769	70,769
<u>Contributions by and distributions to owners</u>					
Dividends paid	26	–	–	(41,402)	(41,402)
At 31 March 2018		<u>169,717</u>	<u>(1,768)</u>	<u>132,438</u>	<u>300,387</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

(In Singapore dollars)

	Note	2019 \$'000	2018 \$'000
<b>Cash flows from operating activities:</b>			
<b>Operating cash flows before changes in working capital</b>			
Operating loss before reinvestment in working capital	(a)	(5,095)	(6,225)
Increase in development properties		(114,428)	(50,556)
Decrease in inventories		1,193	756
Decrease/(increase) in accounts and other receivables		83,115	(5,363)
Increase in accounts and other payables		7,273	13,962
Cash flows used in operations		(27,942)	(47,426)
Interest expense paid		(5,664)	(2,029)
Interest income received		14,217	9,120
Income taxes paid		(3,860)	(3,329)
Net cash flows used in operating activities		(23,249)	(43,664)
<b>Cash flows from investing activities:</b>			
Purchase of plant and equipment	11	(1,967)	(1,514)
(Increase)/decrease in long term investments		(12,077)	2,256
Purchase of short term investments		(967)	–
Proceeds from disposal of long term investments		–	18,425
Proceeds from disposal of an investment property	12	–	7,833
Proceeds from disposal of plant and equipment		1	3
Proceeds from disposal of short term investments		–	15,352
Investment in associates		(20,725)	9,414
Investment in a joint venture		–	(18,786)
Decrease in amount due to an associate		–	(68,043)
Increase in amount due to a joint venture		43,407	–
Increase in amounts due from associates		(207,614)	(84,372)
Decrease/(increase) in amounts due from joint ventures		31,859	(27,528)
Dividends received from associates		21,526	67,118
Dividends received from joint ventures		7,888	22,360
Dividends received from long term investments		3,753	4,230
Dividends received from short term investments		1,978	3,534
Changes in pledged fixed bank deposits		121,167	(47,131)
Net cash flows used in investing activities		(11,771)	(96,849)
<b>Cash flows from financing activities:</b>			
Drawdown of borrowings		172,450	66,153
Repayment of borrowings		(74,054)	–
Dividends paid	26	(41,402)	(41,402)
Contributions from non-controlling interest		14,552	–
Net cash flows from financing activities		71,546	24,751
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Effect of exchange rate changes in cash and cash equivalents		36,526	(115,762)
		(574)	(3,038)
<b>Cash and cash equivalents at 1 April</b>		159,364	278,164
<b>Cash and cash equivalents at 31 March</b>	21	195,316	159,364

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

(In Singapore dollars)

## Notes to the consolidated statement of cash flows

### (a) Operating cash flows before changes in working capital

Reconciliation between profit before taxation and operating cash flows before changes in working capital:

	Note	2019 \$'000	2018 \$'000
Profit from operations before taxation		107,022	170,702
Adjustments for:			
Fair value gain on an investment property	12	(14,706)	(416)
Finance costs	7	5,803	2,029
Depreciation of plant and equipment	11	3,272	2,111
Share of results of associates, net of tax		(13,841)	(129,671)
Dilution loss on interest in associates		158	1,319
Share of results of joint ventures, net of tax		(64,200)	317
Reversal of write down of amount due from a joint venture	16	–	(9,472)
Interest income	6	(19,157)	(15,963)
Dividends from long term investments	6	(3,753)	(5,131)
Dividends from short term investments	6	(1,978)	(2,633)
Gain on disposal of plant and equipment	8	(1)	(3)
Inventories written down	8	1,487	2,178
Allowance for doubtful debts	8	1	3
Impairment of plant and equipment	8	990	–
Plant and equipment written off	8	43	–
Allowance for/(write-back of) obsolete inventories	8	575	(451)
Net change in fair value of investments at fair value through profit or loss	6	(9,255)	(1,883)
Gain on disposal of an associate	6	–	(15,843)
Gain on disposal of an investment property	6	–	(809)
Gain on disposal of short term investments	6	–	(1,523)
Gain on disposal of long term investments	6	–	(4,761)
Foreign exchange adjustments		2,445	3,675
Operating loss before reinvestment in working capital		<u>(5,095)</u>	<u>(6,225)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 1. CORPORATE INFORMATION

Metro Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 391A Orchard Road, #19-00, Tower A, Ngee Ann City, Singapore 238873.

The principal activities of the Company are those of a management, property investment and holding company.

The principal activities of the Group are those of management and holding companies, retailers and department store operators, property investment and developers.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

For all periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (“FRS”). These financial statements for the year ended 31 March 2019 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest thousand (\$’000) except where otherwise indicated.

### 2.2 First-time adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”)

These financial statements for the year ended 31 March 2019 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 March 2019, together with the comparative period data for the year ended 31 March 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group’s and the Company’s opening balance sheets were prepared as at 1 April 2017, the Group and the Company’s date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 April 2018 are disclosed below.

#### Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 April 2017. As a result, an amount of \$50,177,000 was adjusted against the opening revenue reserve as at 1 April 2017.
- The comparative information does not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments: Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 *First-time adoption of SFRS(I)* (cont'd)

#### **New accounting standards effective on 1 April 2018**

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 April 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

#### **SFRS(I) 9 Financial Instruments**

On 1 April 2018, the Group adopted SFRS(I) 9 *Financial Instruments*, which is effective for annual periods beginning on or after 1 April 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening revenue reserve at the date of initial application, 1 April 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

#### (a) Classification and measurement

##### (i) Debt instruments

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. The Group has a mixed business model. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

The Group and the Company have reclassified certain amounts due from subsidiaries and joint ventures from non-current assets to current assets and amounts due to subsidiaries from non-current liabilities to current liabilities to conform with the requirements of SFRS(I) 9.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 First-time adoption of SFRS(I) (cont'd)

#### SFRS(I) 9 Financial Instruments (cont'd)

##### (a) Classification and measurement (cont'd)

##### (ii) Equity instruments

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

For equity securities, the Group continues to measure its currently held-for-trading equity securities at FVPL. The Group has reclassified its available-for-sale (“AFS”) equity securities at FVPL. As a result of the change in measurement of the Group’s equity securities previously measured at FVOCI to FVPL, the FVOCI reserve of \$5,330,000 related to those investments that were previously presented under the FVOCI reserve were transferred to revenue reserve as at 1 April 2018.

##### (b) Impairment

SFRS(I) 9 requires the Group to record expected credit losses (“ECL”) on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. There is no material impairment impact arising from assessment of these financial assets under SFRS(I) 9.

The Group has assessed which business model apply to the financial assets held by the Group as at 1 April 2018 and has classified its financial instruments into the appropriate categories in accordance with SFRS(I) 9. The effects, before tax impact are as follows:

#### Financial assets:

Measurement category	Group				
	FRS 39 carrying amount on 31.3.2018 \$'000	Re- classification \$'000	SFRS(I) 9 carrying amount on 1.4.2018 \$'000	Revenue reserve effect on 1.4.2018 \$'000	FVOCI reserve effect on 1.4.2018 \$'000
FVPL	30,262	–	30,262	–	–
Reclassified from AFS to FVPL	–	80,336	80,336	5,330	(5,330)
FVTPL balance, reclassifications at 1 April 2018	30,262	80,336	110,598	5,330	(5,330)
FVOCI	80,336	–	80,336	–	–
Reclassified from AFS to FVPL	–	(80,336)	(80,336)	–	–
FVOCI balance, reclassifications at 1 April 2018	80,336	(80,336)	–	–	–

The initial application of SFRS(I) 9 does not have any reclassification effect to the Company’s financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 First-time adoption of SFRS(I) (cont'd)

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) including application of the new accounting standards on 1 April 2017 to the balance sheet of the Group:

	1.4.2017 (FRS) \$'000	Group SFRS(I) 1 adjustments \$'000	1.4.2017 (SFRS(I)) \$'000
<b>Non-current assets</b>	1,095,832	–	1,095,832
<b>Current assets</b>	460,225	–	460,225
<b>Current liabilities</b>	(175,247)	–	(175,247)
<b>Net current assets</b>	284,978	–	284,978
<b>Non-current liabilities</b>	(30,111)	–	(30,111)
<b>Net assets</b>	1,350,699	–	1,350,699
<b>Equity attributable to owners of the Company</b>			
Share capital	169,717	–	169,717
Treasury shares	(1,768)	–	(1,768)
Revenue reserve	1,221,734	(50,177)	1,171,557
Foreign currency translation reserve	(50,177)	50,177	–
Statutory reserve	3,880	–	3,880
FVOCI reserve	3,366	–	3,366
Other reserves	1,474	–	1,474
	1,348,226	–	1,348,226
Non-controlling interests	2,473	–	2,473
<b>Total equity</b>	1,350,699	–	1,350,699



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 First-time adoption of SFRS(I) (cont'd)

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) including application of the new accounting standards on 31 March 2018 and 1 April 2018 to the balance sheet of the Group:

			Group		
	31.3.2018 (FRS) \$'000	SFRS(I) 1 adjustments \$'000	31.3.2018 (SFRS(I)) \$'000	SFRS(I) 9 adjustments \$'000	
<b>Non-current assets</b>	1,149,107	–	1,149,107	–	1,149,107
<b>Current assets</b>	552,813	–	552,813	–	552,813
<b>Current liabilities</b>	(192,076)	–	(192,076)	–	(192,076)
<b>Net current assets</b>	360,737	–	360,737	–	360,737
<b>Non-current liabilities</b>	(27,702)	–	(27,702)	–	(27,702)
<b>Net assets</b>	1,482,142	–	1,482,142	–	1,482,142
<b>Equity attributable to owners of the Company</b>					
Share capital	169,717	–	169,717	–	169,717
Treasury shares	(1,768)	–	(1,768)	–	(1,768)
Revenue reserve	1,336,605	(47,456)	1,289,149	5,330	1,294,479
Foreign currency translation reserve	(42,219)	47,456	5,237	–	5,237
Statutory reserve	4,081	–	4,081	–	4,081
FVOCI reserve	5,330	–	5,330	(5,330)	–
Other reserves	1,811	–	1,811	–	1,811
	1,473,557	–	1,473,557	–	1,473,557
Non-controlling interests	8,585	–	8,585	–	8,585
<b>Total equity</b>	1,482,142	–	1,482,142	–	1,482,142

The adoption of SFRS(I) does not have any impact to the balance sheet and profit or loss of the Company as at 1 April 2017 and 31 March 2018.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 First-time adoption of SFRS(I) (cont'd)

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) and application of the new accounting standards to the comprehensive income the Group for the year ended 31 March 2018:

	2018 (FRS) \$'000	Group SFRS(I) 1 adjustments \$'000	2018 (SFRS(I)) \$'000
<b>Revenue</b>	136,326	–	136,326
Cost of revenue	(128,550)	–	(128,550)
<b>Gross profit</b>	7,776	–	7,776
Other net income	54,359	(2,037)	52,322
Fair value gain on an investment property	416	–	416
General and administrative expenses	(25,290)	–	(25,290)
Finance costs	(2,029)	–	(2,029)
Interest in associates	123,594	4,758	128,352
Interest in joint ventures	9,155	–	9,155
<b>Profit from operations before taxation</b>	167,981	2,721	170,702
Taxation	(11,007)	–	(11,007)
<b>Profit for the year</b>	156,974	2,721	159,695
<b>Other comprehensive income</b>	10,107	(2,721)	7,386
<b>Total comprehensive income</b>	167,081	–	167,081
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	166,733	–	166,733
Non-controlling interests	348	–	348
<b>Total comprehensive income</b>	167,081	–	167,081
<b>Earnings per share (cents)</b>			
Basic	18.9	0.3	19.2
Diluted	18.9	0.3	19.2

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
SFRS(I) 16 <i>Leases</i>	1 April 2019
SFRS(I) INT 23 <i>Uncertainty over Income Tax Treatments</i>	1 April 2019
Amendments to SFRS(I) 9 <i>Prepayment Features with Negative Compensation</i>	1 April 2019
Amendments to SFRS(I) 1-28 <i>Long-term Interests in Associates and Joint Ventures</i>	1 April 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 April 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the above standards will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

#### SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 April 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening revenue reserve at the date of initial application, 1 April 2019.

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee, in particular, on its rented office premises and department stores.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 *Standards issued but not yet effective* (cont'd)

#### SFRS(I) 16 Leases (cont'd)

On the adoption of SFRS(I) 16, the Group expects these operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new standard. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, earnings before interest, taxes, depreciation and amortisation (EBITDA) and gearing ratio.

### 2.4 *Basis of consolidation and business combinations*

#### (a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a net deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserve, as appropriate.

#### (b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (b) Business combinations and goodwill (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

### 2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.6 Foreign currency (cont'd)

#### (a) Transactions and balances (cont'd)

##### Net investment in foreign operations

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in the profit or loss. For partial disposals of associates or joint ventures that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the profit or loss.

### 2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Plant, equipment, furniture and fittings – 1 to 5 years or over the lease period

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

### 2.8 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.8 *Investment properties* (cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

### 2.9 *Development properties*

Development properties are property rights for properties under development that were purchased from the property developer. These rights will be sold to end buyers.

The rights are measured initially at cost. Following initial acquisition, the property rights are carried at cost less any accumulated impairment losses. Property rights are assessed for impairment whenever there is an indication that the rights may be impaired.

Gains or losses arising from derecognition of the property rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

### 2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### 2.11 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

#### *Joint ventures*

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.12.

### 2.12 *Joint ventures and associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.12 *Joint ventures and associates* (cont'd)

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

For financial statements of the associate or joint venture which are prepared as of the same reporting date of the Company, the most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the date of the audited financial statements used is not coterminous with that of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the financial year.

When the financial statements of an associate or joint venture used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. In any case, the difference between the end of the reporting period of the associate and that of the investor shall be no more than three months. The length of the reporting periods and any difference between the ends of the reporting periods shall be the same from period to period.

### 2.13 *Financial instruments*

#### (a) *Financial assets*

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.13 *Financial instruments* (cont'd)

#### (a) *Financial assets* (cont'd)

##### *Initial recognition and measurement* (cont'd)

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### *Subsequent measurement*

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

#### (i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

##### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

##### Derivatives

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

##### *Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit or loss.

#### (b) *Financial liabilities*

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of other financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.13 *Financial instruments* (cont'd)

#### (b) *Financial liabilities* (cont'd)

##### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

### 2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (“a lifetime ECL”).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when the counterparty fails to make contractual payments and when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.15 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.15 *Impairment of non-financial assets* (cont'd)

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.16 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.17 *Inventories*

Inventories are stated at the lower of cost and net realisable value.

For retail inventories, cost is calculated using the Retail Method where the selling price of the merchandise is reduced by the calculated gross margin.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Net realisable value is arrived at after due allowance is made for all obsolete and slow-moving inventories.

### 2.18 *Borrowings*

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in income statement over the period of the borrowings using the effective interest method.

### 2.19 *Provisions*

#### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an income item, it is recognised in the profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

### 2.21 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

### 2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.23 Employee benefits

#### (a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme.

Subsidiaries incorporated and operating in The People's Republic of China ("PRC") are required to provide certain staff pension benefits to its employees under existing PRC legislations. Pension contributions are made at rates stipulated by PRC legislations to a pension fund managed by government agencies, who are responsible for administering these amounts for the subsidiaries' employees.

Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

#### (c) Long-service benefits

Employee entitlement to long-service gratuities are recognised as a liability when they are accrued to the employees upon the fulfilment of service conditions. The estimated liability for gratuities is recognised for services rendered by the employees up to the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.23 Employee benefits (cont'd)

#### (d) Profit-sharing bonuses

Certain key executives are entitled to profit-sharing bonuses on certain profits on a realised basis. The amounts payable are recognised in the profit or loss in the period which these profits are realised.

### 2.24 Leases

#### (a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

#### (b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy of rental income is set out in Note 2.25(c). Contingent rents are recognised as revenue in the period in which they are earned.

### 2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Sale of goods – retail

Revenue from the sale of goods is recognised upon the satisfaction of each performance obligations which is usually on the delivery of goods to customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

#### (b) Sale of property rights, completed development properties and development properties under construction

Revenue from sale of property rights for properties under development that were purchased from the property developer, completed development properties and development properties under construction is recognised upon the satisfaction of performance obligations which is when the control of the asset have been transferred to the buyer.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.25 Revenue (cont'd)

(c) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Commissions from concessionaire sales*

Commissions from concessionaire sales are recognised upon the sale of goods by the relevant stores.

(e) *Fee and service income*

Fee and service income are recognised as revenue on an accrual basis upon services rendered on a straight-line basis over the service period.

(f) *Dividend income*

Dividend income is recognised when the Group's right to receive payment has been established.

(g) *Interest income*

Interest income is recognised using the effective interest method.

### 2.26 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in the profit or loss except to the extent that the tax relates to items recognised outside the profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.26 Taxes (cont'd)

#### (b) *Deferred tax* (cont'd)

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside the profit or loss is recognised outside the profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### (c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

### 2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.28 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.29 Treasury shares

Treasury shares are the Group's own equity instruments, which have been reacquired. These are recognised at cost and deducted from equity. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

### 2.30 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the financial statements:

(i) *Investments in associates and joint ventures*

The Group is able to exercise significant influence over an associate, as disclosed in Note 15, notwithstanding that the Group holds less than 20% interests in this investee. The Group has the ability to exercise significant influence by virtue of its representation on the board.

The Group has not accounted for its interests in certain joint ventures as subsidiaries, as disclosed in Note 34, although its interests is in excess of 50% because under the joint venture agreements, the joint venture parties are entitled to a share of the profits of the joint ventures in proportion to their respective capital contributions but have contractual joint control of the joint ventures and require unanimous consent for all major decisions over the relevant activities.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

### 3.1 Judgements made in applying accounting policies (cont'd)

#### (ii) Taxation

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 March 2019 are \$2,654,000 (31 March 2018: \$1,448,000; 1 April 2017: \$2,234,000) and \$22,321,000 (31 March 2018: \$16,377,000; 1 April 2017: \$16,759,000) respectively.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (i) Valuation of investment property

The Group records its investment property at fair value, with changes in fair value being recognised in profit or loss.

Management engages an independent professional valuer ("External Appraiser") in the country in which the investment property is located to determine the fair value of the property. The External Appraiser determines the fair value of the investment property based on the average of the direct capitalisation method and the direct comparison method. Management reviews the valuation carried out by the External Appraiser and adopts the fair value.

The determination of the fair value of the investment property involves the use of a range of estimates (amongst others, capitalisation rates and rental rates) made by management.

The carrying amount and key assumptions used to determine the fair value of the investment property are further explained in Note 32(d).

#### (ii) Impairment assessment of interests in associates and joint ventures

The Group has significant interests in associates and joint ventures which comprise the investments in and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property investment and development.

The recoverability of the interests in and results from these associates and joint ventures are dependent on the fair valuation of their investment properties and the success of the relevant development projects. The valuation of the investment properties and contributions from development projects are dependent on a number of factors including the economy, government policies, and demand and supply for properties in their respective markets. Consequently, there is a risk of downward valuation of the investment properties and development projects. Annually, management conducts an assessment to determine whether any indicator of impairment exists.

The carrying amounts of the Group's interests in associates and joint ventures at the end of the reporting period are disclosed in Note 15 and 16 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 4. REVENUE

	Note	Group	
		2019 \$'000	2018 \$'000
Revenue from contracts with customers	(a)	165,031	129,718
Rental income from an investment property	12	6,933	6,608
		<u>171,964</u>	<u>136,326</u>

(a) Disaggregation of revenue:

Segments	Retail		Property		Total revenue	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Primary geographical markets</b>						
Singapore	130,575	129,718	–	–	130,575	129,718
Indonesia	–	–	34,456	–	34,456	–
Total revenue from contracts with customers	<u>130,575</u>	<u>129,718</u>	<u>34,456</u>	<u>–</u>	<u>165,031</u>	<u>129,718</u>
<b>Major revenue streams</b>						
Sales of goods	99,829	98,613	–	–	99,829	98,613
Net commission from concessionaires	30,746	31,105	–	–	30,746	31,105
Sales of property rights	–	–	34,456	–	34,456	–
Total revenue from contracts with customers	<u>130,575</u>	<u>129,718</u>	<u>34,456</u>	<u>–</u>	<u>165,031</u>	<u>129,718</u>

Revenue from contracts with customers are recognised at a point in time.

The gross revenue from concessionaire sales is analysed as follows:

	Group	
	2019 \$'000	2018 \$'000
Gross revenue from concessionaire sales	<u>111,054</u>	<u>106,647</u>

## 5. COST OF REVENUE

	Group	
	2019 \$'000	2018 \$'000
Retail	131,375	127,392
Property		
– Cost of property rights sold	29,521	–
– Rental	961	1,158
	<u>161,857</u>	<u>128,550</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 6. OTHER NET INCOME

	Note	Group	
		2019 \$'000	2018 \$'000
Interest income from:			
– Financial instruments at amortised cost		19,157	–
– Loans and receivables		–	15,963
Dividends, gross from:			
– Long term investments		3,753	5,131
– Short term investments		1,978	2,633
		5,731	7,764
Net change in fair value of investments at fair value through profit or loss:			
– Long term investments		9,084	–
– Short term investments		171	1,883
		9,255	1,883
Management fee income from associates		375	772
Foreign exchange (loss)/gain		(2,553)	1,044
Other rental income		1,122	817
Gain on disposal of:			
– Long term investments		–	4,761
– Short term investments		–	1,523
– An associate	15	–	15,843
– An investment property	12	–	809
Sundry income		858	1,143
		<u>33,945</u>	<u>52,322</u>

## 7. FINANCE COSTS

	Group	
	2019 \$'000	2018 \$'000
Interest on borrowings carried at amortised cost	2,882	2,029
Interest on notes carried at amortised cost	2,734	–
Others	187	–
	<u>5,803</u>	<u>2,029</u>

## 8. PROFIT FROM OPERATIONS BEFORE TAXATION

Profit from operations before taxation is stated after charging/(crediting):

	Group	
	2019 \$'000	2018 \$'000
Staff costs, including Directors' emoluments, are as follows:		
Salaries, bonuses and other related costs	22,100	25,867
Contributions to CPF	2,363	2,434
Provision for long-service benefits	393	636
	<u>24,856</u>	<u>28,937</u>
Directors' emoluments included in staff costs are as follows:		
Directors of the Company		
– Other emoluments	2,040	4,660
– Fees payable	923	843
– Professional fees paid and payable to a company in which a Director has an interest	–	60
	<u>2,963</u>	<u>5,563</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 8. PROFIT FROM OPERATIONS BEFORE TAXATION (cont'd)

Profit from operations before taxation is stated after charging/(crediting) (cont'd):

	Note	Group	
		2019 \$'000	2018 \$'000
Rental expense	27	24,362	23,773
Depreciation of plant and equipment	11	3,272	2,111
Inventories written down	19	1,487	2,178
Allowance for/(write-back of) obsolete inventories	19	575	(451)
Audit fees:			
– Auditor of the Company		454	460
– Other auditors		201	181
Non-audit fees:			
– Auditor of the Company		146	96
– Other auditors		122	78
Allowance for doubtful debts	20	1	3
Impairment of plant and equipment	11	990	–
Plant and equipment written off		43	–
Gain on disposal of plant and equipment		(1)	(3)

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2019 amounting to \$3,501,000 (2018: \$3,377,000).

Presentation of expenses recognised in consolidated income statement based on function is as follows:

	Note	Group	
		2019 \$'000	2018 \$'000
<b>Revenue</b>	4	171,964	136,326
Cost of revenue	5	(161,857)	(128,550)
<b>Gross profit</b>		10,107	7,776
Other net income		48,493	60,891
General and administrative expenses		(23,816)	(25,290)
Finance costs	7	(5,803)	(2,029)
Share of associates' results, net of tax	15	13,841	129,671
Share of joint ventures' results, net of tax	16	64,200	(317)
<b>Profit before taxation</b>		107,022	170,702
Taxation	9	(11,338)	(11,007)
<b>Profit for the financial year</b>		95,684	159,695

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 9. TAXATION

### (a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2019 and 2018 are:

*Consolidated income statement*

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Current taxation		
– Current income taxation	4,986	11,702
– Over provision in respect of prior financial years	(7)	(1,094)
	4,979	10,608
Deferred taxation		
– Origination and reversal of temporary differences	6,476	70
– (Over)/under provision in respect of prior financial years	(117)	325
	6,359	395
Withholding tax	–	4
Income tax expense recognised in the consolidated income statement	<u>11,338</u>	<u>11,007</u>

### (b) Relationship between tax expense and accounting profit

The reconciliation of taxation determined on the results of the Group by applying the Singapore statutory income tax rate for the financial years ended 31 March are as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit from operations before taxation	107,022	170,702
Less: Share of results of equity-accounted associates*	(13,841)	(129,671)
Less: Share of results of equity-accounted joint ventures*	(64,200)	317
	<u>28,981</u>	<u>41,348</u>
Taxation calculated at Singapore statutory income tax rate of 17% (2018: 17%)	4,927	7,029
Expenses not deductible for tax purposes	5,899	3,576
Difference arising from tax rates applicable to foreign entities	498	1,834
Income not subject to tax	(1,960)	(2,428)
Unremitted foreign sourced income	2,066	1,753
Deferred tax not recognised	(44)	(82)
Over provision in respect of prior financial years	(124)	(769)
Withholding tax	–	4
Others	76	90
Taxation expense recognised in the consolidated income statement	<u>11,338</u>	<u>11,007</u>

\* These are presented net of tax in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 9. TAXATION (cont'd)

### (b) Relationship between tax expense and accounting profit (cont'd)

Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rates applicable to foreign subsidiaries are as follows:

	Group	
	2019	2018
China	25%	25%
Hong Kong	16.5%	16.5%
Indonesia	25%	25%
Mauritius	15%	15%

### (c) Deferred taxation

	Group		Company	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of financial year	16,377	15,657	12	11
Foreign exchange adjustments	(415)	325	–	–
Charged to income statement	6,359	395	14	1
Balance at end of financial year	22,321	16,377	26	12

	Group			Company		
	2019	31.3.2018	1.4.2017	2019	31.3.2018	1.4.2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	–	–	(1,102)	–	–	–
Deferred tax liabilities	22,321	16,377	16,759	26	12	11
Balance at end of financial year	22,321	16,377	15,657	26	12	11

Deferred taxation as at 31 March relates to the following:

	Consolidated balance sheet			Consolidated income statement		Company balance sheet		
	2019	31.3.2018	1.4.2017	2019	2018	2019	31.3.2018	1.4.2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax liabilities</b>								
Differences in depreciation	14,550	14,372	13,431	599	567	–	–	–
Fair value changes	363	1,320	1,398	(957)	25	–	–	–
Undistributed profits of subsidiaries, associates and joint ventures	5,303	4,865	6,205	580	(2,225)	–	–	–
Unremitted foreign sourced interest income	3,507	1,807	611	1,699	1,196	26	12	11
	23,723	22,364	21,645			26	12	11

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 9. TAXATION (cont'd)

### (c) *Deferred taxation* (cont'd)

Deferred taxation as at 31 March relates to the following: (cont'd)

	Consolidated balance sheet			Consolidated income statement		Company balance sheet		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<b>Deferred tax assets</b>								
Differences in depreciation	–	–	(1,365)	–	1,365	–	–	–
Fair value loss on investment properties	(498)	(4,507)	(3,519)	3,676	–	–	–	–
Deferred income and other deferred tax assets	(904)	(1,480)	(1,104)	762	(533)	–	–	–
	<u>22,321</u>	<u>16,377</u>	<u>15,657</u>			<u>26</u>	<u>12</u>	<u>11</u>
Deferred income tax expense				<u>6,359</u>	<u>395</u>			

### *Unrecognised tax losses*

Singapore tax law allows for Group relief where a Singapore company belonging to a group may transfer its current year unabsorbed capital allowances, current year unutilised trade losses and current year unabsorbed donations (loss items) to other Singapore companies belonging to the same group, to be deducted against the assessable income in the year of income.

There are estimated tax losses and unabsorbed capital allowances amounting to \$16,964,000 and \$27,000 (31 March 2018: \$17,220,000 and \$27,000; 1 April 2017: \$16,774,000 and \$27,000) respectively, available for offset against future taxable profits of certain subsidiaries of which \$15,168,000 (31 March 2018: \$15,424,000; 1 April 2017: \$15,908,000) has not been recognised as deferred tax asset due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

### *Tax consequences of proposed dividends*

There are no further Singapore income tax consequences (2018: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

## 10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2019 Cents	2018 Cents
Basic	<u>11.5</u>	<u>19.2</u>
Diluted	<u>11.5</u>	<u>19.2</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 10. EARNINGS PER SHARE (cont'd)

	Group	
	2019 \$'000	2018 \$'000
Profit net of taxation attributable to owners of the Company, used in the computation of basic and diluted earnings per share	95,271	159,195
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	828,036	828,036

As at 31 March 2019, there are no dilutive potential ordinary shares (2018: Nil).

## 11. PLANT AND EQUIPMENT

	Plant, equipment, furniture and fittings \$'000
<b>Group</b>	
<b>Cost</b>	
At 1 April 2017	32,167
Additions	1,514
Disposals	(83)
Write-offs	(370)
At 31 March 2018	33,228
Additions	1,967
Disposals	(18)
Write-offs	(319)
At 31 March 2019	34,858
<b>Accumulated depreciation and impairment loss</b>	
At 1 April 2017	27,105
Charge for 2018	2,111
Disposals	(83)
Write-offs	(370)
Exchange adjustment	(1)
At 31 March 2018	28,762
Charge for 2019	3,272
Impairment for 2019	990
Disposals	(18)
Write-offs	(276)
At 31 March 2019	32,730
<b>Net book value</b>	
At 1 April 2017	5,062
At 31 March 2018	4,466
At 31 March 2019	2,128



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 11. PLANT AND EQUIPMENT (cont'd)

### Impairment of assets

During the financial year, the Group carried out a review of the recoverable amount of the plant and equipment in the retail segment. An impairment loss of \$990,000 (2018: \$Nil) was recognised in "General and administrative expenses" line item of profit or loss for the financial year ended 31 March 2019.

	<b>Plant, equipment, furniture and fittings \$'000</b>
<b>Company</b>	
<b>Cost</b>	
At 1 April 2017	1,824
Additions	4
Disposals	(23)
At 31 March 2018	1,805
Additions	19
Disposals	(18)
At 31 March 2019	1,806
<b>Accumulated depreciation</b>	
At 1 April 2017	1,751
Charge for 2018	35
Disposals	(23)
At 31 March 2018	1,763
Charge for 2019	31
Disposals	(18)
At 31 March 2019	1,776
<b>Net book value</b>	
At 1 April 2017	73
At 31 March 2018	42
At 31 March 2019	30

## 12. INVESTMENT PROPERTIES

	Note	Group	
		2019 \$'000	2018 \$'000
<b>Balance sheet:</b>			
Balance at 1 April		100,214	104,423
Disposal		–	(7,024)
Adjustments to fair value		14,706	416
Foreign exchange adjustments		(2,891)	2,399
Balance at 31 March		112,029	100,214
<b>Consolidated income statement:</b>			
Rental income from an investment property	4	6,933	6,608
Direct operating expenses (including repairs, maintenance and refurbishment) arising from a rental generating property		(962)	(1,158)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 12. INVESTMENT PROPERTIES (cont'd)

The Group's investment properties as at 31 March are as follows:

Name of building	Description	Tenure of land	Name of valuer	Valuation method	Fair value		
					2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
GIE Tower, Guangzhou	Part of a 7-storey shopping podium & 35-storey office tower along Huan Shi Dong Road, Guangzhou, People's Republic of China	50 years' lease from 18 October 1994 (25 years remaining)	Cushman & Wakefield Limited	Direct capitalisation and direct comparison method	112,029	100,214	97,399
Lakeville Regency, Shanghai	Flat No. 2702, No. 5 The Lakeville Regency, Lane 168, Shun Chang Road, Luwan District, Shanghai, People's Republic of China	64 years' lease from 20 April 2007	Cushman & Wakefield Limited	Direct capitalisation and direct comparison method	–	–	7,024
					<u>112,029</u>	<u>100,214</u>	<u>104,423</u>

In financial year ended 31 March 2018, the Group disposed the flat at Lakeville Regency for a consideration of \$7,833,000 which resulted in a gain of \$809,000 (Note 6).

### Valuation of investment properties

Investment properties are stated at fair value, which have been determined based on valuations at the end of the reporting period. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

Details of valuation techniques and inputs used are disclosed in Note 32.

## 13. SUBSIDIARIES

	Company		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Unquoted equity shares, at cost	21,828	21,828	21,828
Impairment losses	(4,038)	(4,038)	(4,038)
Carrying amount of investments	<u>17,790</u>	<u>17,790</u>	<u>17,790</u>

Movement in impairment loss is as follows:

	Company	
	2019 \$'000	2018 \$'000
Balance at beginning and end of financial year	<u>4,038</u>	<u>4,038</u>

Details of subsidiaries are shown in Note 34.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 14. AMOUNTS DUE FROM SUBSIDIARIES

	Note	Company		
		2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<u>Non-current</u>				
Amounts due from subsidiaries	(a)	477,602	538,375	496,166
Impairment losses		(2,927)	(2,927)	(2,927)
		<u>474,675</u>	<u>535,448</u>	<u>493,239</u>
<u>Current</u>				
Amounts due from subsidiaries	(b)	<u>259,196</u>	–	–

Movement in impairment loss is as follows:

	Company	
	2019 \$'000	2018 \$'000
Balance at beginning and end of financial year	<u>2,927</u>	<u>2,927</u>

There is no movement in allowance for expected credit losses of amounts due from subsidiaries during the financial year.

### (a) Amounts due from subsidiaries – Non-current

The non-current amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest-free, except for \$4,005,000 in the financial year ended 31 March 2018 (1 April 2017: \$4,140,000), which bore interest ranging from 3.7% to 4.2% (1 April 2017: 3.1% to 3.5%) per annum. These amounts due from subsidiaries form part of the Company's net investment in the subsidiaries.

### (b) Amounts due from subsidiaries – Current

The current amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

## 15. ASSOCIATES

	Note	Group			Company		
		2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<u>Non-current</u>							
Investment in associates	(a)	345,809	346,573	373,542	500	500	500
Add:							
Amounts due from associates	(b)	412,249	197,601	134,108	–	–	–
		<u>758,058</u>	<u>544,174</u>	<u>507,650</u>	<u>500</u>	<u>500</u>	<u>500</u>
<u>Current</u>							
Amounts due from associates	(c)	<u>1,976</u>	–	–	–	–	–
Amount due to an associate	(d)	–	–	(67,457)	–	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 15. ASSOCIATES (cont'd)

### (a) Investment in associates

	Group			Company		
	2019	31.3.2018	1.4.2017	2019	31.3.2018	1.4.2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Quoted equity shares, at cost	117,700	117,700	117,700	–	–	–
Share of post-acquisition reserves	160,495	169,221	60,872	–	–	–
Share of changes recognised directly in associates' equity	(13,339)	1,563	(14,697)	–	–	–
Foreign currency translation reserve	10,740	544	16,171	–	–	–
	<u>275,596</u>	<u>289,028</u>	<u>180,046</u>	<u>–</u>	<u>–</u>	<u>–</u>
Unquoted equity shares, at cost	76,489	55,764	114,730	500	500	500
Share of post-acquisition reserves	(2,256)	18,245	102,061	–	–	–
Share of changes recognised directly in associates' equity	(493)	(7,104)	(10,054)	–	–	–
Foreign currency translation reserve	(3,527)	(9,360)	(13,241)	–	–	–
	<u>70,213</u>	<u>57,545</u>	<u>193,496</u>	<u>500</u>	<u>500</u>	<u>500</u>
	<u>345,809</u>	<u>346,573</u>	<u>373,542</u>	<u>500</u>	<u>500</u>	<u>500</u>
Market value of quoted shares	<u>94,037</u>	<u>124,722</u>	<u>101,131</u>	<u>–</u>	<u>–</u>	<u>–</u>

### (b) Amounts due from associates – Non-current

Out of the non-current amounts due from associates of \$412,249,000 (31 March 2018: \$197,601,000; 1 April 2017: \$134,108,000), \$101,997,000 (31 March 2018: \$79,751,000; 1 April 2017: \$45,400,000) are interest-free and \$310,252,000 (31 March 2018: \$117,850,000; 1 April 2017: \$88,708,000) are interest-bearing with interest rates that range between 2.5% and 16.8% (31 March 2018 and 1 April 2017: 2.3% to 16.8%) per annum. The total amounts are not expected to be repaid within the next financial year, of which \$112,173,000 (31 March 2018: \$89,906,000; 1 April 2017: \$54,325,000) form part of the Company's net investment in the associates.

The amounts are unsecured except for \$290,091,000 (31 March 2018: \$107,489,000; 1 April 2017: \$79,147,000), whereby the loans to associates and loans extended by our associates to third parties are secured by way of share charge over the issued share capital of certain companies, assignment of shareholders' loans, legal mortgage over the underlying land and properties, personal guarantees and/or corporate guarantees.

### (c) Amounts due from associates – Current

The current amounts due from associates are interest-free, unsecured and repayable on demand.

### (d) Amount due to an associate – Current

The amount due to an associate bore interest at 3.0% per annum, was unsecured and repaid during the financial year ended 31 March 2018.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 15. ASSOCIATES (cont'd)

Amounts due from/(to) associates denominated in foreign currencies are as follows:

	<b>Group</b>		
	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amounts due from associates:			
– Sterling Pound	38,241	83,512	47,948
– Chinese Renminbi	113,948	79,751	44,764
– United States Dollar	125,747	34,338	40,760
Amount due to an associate:			
– Chinese Renminbi	–	–	(67,457)

Details of the associates are shown in Note 34.

The Group's share of associates' results, adjusted for the proportion of ownership interest by the Group, is as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating results	(1,438)	(35,314)
Fair value adjustments on investment properties	19,099	5,585
Non-operating results	(i) 5,963	201,911
Taxation	(8,510)	(42,797)
Others	(1,273)	286
	<b>13,841</b>	<b>129,671</b>

- (i) During the current financial year, the non-operating results of associates of \$5,963,000 relate to the Group's share of compensation income for aborted investment received by Top Spring International Holdings Limited ("TSI").

For the financial year ended 31 March 2018, the non-operating results of associates of \$201,911,000 included the Group's share of a divestment gain of \$192,739,000 from TSI's very substantial disposal of eight property projects. The taxation charge included a tax expense in respect of this divestment gain of \$28,228,000.

As at 31 March 2019, the Group's share of the carrying value of the sales consideration to be received by TSI amounted to \$40,500,000 (2018: \$178,749,000). These receivables from third parties will be settled upon the obtaining of certain specific approval from the local authorities for the underlying disposed projects.

Aggregate information about the Group's investment in associates that are not individually material are as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit net of taxation	11,122	9,759
Other comprehensive income	(1,383)	3,494
Total comprehensive income	<b>9,739</b>	<b>13,253</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 15. ASSOCIATES (cont'd)

The summarised balance sheet in respect of material investment in associates, based on their FRS financial statements (not adjusted for the percentage of ownership held by the Group), and reconciliation with the carrying amount of the investments in the consolidated statements are as follows:

	<b>Top Spring International Holdings Limited</b>		
	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Summarised balance sheet</b>			
Current assets	3,531,659	3,034,448	3,364,069
Non-current assets	1,402,205	1,471,527	1,320,797
Total assets	4,933,864	4,505,975	4,684,866
Current bank and other borrowings	(574,816)	(487,945)	(542,471)
Other current liabilities	(1,394,159)	(1,261,085)	(1,647,363)
Non-current bank and other borrowings (excluding bonds/notes)	(934,836)	(444,808)	(387,408)
Other non-current liabilities	(179,636)	(372,781)	(877,298)
Total liabilities	(3,083,447)	(2,566,619)	(3,454,540)
Net assets	1,850,417	1,939,356	1,230,326
Non-controlling interests	(19,683)	(27,115)	(168,525)
Net assets excluding non-controlling interests	1,830,734	1,912,241	1,061,801
Net assets excluding non-controlling interests	1,830,734	1,912,241	1,061,801
Proportion of the Group's ownership	14.9%	15.0%	16.1%
Group's share of net assets	273,329	285,881	170,525
Other adjustments <sup>(1)</sup>	2,267	3,147	9,521
Carrying amount of the investment	275,596	289,028	180,046

<sup>(1)</sup> Other adjustments comprise fair value adjustments to the assets of the associate at date of acquisition by the Group, and the effects of significant transactions or events that occur between that associate's financial statements' date and the reporting date of the Group.

During the financial year ended 31 March 2018, the Group disposed of its associate, Nanchang Top Spring Real Estate Co., Ltd for a consideration of \$130,852,000 which resulted in a gain on disposal of \$15,843,000 (Note 6).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 15. ASSOCIATES (cont'd)

The summarised statement of comprehensive income in respect of material investment in associates, based on their FRS financial statements (not adjusted for the percentage of ownership held by the Group) is as follows:

	<b>Top Spring International Holdings Limited</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Summarised statement of comprehensive income</b>		
Revenue	619,712	306,730
Profit net of taxation	127,799	769,796
Other comprehensive income	(580,710)	147,253
Total comprehensive income	(452,911)	917,049
<b>Other summarised information</b>		
Dividends received/receivable	10,317	8,938

### Top Spring International Holdings Limited ("TSI")

TSI is a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Group has a nominated representative on TSI's board. The Group has assessed that it has the ability to exercise significant influence in TSI and accordingly, equity accounted TSI's results. As at 31 March 2019, the Group has an effective indirect equity stake of approximately 16.5% voting rights and 14.9% ownership interest in TSI.

The financial statements of TSI are prepared as of 31 December 2018. Adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

## 16. JOINT VENTURES

	Note	<b>Group</b>			<b>Company</b>		
		<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>							
Investment in joint ventures	(a)	223,278	200,996	203,800	–	–	–
Add:							
Amounts due from joint ventures	(b)	14,407	218,921	178,874	–	–	–
		<u>237,685</u>	<u>419,917</u>	<u>382,674</u>	<u>–</u>	<u>–</u>	<u>–</u>
Amount due to a joint venture	(c)	20,210	–	–	–	–	–
<b>Current</b>							
Amounts due from joint ventures	(d)	191,849	–	–	4,169	–	–
Amount due to a joint venture	(e)	22,357	–	–	–	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 16. JOINT VENTURES (cont'd)

### (a) *Investment in joint ventures*

	Group		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Unquoted equity shares, at cost	55,554	55,554	36,768
Share of post-acquisition reserves	164,100	134,337	155,325
Foreign currency translation reserve	4,225	11,105	11,707
Other reserve	(601)	–	–
	223,278	200,996	203,800

### (b) *Amounts due from joint ventures – Non-current*

The non-current amounts due from joint ventures are interest-free, except for \$14,407,000 (31 March 2018: \$53,627,000; 1 April 2017: \$25,520,000) which bear interest ranging from 6.5% to 6.7% (31 March 2018: 3.7% to 10.5%; 1 April 2017: 3.1% to 10.5%) per annum, unsecured and are not expected to be repaid within the next financial year.

During the financial year ended 31 March 2018, an impairment loss of \$9,472,000 was reversed in the consolidated income statement following a re-assessment of the carrying amount of the non-current amount due from a joint venture.

### (c) *Amount due to a joint venture – Non-current*

The non-current amount due to a joint venture bear interest ranging from 2.4% to 2.5%, unsecured and not expected to be repaid within the next financial year.

### (d) *Amounts due from joint ventures – Current*

The current amounts due from joint ventures are interest-free, except for \$4,169,000 (31 March 2018 and 1 April 2017: \$Nil) which bear interest ranging from 4.8% to 5.3% per annum, unsecured and expected to be repaid within the next financial year.

### (e) *Amount due to a joint venture – Current*

The current amount due to a joint venture bear interest ranging from 2.4% to 2.5%, unsecured and repayable on demand.

Amounts due from joint ventures denominated in foreign currencies are as follows:

	Group		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Sterling Pound	14,407	49,622	21,380
United States Dollar	4,169	4,005	4,284
Chinese Renminbi	22,432	46	65

Details of the joint ventures are shown in Note 34.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 16. JOINT VENTURES (cont'd)

The summarised financial information of the joint ventures, adjusted for the proportion of ownership interest by the Group, is as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating results	55,605	44,396
Additional buyer's stamp duty expenses	–	(27,747)
Fair value adjustments on investment properties	26,042	(6,754)
Taxation	(17,447)	(10,212)
	<b>64,200</b>	<b>(317)</b>

Aggregate information about the Group's investment in joint ventures that are not individually material are as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) net of taxation, representing total comprehensive income	14,095	(30,566)

The summarised financial information in respect of material investment in joint ventures, based on their FRS financial statements (not adjusted for the percentage of ownership held by the Group), and reconciliation with the carrying amount of the investments in the consolidated statements are as follows:

	<b>Shanghai Metro City Commercial Management Co. Ltd</b>			<b>Shanghai Huimei Property Co Ltd</b>		
	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>

### Summarised balance sheet

Current assets	92,039	99,795	77,466	34,236	31,310	27,351
Non-current assets	223,259	207,564	209,860	234,980	202,691	194,798
Total assets	<b>315,298</b>	<b>307,359</b>	<b>287,326</b>	<b>269,216</b>	<b>234,001</b>	<b>222,149</b>
Current liabilities	(91,665)	(82,535)	(75,622)	(27,336)	(24,897)	(22,928)
Non-current liabilities	(31,611)	(33,512)	(34,220)	(52,971)	(45,361)	(43,382)
Total liabilities	<b>(123,276)</b>	<b>(116,047)</b>	<b>(109,842)</b>	<b>(80,307)</b>	<b>(70,258)</b>	<b>(66,310)</b>
Net assets	<b>192,022</b>	<b>191,312</b>	<b>177,484</b>	<b>188,909</b>	<b>163,743</b>	<b>155,839</b>
Net assets	192,022	191,312	177,484	188,909	163,743	155,839
Proportion of the Group's ownership	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Carrying amount of the investment	<b>115,213</b>	<b>114,787</b>	<b>106,490</b>	<b>113,345</b>	<b>98,246</b>	<b>93,503</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 16. JOINT VENTURES (cont'd)

	Shanghai Metro City Commercial Management Co. Ltd		Shanghai Huimei Property Co Ltd	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Summarised statement of comprehensive income</b>				
Revenue	73,608	70,577	22,133	20,814
Profit before tax	59,821	49,437	52,852	17,707
Taxation	(14,960)	(12,364)	(13,147)	(4,524)
Profit after tax	44,861	37,073	39,705	13,183
Other comprehensive income	–	–	–	–
Total comprehensive income	44,861	37,073	39,705	13,183
Profit after tax				
– Lease income	44,005	42,469	12,079	10,921
– Fair value adjustments	856	(5,396)	27,626	2,262
	44,861	37,073	39,705	13,183
<b>Other summarised information</b>				
Dividends received/receivable	22,409	16,695	5,381	5,665

## 17. INVESTMENTS

	Group		
	2019	31.3.2018	1.4.2017
	\$'000	\$'000	\$'000
<b>Current:</b>			
<i>Financial assets at fair value through profit or loss</i>			
Equity securities (quoted)	31,400	30,262	42,208
<b>Non-current:</b>			
<i>Financial assets at fair value through profit or loss</i>			
Equity securities (unquoted), at fair value	91,948	–	–
Equity securities (quoted)	9,248	–	–
<i>Available-for-sale financial assets</i>			
Equity securities (unquoted), at fair value	–	70,530	71,526
Equity securities (quoted)	–	9,806	23,395
	101,196	80,336	94,921

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 18. DEVELOPMENT PROPERTIES

	Group		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Development properties (at cost or net realisable value)	167,787	50,556	–

Development properties are property rights of certain properties under development purchased from a property developer where such rights will be sold to end-buyers.

## 19. INVENTORIES

	Group		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<b>Consolidated Balance Sheet:</b>			
Inventories held for resale (at cost or net realisable value)	13,499	16,824	19,298
Raw materials (at cost)	196	126	135
Total inventories at lower of cost and net realisable value	13,695	16,950	19,433

Inventories are stated after deducting allowance for obsolete inventories of

1,842	1,267	1,718
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	Note	Group	
		2019 \$'000	2018 \$'000
Balance at 1 April		1,267	1,718
Charged/(write-back) to the consolidated income statement	8	575	(451)
Balance at 31 March		1,842	1,267

### Consolidated Income Statement:

Inventories recognised as an expense in cost of sales	83,161	81,246
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Inventories recognised as an expense in cost of sales is inclusive of the following charge/(credit):

– Inventories written down	8	1,487	2,178
– Allowance for/(write-back of) obsolete inventories	8	575	(451)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 20. ACCOUNTS AND OTHER RECEIVABLES

	Note	Group			Company		
		2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<i>Current</i>							
Trade receivables		29,621	2,642	2,467	–	–	–
Deposits		4,632	4,619	4,802	181	180	180
Other receivables							
– Recoverables and sundry debtors		19,267	5,318	550	2,092	12	32
– Proceeds from disposal of an associate	(i)	–	122,771	–	–	–	–
		53,520	135,350	7,819	2,273	192	212
Amounts due from subsidiaries	14	–	–	–	259,196	–	–
Amounts due from associates	15	1,976	–	–	–	–	–
Amounts due from joint ventures	16	191,849	–	–	4,169	–	–
<i>Non-current</i>							
Amounts due from subsidiaries	14	–	–	–	–	4,005	4,140
Amounts due from associates	15	300,076	107,695	79,783	–	–	–
Amounts due from joint ventures	16	14,407	218,921	178,874	–	–	–
Total receivables (current and non- current)		561,828	461,966	266,476	265,638	4,197	4,352
Add:							
Pledged fixed and bank deposits	21	37,242	158,409	111,278	–	–	–
Cash and cash equivalents	21	195,316	159,364	278,164	33,743	9,588	9,192
Total financial assets carried at amortised cost		794,386	779,739	655,918	299,381	13,785	13,544

- (i) The proceeds from disposal of an associate was received during the financial year ended 31 March 2019 (Note 15).

Trade receivables are non-interest bearing and are generally on 2 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 20. ACCOUNTS AND OTHER RECEIVABLES (cont'd)

### (a) Receivables that are impaired

As at 31 March 2018, the Group has trade receivables amounting to \$341,000 (1 April 2017: \$231,000) that are past due at the end of the reporting period but not impaired.

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	<b>Group</b>	
	<b>31.3.2018</b>	<b>1.4.2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Individually impaired</i>		
Trade receivables – nominal amounts	2,013	1,445
Less: Allowance for impairment	(36)	(33)
	<u>1,977</u>	<u>1,412</u>

Movement in allowance for doubtful debts is as follows:

	<b>Note</b>	<b>Group</b>
		<b>2018</b>
		<b>\$'000</b>
Movement in allowance account:		
Balance at 1 April		33
Charge for the year	8	<u>3</u>
Balance at 31 March		<u>36</u>

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

For assets to be classified as "past due" or "impaired", contractual payments must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets.

### (b) Expected credit losses

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follows:

	<b>Note</b>	<b>Group</b>
		<b>2019</b>
		<b>\$'000</b>
Trade receivables – nominal amounts		
		2,474
Less: Allowance for impairment		(37)
Balance at 31 March		<u>2,437</u>
Movement in allowance account:		
Balance at 1 April		36
Charge for the year	8	<u>1</u>
Balance at 31 March		<u>37</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 20. ACCOUNTS AND OTHER RECEIVABLES (cont'd)

(c) *Current receivables denominated in foreign currencies are as follows:*

	Group		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Chinese Renminbi	738	123,448	964
Indonesian Rupiah	42,140	4,894	–
Sterling Pound	–	7	37

## 21. CASH AND CASH EQUIVALENTS

Cash and bank balances and fixed deposits placed with financial institutions are as follows:

	Group			Company		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Fixed deposits	198,738	279,830	323,110	31,433	8,700	5,540
Cash on hand and at bank	33,820	37,943	66,332	2,310	888	3,652
Total cash and bank balances	232,558	317,773	389,442	33,743	9,588	9,192
Less: Fixed bank deposits pledged as security	(37,242)	(158,409)	(111,278)	–	–	–
Cash and cash equivalents	195,316	159,364	278,164	33,743	9,588	9,192

Fixed deposits are placed for varying periods of not more than six months depending on the immediate cash requirements of the Group and bear interest ranging from 0.2% to 7.2% (31 March 2018: 0.3% to 5.0%; 1 April 2017: 0.3% to 6.4%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.1% to 2.0% (31 March 2018: 0.1% to 2.0%; 1 April 2017: 0.4%) per annum.

Fixed deposits of \$37,242,000 (31 March 2018: \$158,409,000; 1 April 2017: \$111,278,000) had been pledged to financial institutions as security for borrowings (Note 22).

Cash and bank balances denominated in foreign currencies are as follows:

	Group			Company		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
United States Dollar	44,719	79,289	92,632	688	3	7
Chinese Renminbi	8,552	33,948	137,159	1	–	–
Indonesian Rupiah	1,403	2,592	–	–	–	–
Sterling Pound	14,777	652	951	–	–	3

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 22. BORROWINGS

	Note	Group			Company		
		2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<b>Current</b>							
Bank revolving credit facility, denominated in Singapore dollars, unsecured	(a)	23,400	–	–	–	–	–
Bank revolving credit facilities, denominated in Sterling pound, secured	(b)	57,084	136,752	65,915	–	–	–
		<u>80,484</u>	<u>136,752</u>	<u>65,915</u>	<u>–</u>	<u>–</u>	<u>–</u>

### Non-current

Unsecured borrowings under the multicurrency debt issuance programme							
– 4.00% p.a. fixed rate SGD notes (repayable in October 2021)	(c)	149,187	–	–	149,187	–	–

### Maturity of borrowings

Repayable:							
Within 1 year		80,484	136,752	65,915	–	–	–
Within 2 to 5 years		149,187	–	–	149,187	–	–
		<u>229,671</u>	<u>136,752</u>	<u>65,915</u>	<u>149,187</u>	<u>–</u>	<u>–</u>

- (a) The revolving credit facility is unsecured and denominated in Singapore dollars and bears interest at rate of 3.1% per annum. The loan is repaid subsequent to the year ended 31 March 2019.
- (b) The revolving credit facilities are denominated in Sterling pound and bear interest at rates ranging from 2.2% to 3.6% (31 March 2018: 1.7% to 2.4%; 1 April 2017: 1.3% to 1.8%) per annum. These bank loans are secured by charges over fixed deposits of \$37,242,000 (31 March 2018: \$158,409,000; 1 April 2017: \$111,278,000) (Note 21).
- (c) On 17 October 2018, the Company issued \$150 million of unsecured fixed rate notes under its \$1 billion multicurrency debt issuance programme which was established on 4 October 2018. The notes will mature in October 2021 and bear an interest of 4.00% per annum payable semi-annually in arrears.

A reconciliation of liabilities arising from financing activities is as follows:

	Cash flows			Non-cash changes		31.3.2019 \$'000
	31.3.2018 \$'000	Drawdown \$'000	Repayment \$'000	Foreign exchange movement \$'000	Others \$'000	
Borrowings						
– Current	136,752	23,400	(74,054)	(5,614)	–	80,484
– Non-current	–	149,050	–	–	137	149,187
	<u>136,752</u>	<u>172,450</u>	<u>(74,054)</u>	<u>(5,614)</u>	<u>137</u>	<u>229,671</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 22. BORROWINGS (cont'd)

	1.4.2018 \$'000	Cash flows \$'000	Non-cash changes Foreign exchange movement \$'000	31.3.2018 \$'000
Borrowings				
– Current	65,915	66,153	4,684	136,752

## 23. ACCOUNTS AND OTHER PAYABLES

	Note	Group			Company		
		2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
<b>Financial liabilities</b>							
<i>Current</i>							
Trade payables		25,512	19,269	18,654	–	–	–
Other payables							
– Sundry creditors		7,875	18,807	7,538	449	911	920
– Accruals		25,415	13,896	11,623	5,958	7,043	4,760
– Refundable deposits		2,079	1,904	1,826	–	–	–
		60,881	53,876	39,641	6,407	7,954	5,680
Amount due to subsidiaries		–	–	–	274,465	–	–
Amount due to an associate	15	–	–	67,457	–	–	–
Amount due to a joint venture	16	22,357	–	–	–	–	–
<i>Non-current</i>							
Amounts due to subsidiaries		–	–	–	–	255,192	244,226
Amount due to a joint venture	16	20,210	–	–	–	–	–
Total accounts and other payables (current and non-current)		103,448	53,876	107,098	280,872	263,146	249,906
Add: Total borrowings	22	229,671	136,752	65,915	149,187	–	–
Total financial liabilities carried at amortised cost		333,119	190,628	173,013	430,059	263,146	249,906
<b>Non-financial liability</b>							
<i>Non-current</i>							
Deferred income		7,436	11,325	13,352	–	–	–

### Trade payables

Trade payables are non-interest bearing and are normally settled on 30-60 day terms.

### Other payables

The amounts due to subsidiaries (current) are non-trade related, unsecured, interest-free and repayable on demand.

The amounts due to subsidiaries (non-current) are non-trade related, unsecured, interest-free and have no fixed terms of repayment.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 23. ACCOUNTS AND OTHER PAYABLES (cont'd)

Current payables denominated in foreign currencies are as follows:

	Group		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Indonesian Rupiah	18,232	11,171	–
Chinese Renminbi	2,427	2,591	2,400
Sterling Pound	126	345	87
United States Dollar	383	76	47

## 24. SHARE CAPITAL AND TREASURY SHARES

### (a) Share capital

	Group and Company					
	2019		31.3.2018		1.4.2017	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid:						
<i>Ordinary shares</i>						
Balance at beginning and end of the financial year	831,549	169,717	831,549	169,717	831,549	169,717

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

### (b) Treasury shares

	Group and Company					
	2019		31.3.2018		1.4.2017	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
Balance at beginning and end of the financial year	3,513	1,768	3,513	1,768	3,513	1,768

Treasury shares relate to ordinary shares of the Company that are held by the Company.

## 25. RESERVES

	Note	Group			Company		
		2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Revenue reserve		1,348,933	1,289,149	1,171,557	194,316	132,438	103,071
Foreign currency translation reserve	(a)	(7,007)	5,237	–	–	–	–
Statutory reserve	(b)	4,321	4,081	3,880	–	–	–
FVOCI reserve	(c)	–	5,330	3,366	–	–	–
Other reserve	(d)	1,006	1,811	1,474	–	–	–
		<u>1,347,253</u>	<u>1,305,608</u>	<u>1,180,277</u>	<u>194,316</u>	<u>132,438</u>	<u>103,071</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 25. RESERVES (cont'd)

### (a) *Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

### (b) *Statutory reserve*

Statutory reserve represents the fund set aside on the appropriation of net profit by a subsidiary, joint ventures and an associate, which is restricted in use as required by the relevant laws and regulations of the People's Republic of China.

### (c) *Fair value through other comprehensive income ("FVOCI") reserve*

FVOCI reserve records the cumulative fair value changes net of tax, of investments at FVOCI until they are derecognised or impaired.

### (d) *Other reserve*

Other reserve comprises the share of other reserves of certain associates.

## 26. DIVIDENDS

	<u>Group and Company</u>	
	<u>2019</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>
Dividends paid during the financial year:		
Final exempt (one-tier) dividend for 2018 of 2.0 cents (2017: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend for 2018 of 3.0 cents (2017: 3.0 cents) per ordinary share	24,841	24,841
	<u>41,402</u>	<u>41,402</u>

Dividends proposed but not recognised as a liability as at 31 March:

Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:

Final exempt (one-tier) dividend for 2019 of 2.0 cents (2018: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend for 2019 of 2.5 cents (2018: 3.0 cents) per ordinary share	20,701	24,841
	<u>37,262</u>	<u>41,402</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 27. COMMITMENTS

### (i) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	<b>Group</b>		
	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Capital commitments in respect of investment in:			
– Long term investments	2,551	534	435

### (ii) Operating lease commitments

#### (a) As lessee

Operating lease expenses for the Group during the financial year ended 31 March 2019 amounted to \$24,362,000 (2018: \$23,773,000).

The Group leases certain properties under non-cancellable lease arrangements which do not have any purchase options and expire at various dates till 2019. All leases include a clause to enable upward revision of the rental charge on a periodic basis, based on prevailing market conditions. The future minimum rentals under these non-cancellable leases are:

	<b>Group</b>		
	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	16,528	19,668	18,596
Later than one year but not later than five years	7,461	24,249	42,393
	<b>23,989</b>	<b>43,917</b>	<b>60,989</b>

#### (b) As lessor

The Group has entered into commercial property leases on its property portfolio. These non-cancellable leases have remaining lease terms of between 1 and 6 years (31 March 2018: 1 and 7 years; 1 April 2017: 1 and 10 years). Certain leases include a clause to enable upward revision of the rental charge on a periodic basis based on prevailing market conditions.

Future minimum lease payments receivable under non-cancellable operating leases as at 31 March are as follows:

	<b>Group</b>		
	<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	5,842	6,322	6,038
Later than one year but not later than five years	7,735	8,447	10,968
Later than five years	508	1,215	1,917
	<b>14,085</b>	<b>15,984</b>	<b>18,923</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 28. CONTINGENT LIABILITIES

	Company		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Financial support given to certain subsidiaries having:			
– deficiencies in shareholders' funds	34,437	82,886	88,322
– current liabilities in excess of current assets	11,955	7,049	39,820

The Company has provided corporate guarantees to a bank for loans of \$57,084,000 (31 March 2018: \$136,752,000; 1 April 2017: \$65,915,000) taken by its subsidiaries.

The Group is subject to certain standard warranty clauses in the sale and purchase agreements relating to the disposal of certain investments. The Group has assessed that the probability of these contingent liabilities is remote, during the financial years ended 31 March 2018 and 31 March 2019.

## 29. RELATED PARTY DISCLOSURES

In addition to the related party information disclosed elsewhere in the financial statements, the significant transactions between the Group and related parties on terms agreed between the parties are as follows:

### (a) *Services and other fees*

	Group	
	2019 \$'000	2018 \$'000
Interest income from associates	(13,506)	(9,680)
Interest income from joint venture	(236)	(1,555)
Management fee received from an associate	(375)	(772)
Corporate advisory fee paid to a company that is controlled by a Director	–	60

### (b) *Compensation of key management personnel*

	Group	
	2019 \$'000	2018 \$'000
Salary, bonus and other benefits	6,794	9,156
Contributions to CPF	95	73
Total compensation paid to key management personnel	6,889	9,229
Comprise amounts paid to:		
Directors of the Company	2,123	4,738
Other key management personnel	4,766	4,491
	6,889	9,229

## 30. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- (i) The property sector is involved in the leasing of shopping and office spaces owned by the Group and investing in property-related investments.
- (ii) The retail segment is involved in the business of retailing and operating of departmental stores.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 30. SEGMENT INFORMATION (cont'd)

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

### Business segments

	Property \$'000	Retail \$'000	Total \$'000
<b>2019</b>			
Segment revenue			
– Sales of goods and net commission from concessionaires	–	130,575	130,575
– Sales of property rights	34,456	–	34,456
– Rental income	6,933	–	6,933
	<u>41,389</u>	<u>130,575</u>	<u>171,964</u>
Segment results	27,291	(7,055)	20,236
Fair value gain on an investment property	14,706	–	14,706
Finance costs	(5,803)	–	(5,803)
Interest in associates			
– Share of results, net of tax	13,141	700	13,841
– Dilution loss	(158)	–	(158)
	12,983	700	13,683
Interest in joint ventures			
– Share of results, net of tax	64,200	–	64,200
Segment profit/(loss) from operations before taxation	113,377	(6,355)	107,022
Taxation	(11,617)	279	(11,338)
Profit/(loss) net of taxation	<u>101,760</u>	<u>(6,076)</u>	<u>95,684</u>
<b>2018</b>			
Segment revenue			
– Sales of goods and net commission from concessionaires	–	129,718	129,718
– Rental income	6,608	–	6,608
	<u>6,608</u>	<u>129,718</u>	<u>136,326</u>
Segment results	38,724	(3,916)	34,808
Fair value gain on an investment property	416	–	416
Finance costs	(2,029)	–	(2,029)
Interest in associates			
– Share of results, net of tax	127,927	1,744	129,671
– Dilution loss	(1,319)	–	(1,319)
	126,608	1,744	128,352
Interest in joint ventures			
– Share of results, net of tax	(317)	–	(317)
– Reversal of write down of amount due from a joint venture	9,472	–	9,472
	9,155	–	9,155
Segment profit/(loss) from operations before taxation	172,874	(2,172)	170,702
Taxation	(10,985)	(22)	(11,007)
Profit/(loss) net of taxation	<u>161,889</u>	<u>(2,194)</u>	<u>159,695</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 30. SEGMENT INFORMATION (cont'd)

### *Business segments* (cont'd)

	Property \$'000	Retail \$'000	Total \$'000
<b>2019</b>			
<b><i>Assets and liabilities</i></b>			
Segment assets	669,416	45,604	715,020
Associates	746,024	14,010	760,034
Joint ventures	429,534	–	429,534
Total assets	<u>1,844,974</u>	<u>59,614</u>	<u>1,904,588</u>
Segment liabilities	308,293	32,262	340,555
Provision for taxation	2,364	290	2,654
Deferred tax liabilities	22,321	–	22,321
Total liabilities	<u>332,978</u>	<u>32,552</u>	<u>365,530</u>
<b><i>Other segment information</i></b>			
Additions to non-current assets			
– Plant and equipment	20	1,947	1,967
Finance costs	5,803	–	5,803
Interest income	(18,861)	(296)	(19,157)
Depreciation of plant and equipment	37	3,235	3,272
<b><i>Other material non-cash items</i></b>			
Inventories written down	–	1,487	1,487
Net change in fair value of investments at fair value through profit or loss (unrealised)	(9,255)	–	(9,255)
Fair value gain on an investment property	(14,706)	–	(14,706)
Allowance for obsolete inventories	–	575	575
<b>31 March 2018</b>			
<b><i>Assets and liabilities</i></b>			
Segment assets	687,026	50,803	737,829
Associates	531,035	13,139	544,174
Joint ventures	419,917	–	419,917
Total assets	<u>1,637,978</u>	<u>63,942</u>	<u>1,701,920</u>
Segment liabilities	170,720	31,233	201,953
Provision for taxation	1,171	277	1,448
Deferred tax liabilities	16,377	–	16,377
Total liabilities	<u>188,268</u>	<u>31,510</u>	<u>219,778</u>
<b><i>Other segment information</i></b>			
Additions to non-current assets			
– Plant and equipment	7	1,507	1,514
Finance costs	2,029	–	2,029
Interest income	(15,822)	(141)	(15,963)
Depreciation of plant and equipment	39	2,072	2,111
<b><i>Other material non-cash items</i></b>			
Inventories written down	–	2,178	2,178
Net change in fair value of investments at fair value through profit or loss (unrealised)	(1,883)	–	(1,883)
Fair value gain on an investment property	(416)	–	(416)
Write-back of obsolete inventories	–	(451)	(451)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 30. SEGMENT INFORMATION (cont'd)

### Business segments (cont'd)

	Property \$'000	Retail \$'000	Total \$'000
<b>1 April 2017</b>			
<b>Assets and liabilities</b>			
Segment assets	611,403	52,978	664,381
Associates	495,053	12,597	507,650
Joint ventures	382,674	–	382,674
Deferred tax assets	–	1,102	1,102
Tax recoverable	250	–	250
Total assets	1,489,380	66,677	1,556,057
Segment liabilities	155,538	30,827	186,365
Provision for taxation	1,010	1,224	2,234
Deferred tax liabilities	16,759	–	16,759
Total liabilities	173,307	32,051	205,358

### Geographical information

Revenue, (loss)/profit from operations before taxation and non-current assets information based on the geographical location of the customers and assets respectively, are as follows:

	Asean \$'000	People's Republic of China \$'000	Others \$'000	Group \$'000
<b>2019</b>				
Segment revenue from external customers	165,031	6,933	–	171,964
(Loss)/profit from operations before taxation	(1,249)	79,562	28,709	107,022
Non-current assets				
– Plant and equipment	2,128	–	–	2,128
– Investment property	–	112,029	–	112,029
– Associates	14,525	691,097	52,436	758,058
– Joint ventures	(23,539)	228,559	32,665	237,685
– Financial assets at fair value through profit or loss	–	9,248	91,948	101,196
	(6,886)	1,040,933	177,049	1,211,096

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 30. SEGMENT INFORMATION (cont'd)

### Geographical information (cont'd)

	Asean \$'000	People's Republic of China \$'000	Others \$'000	Group \$'000
<b>31 March 2018</b>				
Segment revenue from external customers	129,718	6,608	–	136,326
(Loss)/profit from operations before taxation	(28,797)	190,813	8,686	170,702
Non-current assets				
– Plant and equipment	4,457	9	–	4,466
– Investment property	–	100,214	–	100,214
– Associates	13,886	429,756	100,532	544,174
– Joint ventures	135,969	217,084	66,864	419,917
– Available-for-sale financial assets	–	9,806	70,530	80,336
	154,312	756,869	237,926	1,149,107
<b>1 April 2017</b>				
Non-current assets				
– Plant and equipment	5,053	9	–	5,062
– Investment properties	–	104,423	–	104,423
– Associates	13,822	429,827	64,001	507,650
– Joint ventures	153,164	204,459	25,051	382,674
– Deferred tax assets	1,102	–	–	1,102
– Available-for-sale financial assets	–	23,395	71,526	94,921
	173,141	762,113	160,578	1,095,832

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to interest rate, foreign currency, credit, liquidity and market price risks. The Group's risk management approach seeks to minimise the potential material adverse impact of these exposures.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk on interest bearing assets arises primarily from their bank borrowings and interest-bearing loans given to related parties. The Group's loans at floating rate given to related parties form a natural hedge for its non-current floating rate bank loans.

All of the Group's and Company's financial assets and liabilities at floating rates are contractually repriced at intervals of 1 to 3 months (2018: 1 to 3 months) from the end of the reporting period.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (a) Interest rate risk (cont'd)

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's floating rate loans and borrowings, with all other variables held constant and the impact on the Group's profit before tax.

	Increase/ decrease in basis points	2019 \$'000	2018 \$'000
<b>Group</b>			
- Sterling pound	+100	(571)	(1,368)
- Sterling pound	-100	571	1,368
- Singapore dollar	+100	(234)	-
- Singapore dollar	-100	234	-

### (b) Foreign currency risk

The Group is exposed to the effects of foreign currency exchange rate fluctuations, primarily in relation to Chinese renminbi (RMB), United States dollar (USD), Hong Kong dollar (HKD), Sterling pound (GBP) and Indonesian rupiah (IDR). Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency or against the entity's functional currency, in particular its future revenue stream. Transactional exposures in currencies other than the entity's functional currency are kept to a minimal level.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the RMB, USD, HKD, GBP and IDR exchange rates (against SGD), with all other variables held constant, on the Group's profit before tax and equity.

	2019		2018	
	Profit before tax \$'000	Equity \$'000	Profit before tax \$'000	Equity \$'000
RMB - strengthened 5% (2018: 5%)	343	4,691	7,740	4,000
- weakened 5% (2018: 5%)	(343)	(4,691)	(7,740)	(4,000)
USD - strengthened 5% (2018: 5%)	5,284	6,496	3,972	4,094
- weakened 5% (2018: 5%)	(5,284)	(6,496)	(3,972)	(4,094)
HKD - strengthened 5% (2018: 5%)	463	13	-	490
- weakened 5% (2018: 5%)	(463)	(13)	-	(490)
GBP - strengthened 5% (2018: 5%)	2,405	559	1,594	522
- weakened 5% (2018: 5%)	(2,405)	(559)	(1,594)	(522)
IDR - strengthened 5% (2018: 5%)	1,266	-	(184)	-
- weakened 5% (2018: 5%)	(1,266)	-	184	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy to ensure that credit customers are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. Collaterals are obtained when appropriate. The amount and type of collateral depends on an assessment of the credit risk of the counterparty. Sufficient rental deposits are obtained to mitigate against the credit risk from tenants.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments and when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off where the receivable remains uncollectible after all reasonable collection efforts have been exhausted. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The carrying amounts of investments, trade and other receivables represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (c) Credit risk (cont'd)

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its financial assets on an on-going basis. The credit risk concentration profile of the Group's financial assets at the end of the reporting period by country is as follows:

	Note	Singapore \$'000	People's Republic of China \$'000	Others \$'000	Total \$'000
<b>By country:</b>					
<b>2019</b>					
Amounts due from associates					
– Non-current	15	–	271,611	28,465	300,076
– Current	15	–	1,818	158	1,976
Amounts due from joint ventures					
– Non-current	16	–	–	14,407	14,407
– Current	16	165,248	26,601	–	191,849
Accounts and other receivables	20	51,214	2,306	–	53,520
Total		216,462	302,336	43,030	561,828
<b>31 March 2018</b>					
Amounts due from associates					
– Non-current	15	–	34,338	73,357	107,695
Amounts due from joint ventures					
– Non-current	16	165,248	4,051	49,622	218,921
Accounts and other receivables	20	7,814	127,536	–	135,350
Total		173,062	165,925	122,979	461,966
<b>1 April 2017</b>					
Amounts due from associates					
– Non-current	15	–	40,760	39,023	79,783
Amounts due from joint ventures					
– Non-current	16	153,145	4,349	21,380	178,874
Accounts and other receivables	20	6,784	1,035	–	7,819
Total		159,929	46,144	60,403	266,476

Of the total financial assets of \$561,828,000 (31 March 2018: \$461,966,000; 1 April 2017: \$266,476,000) disclosed above, 98.8% (31 March 2018: 98.6%; 1 April 2017: 97.3%) is invested in the property sector.

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents and investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's cash and short term deposits, operating cash flows, availability of banking facilities and debt maturity profile are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

#### *Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
<b>Group</b>			
<b>2019</b>			
<b>Financial assets:</b>			
Accounts and other receivables	53,520	–	53,520
Amounts due from associates	64,855	303,662	368,517
Amounts due from joint ventures	192,013	17,784	209,797
Short term investments	31,400	–	31,400
Pledged fixed bank deposits	37,280	–	37,280
Cash and cash equivalents	195,442	–	195,442
Total undiscounted financial assets	<u>574,510</u>	<u>321,446</u>	<u>895,956</u>
<b>Financial liabilities:</b>			
Borrowings	83,954	162,016	245,970
Accounts and other payables	60,881	–	60,881
Amount due from a joint venture	23,565	20,605	44,170
Total undiscounted financial liabilities	<u>168,400</u>	<u>182,621</u>	<u>351,021</u>
Total net undiscounted financial assets	<u>406,110</u>	<u>138,825</u>	<u>544,935</u>
<b>31 March 2018</b>			
<b>Financial assets:</b>			
Accounts and other receivables	135,350	–	135,350
Amounts due from associates	12,271	137,423	149,694
Amounts due from joint ventures	2,323	222,975	225,298
Short term investments	30,262	–	30,262
Pledged fixed bank deposits	159,073	–	159,073
Cash and cash equivalents	159,479	–	159,479
Total undiscounted financial assets	<u>498,758</u>	<u>360,398</u>	<u>859,156</u>
<b>Financial liabilities:</b>			
Borrowings	137,070	–	137,070
Accounts and other payables	53,876	–	53,876
Total undiscounted financial liabilities	<u>190,946</u>	<u>–</u>	<u>190,946</u>
Total net undiscounted financial assets	<u>307,812</u>	<u>360,398</u>	<u>668,210</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (d) *Liquidity risk* (cont'd)

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	1 year or less \$'000	1 to 5 years \$'000	Total \$'000
<b>Group</b>			
<b>1 April 2017</b>			
<b>Financial assets:</b>			
Accounts and other receivables	7,819	–	7,819
Amounts due from associates	10,117	119,504	129,621
Amounts due from joint ventures	1,365	181,860	183,225
Short term investments	42,208	–	42,208
Pledged fixed bank deposits	111,531	–	111,531
Cash and cash equivalents	278,476	–	278,476
Total undiscounted financial assets	451,516	301,364	752,880
<b>Financial liabilities:</b>			
Bank borrowings	65,994	–	65,994
Accounts and other payables	39,641	–	39,641
Amount due to an associate	67,457	–	67,457
Total undiscounted financial liabilities	173,092	–	173,092
Total net undiscounted financial assets	278,424	301,364	579,788
	1 year or less \$'000	Over 5 years \$'000	Total \$'000
<b>Company</b>			
<b>2019</b>			
<b>Financial assets:</b>			
Accounts and other receivables	2,273	–	2,273
Amounts due from subsidiaries	259,196	–	259,196
Amount due from a joint venture	4,333	–	4,333
Cash and cash equivalents	33,761	–	33,761
Total undiscounted financial assets	299,563	–	299,563
<b>Financial liabilities:</b>			
Borrowings	3,403	162,016	165,419
Trade and other payables	6,407	–	6,407
Amounts due to subsidiaries	274,465	–	274,465
Total undiscounted financial liabilities	284,275	162,016	446,291
Total net undiscounted financial assets/(liabilities)	15,288	(162,016)	(146,728)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (d) *Liquidity risk* (cont'd)

*Analysis of financial instruments by remaining contractual maturities* (cont'd)

	1 year or less \$'000	Over 5 years \$'000	Total \$'000
<b>Company</b>			
<b>31 March 2018</b>			
<b>Financial assets:</b>			
Accounts and other receivables	192	–	192
Amounts due from subsidiaries	–	4,005	4,005
Cash and cash equivalents	9,592	–	9,592
Total undiscounted financial assets	9,784	4,005	13,789
<b>Financial liabilities:</b>			
Trade and other payables	7,954	–	7,954
Amounts due to subsidiaries	–	255,192	255,192
Total undiscounted financial liabilities	7,954	255,192	263,146
Total net undiscounted financial assets/(liabilities)	1,830	(251,187)	(249,357)
<b>1 April 2017</b>			
<b>Financial assets:</b>			
Accounts and other receivables	212	–	212
Amounts due from subsidiaries	–	4,140	4,140
Cash and cash equivalents	9,198	–	9,198
Total undiscounted financial assets	9,410	4,140	13,550
<b>Financial liabilities:</b>			
Trade and other payables	5,680	–	5,680
Amounts due to subsidiaries	–	244,226	244,226
Total undiscounted financial liabilities	5,680	244,226	249,906
Total net undiscounted financial assets/(liabilities)	3,730	(240,086)	(236,356)

### (e) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are mainly quoted on the Singapore Stock Exchange and on the Hong Kong Stock Exchange and are classified as financial assets at fair value through profit or loss. The Group does not have exposure to commodity price risk. The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (e) *Market price risk* (cont'd)

#### *Sensitivity analysis for equity price risk*

The following table demonstrates the sensitivity to a reasonably possible change in the Straits Times Index (STI) and Hang Seng Index (HSI), with all other variables held constant, on the fair value of equity instruments held by the Group. The correlation of variables will have a significant effect in determining the ultimate impact on equity price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

	2019		2018	
	Profit before tax \$'000	Equity \$'000	Profit before tax \$'000	Equity \$'000
HSI				
– 10% higher	925	–	–	981
– 10% lower	(925)	–	–	(981)
STI				
– 10% higher	3,140	–	3,026	–
– 10% lower	(3,140)	–	(3,026)	–

## 32. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) *Fair value hierarchies*

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (b) *Assets measured at fair value*

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	2019			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
<b>Group</b>				
<b>Recurring fair value measurements</b>				
<b>Financial assets:</b>				
<u>Financial assets at fair value through profit or loss (Note 17)</u>				
Current				
– Quoted equity instruments	31,400	–	–	31,400
Non-current				
– Quoted equity instruments	9,248	–	–	9,248
– Unquoted equity instruments	–	–	91,948	91,948
Total long term financial assets	9,248	–	91,948	101,196
<b>Financial assets as at 31 March 2019</b>	<b>40,648</b>	<b>–</b>	<b>91,948</b>	<b>132,596</b>
<b>Non-financial asset:</b>				
Investment property (Note 12)	–	–	112,029	112,029
<b>Non-financial asset as at 31 March 2019</b>	<b>–</b>	<b>–</b>	<b>112,029</b>	<b>112,029</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (b) Assets measured at fair value (cont'd)

	31 March 2018			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
<b>Group</b>				
<b>Recurring fair value measurements</b>				
<b>Financial assets:</b>				
<u>Financial assets at fair value through profit or loss (Note 17)</u>				
– Quoted equity instruments	30,262	–	–	30,262
<u>Available-for-sale financial assets (Note 17)</u>				
<u>Equity instruments</u>				
– Quoted equity instruments	9,806	–	–	9,806
– Unquoted equity instruments	–	–	70,530	70,530
Total available-for-sale financial assets	9,806	–	70,530	80,336
<b>Financial assets as at 31 March 2018</b>	<b>40,068</b>	<b>–</b>	<b>70,530</b>	<b>110,598</b>
<b>Non-financial asset:</b>				
Investment property (Note 12)	–	–	100,214	100,214
<b>Non-financial asset as at 31 March 2018</b>	<b>–</b>	<b>–</b>	<b>100,214</b>	<b>100,214</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (b) *Assets measured at fair value* (cont'd)

	1 April 2017			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
<b>Group</b>				
<b>Recurring fair value measurements</b>				
<b>Financial assets:</b>				
<u>Financial assets at fair value through profit or loss (Note 17)</u>				
– Quoted equity instruments	42,208	–	–	42,208
<u>Available-for-sale financial assets (Note 17)</u>				
Equity instruments				
– Quoted equity instruments	23,395	–	–	23,395
– Unquoted equity instruments	–	–	71,526	71,526
Total available-for-sale financial assets	23,395	–	71,526	94,921
<b>Financial assets as at 1 April 2017</b>	<b>65,603</b>	<b>–</b>	<b>71,526</b>	<b>137,129</b>
<b>Non-financial asset:</b>				
Investment properties (Note 12)	–	–	104,423	104,423
<b>Non-financial asset as at 1 April 2017</b>	<b>–</b>	<b>–</b>	<b>104,423</b>	<b>104,423</b>

There have been no transfers between Level 1, Level 2 and Level 3 during 2019, 2018 and 2017.

### (c) *Level 1 fair value measurements*

The fair value of quoted equity instruments are determined directly by reference to their published market bid price at the end of the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (d) Level 3 fair value measurements

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair Value at 31 March 2019 \$'000	Valuation techniques	Key unobservable inputs	Range
<b>Recurring fair value measurements</b>				
Financial assets at fair value through profit or loss:				
– Unquoted equity instruments	91,948	Net asset value <sup>(1)</sup>	Not applicable	Not applicable
Investment property	112,029	Average of direct capitalisation method and direct comparison method <sup>(2)</sup>	– Capitalisation rate <sup>(3)</sup> – Rental rate <sup>(4)</sup> – Comparable price <sup>(5)</sup>	6.00% RMB 116 to RMB 143 per square meter per month Retail and office: RMB 18,586 to RMB 21,985 per square meter Carpark space: RMB 300,000 per square meter

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (d) Level 3 fair value measurements (cont'd)

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value at 31 March 2018 \$'000	Valuation techniques	Key unobservable inputs	Range
<b>Recurring fair value measurements</b>				
Available-for-sale financial assets:				
– Unquoted equity instruments	70,530	Net asset value <sup>(1)</sup>	Not applicable	Not applicable
Investment property	100,214	Average of direct capitalisation method and direct comparison method <sup>(2)</sup>	– Capitalisation rate <sup>(3)</sup> – Rental rate <sup>(4)</sup> – Comparable price <sup>(5)</sup>	7.50% RMB 113 to RMB 140 per square meter per month Retail and office: RMB 16,854 to RMB 17,955 per square meter Carpark space: RMB 300,000 per square meter

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (d) Level 3 fair value measurements (cont'd)

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value at 1 April 2017 \$'000	Valuation techniques	Key unobservable inputs	Range
<b>Recurring fair value measurements</b>				
Available-for-sale financial assets:				
– Unquoted equity instruments	71,526	Net asset value <sup>(1)</sup>	Not applicable	Not applicable
Investment properties	104,423	Average of direct capitalisation method and direct comparison method <sup>(2)</sup>	– Capitalisation rate <sup>(3)</sup> – Rental rate <sup>(4)</sup> – Comparable price <sup>(5)</sup>	1.75% to 7.50% RMB 110 to RMB 271 per square meter per month Retail and office: RMB 16,726 to RMB 17,756 per square meter Residential: RMB 123,099 per square meter Carpark space: RMB 300,000 per square meter

(1) The fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee company.

(2) The yield adjustments are made for any difference in the nature, location or condition of the specific property.

(3) An increase/(decrease) in the capitalisation rate would result in a (decrease)/increase in the fair value of the investment properties.

(4) An increase/(decrease) in the rental rate would result in an increase/(decrease) in the fair value of the investment properties.

(5) An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the investment properties.

The valuations of the investment properties are generally sensitive to changes in yield and rental rates. A significant increase/decrease in yield and rental adjustments based on management's assumptions would result in a significantly higher/lower fair value measurement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (d) Level 3 fair value measurements (cont'd)

#### (ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	2019		
	Financial assets at fair value through profit or loss (Unquoted equity instruments) \$'000	Investment property \$'000	Total \$'000
<b>Group</b>			
Opening balance	70,530	100,214	170,744
Total gains or losses for the financial year			
– Fair value gain recognised in profit or loss	8,826	14,706	23,532
Additions	12,278	–	12,278
Redemptions	(273)	–	(273)
Foreign exchange differences	587	(2,891)	(2,304)
Closing balance	91,948	112,029	203,977
<b>31 March 2018</b>			
	Available-for-sale financial assets (Unquoted equity instruments) \$'000	Investment properties \$'000	Total \$'000
<b>Group</b>			
Opening balance	71,526	104,423	175,949
Total gains or losses for the financial year			
– Fair value gain recognised in profit or loss	–	416	416
– Fair value gain recognised in other comprehensive income	2,196	–	2,196
Additions	273	–	273
Disposals	–	(7,024)	(7,024)
Redemptions	(2,529)	–	(2,529)
Foreign exchange differences	(936)	2,399	1,463
Closing balance	70,530	100,214	170,744

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (d) Level 3 fair value measurements (cont'd)

#### (ii) Movements in Level 3 assets measured at fair value (cont'd)

	1 April 2017		
	Available- for-sale financial assets (Unquoted equity instruments) \$'000	Investment properties \$'000	Total \$'000
<b>Group</b>			
Opening balance	24,265	106,653	130,918
Total gains or losses for the financial year			
– Fair value gain recognised in profit or loss	–	832	832
– Fair value gain recognised in other comprehensive income	(5,170)	–	(5,170)
Additions	56,393	–	56,393
Redemptions	(4,485)	–	(4,485)
Foreign exchange differences	523	(3,062)	(2,539)
Closing balance	71,526	104,423	175,949

#### (iii) Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(e) *Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Carrying amount			Fair value			Company		
	2019		1.4.2017	2019		1.4.2017	2019		1.4.2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>									
Amounts due from subsidiaries (non-current) <sup>(1)</sup>									
– Non interest-bearing	14	–	–	–	–	–	4,005	4,140	(i)
Amounts due from associates (non-current)									
– Fixed rate <sup>(2)</sup>		300,076	107,490	79,147	324,504	142,997	110,953		
Amounts due from joint ventures (non-current)									
– Fixed rate <sup>(2)</sup>		–	35,493	21,380	–	36,568	23,133		
– Non interest-bearing	16	–	165,294	153,354	–	(i)	–	–	–
<b>Financial liability:</b>									
Amounts due to subsidiaries (non-current) <sup>(1)</sup>									
– Non interest-bearing	23	–	–	–	–	–	255,192	244,226	(i)

<sup>(1)</sup> The interest-bearing amounts due from/(to) subsidiaries have been excluded as they are charged at floating interest rates and their carrying amounts approximate their fair values.

<sup>(2)</sup> The fixed rate amounts due from associates/a joint venture are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(e) *Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value* (cont'd)

- (i) The amounts due from/(to) subsidiaries and joint ventures have no repayment terms and are repayable only when the cash flows of the borrower permits. Accordingly, the fair values of these balances are not determinable as the timing of the future cash flows arising from the balances cannot be estimated reliably.

## 33. CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2018 and 31 March 2019.

As disclosed in Note 25(b), a subsidiary, joint ventures and an associate of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary, joint ventures and the associate for the financial years ended 31 March 2018 and 31 March 2019.

The Group monitors capital using a debt-equity ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and bank balances. Capital includes equity attributable to the owners of the Company less the above-mentioned restricted statutory reserve fund and the FVOCI reserve.

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in the unquoted equity interests in subsidiaries at cost at 31 March are:

Name of company	Group		
	2019 \$'000	31.3.2018 \$'000	1.4.2017 \$'000
Metro (Private) Limited	8,914	8,914	8,914
Orchard Square Development Corporation Pte Ltd	7,576	7,576	7,576
Metrobilt Pte Ltd	4,038	4,038	4,038
Metro Australia Holdings Pte Ltd	1,000	1,000	1,000
Meren Pte Ltd	300	300	300
Metro China Holdings Pte Ltd	*	*	*
Sun Capital Assets Pte Ltd	*	*	*
Metro Holdings (Japan) Pte Ltd	*	*	*
Metro Investments Holdings Pte Ltd (formerly known as Metro Development Holdings (S) Pte Ltd)	*	*	*
	<u>21,828</u>	<u>21,828</u>	<u>21,828</u>

\* Cost is less than \$1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Details of subsidiaries, associates and joint ventures at 31 March are:

Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2019 %	31.3.2018 %	1.4.2017 %
<b><i>Held by the Company</i></b>				
<b>Retailers and department store operators</b>				
Metro (Private) Limited (Singapore)	Singapore	100.0	100.0	100.0
<b>Property</b>				
Orchard Square Development Corporation Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
<b>Investment holding</b>				
Metrobilt Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro China Holdings Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Australia Holdings Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Sun Capital Assets Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro Holdings (Japan) Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro Investments Holdings Pte Ltd (formerly known as Metro Development Holdings (S) Pte Ltd) (Singapore)	Singapore	100.0	100.0	100.0
<b>Investment trading</b>				
Meren Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
<b><i>Held by subsidiaries</i></b>				
<b>Retailers and department store operators</b>				
The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
<b>Property</b>				
+ Guangzhou International Electronics Building Co Ltd (People's Republic of China)	People's Republic of China	100.0	100.0	100.0

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2019 %	31.3.2018 %	1.4.2017 %
<i>Held by subsidiaries (cont'd)</i>				
<b>Investment holding</b>				
Metro Xinjiang Investments Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Properties (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Leisure (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Shanghai (HQ) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
+ Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0	100.0
+ Metrobilt Enterprise Ltd (Hong Kong)	People's Republic of China	100.0	100.0	100.0
+ MetroProp (China) (Mauritius)	People's Republic of China	94.0	94.0	94.0
Metro City (Beijing) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
+ Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0	100.0
Ω Firewave Management Limited (British Virgin Islands)	People's Republic of China	100.0	100.0	100.0
(1) Metro Prop Japan Pte Ltd (Singapore)	Singapore	–	100.0	100.0
(2) Kowa Property Pte Ltd (Singapore)	Singapore	–	–	100.0
(1) Bunkyo Property Pte Ltd (Singapore)	Japan	–	100.0	100.0

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2019 %	31.3.2018 %	1.4.2017 %
<i>Held by subsidiaries (cont'd)</i>				
<b>Investment holding (cont'd)</b>				
Metro Prop Singapore Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro (Shanghai) Enterprise Management Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	–
Xing Metro Enterprise Management (Shanghai) Co. Ltd (People's Republic of China)	People's Republic of China	100.0	100.0	–
Shanghai Xin Luo Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	100.0	–
+ PT. Metro Property Investment (formerly known as PT. Metro Bekasi Investment) (Indonesia)	Indonesia	90.0	90.0	–
<sup>(3)</sup> Shanghai Xing Chu Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	–	–
<sup>(3) Ω</sup> Sunshine (BVI) Ltd (British Virgin Islands)	People's Republic of China	100.0	–	–
<sup>(3)</sup> Metro Prop Investments Ltd (Mauritius)	People's Republic of China	100.0	–	–
<sup>(3) Ω</sup> Metro Property (BVI) Limited (British Virgin Islands)	People's Republic of China	100.0	–	–
<sup>(3) Ω</sup> Metro-LKT (BVI) Limited (British Virgin Islands)	People's Republic of China	79.2	–	–
<sup>(3)</sup> Shanghai Xing Guang Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2019 %	31.3.2018 %	1.4.2017 %
<b>Held by subsidiaries (cont'd)</b>				
<b>Management service consultants</b>				
Metrobilt Construction Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
<b>Dormant companies</b>				
Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
<b>Associates</b>				
Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2019 %	31.3.2018 %	1.4.2017 %
<b>Retailers and department store operators</b>				
<sup>+ ^</sup> PT Metropolitan Retailmart (Indonesia)	Indonesia	50.0	50.0	50.0
<b>Property</b>				
& Etika Cekap Sdn Bhd (Malaysia)	Malaysia	49.0	49.0	49.0
& Gurney Plaza Sdn Bhd (Malaysia)	Malaysia	49.0	49.0	49.0
<sup>(2)</sup> Nanchang Top Spring Real Estate Co., Ltd (People's Republic of China)	People's Republic of China	–	–	30.0
<b>Investment holding</b>				
<sup>^</sup> Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0	50.0
<sup>(2)</sup> Diamond Wind Company Limited (British Virgin Islands)	People's Republic of China	–	–	21.4
<sup>(2)</sup> Choice Bright Holdings Limited (British Virgin Islands)	People's Republic of China	–	–	21.4
& Shine Rise International Limited (British Virgin Islands)	People's Republic of China	30.0	30.0	30.0
<sup>#</sup> Top Spring International Holdings Limited (Cayman Islands)	People's Republic of China	14.9	15.0	16.1

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2019 %	31.3.2018 %	1.4.2017 %
<b>Investment holding (cont'd)</b>				
& Fairbriar Real Estate Limited (England and Wales)	United Kingdom	25.0	25.0	25.0
& InfraRed NF China Real Estate Fund II (A), L.P. (Guernsey)	People's Republic of China	23.7	23.7	23.7
& South Bright Investment Limited (British Virgin Islands)	People's Republic of China	48.0	48.0	48.0
& Shanghai Lai Peng Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	30.0	30.0	–
& Shine Long Limited (British Virgin Islands)	People's Republic of China	30.0	30.0	–
& Huge Source Limited (Hong Kong)	People's Republic of China	30.0	30.0	–
& Progress Link Limited (British Virgin Islands)	People's Republic of China	30.0	30.0	–
<sup>(3)</sup> * Shanghai Yi Zhou Property Management Co., Ltd (People's Republic of China)	People's Republic of China	35.0	–	–
<sup>(3)</sup> * Shanghai Shang Min Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	35.0	–	–
<sup>(3)</sup> * Shanghai Yong Ling Property Development Co. Ltd (People's Republic of China)	People's Republic of China	31.5	–	–
<sup>(3)</sup> & Jovial Paradise Limited (British Virgin Islands)	People's Republic of China	43.8	–	–
<sup>(3)</sup> & Global Charm Ventures Limited (British Virgin Islands)	People's Republic of China	46.0	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

<b>Associates (cont'd)</b> <b>(Country of incorporation)</b>		<b>Place of business</b>	<b>Percentage of equity held by the Group</b>		
			<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
			%	%	%
<b>Investment holding (cont'd)</b>					
(3) &	Joyful Star Enterprise Limited (British Virgin Islands)	People's Republic of China	46.0	–	–
(3) &	Most Success Enterprise Limited (British Virgin Islands)	People's Republic of China	46.0	–	–
(3) &	Profound Success Investment Limited (British Virgin Islands)	People's Republic of China	46.0	–	–
<b>Joint ventures</b> <b>(Country of incorporation)</b>		<b>Place of business</b>	<b>Percentage of equity held by the Group</b>		
			<b>2019</b>	<b>31.3.2018</b>	<b>1.4.2017</b>
			%	%	%
<b>Property</b>					
&	Wingcrown Investment Pte. Ltd. (Singapore)	Singapore	40.0	40.0	40.0
* @	Shanghai Metro City Commercial Management Co. Ltd (formerly known as Shanghai Metro City Cultural and Entertainment Co Ltd) (People's Republic of China)	People's Republic of China	60.0	60.0	60.0
* @	Shanghai Huimei Property Co Ltd (People's Republic of China)	People's Republic of China	60.0	60.0	60.0
(2)	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	–	–	50.0
&	Scarborough DC Limited (England and Wales)	United Kingdom	50.0	50.0	50.0
&	Lee Kim Tah - Metro Jersey Limited (Jersey)	United Kingdom	50.0	50.0	–

@ The Group has not accounted for its interests in Shanghai Metro City Commercial Management Co. Ltd. and Shanghai Huimei Property Co Ltd as subsidiaries although its interests is in excess of 50% because under the joint venture agreements, the joint venture parties are entitled to a share of the profits of the joint ventures in proportion to their respective capital contributions but have contractual joint control of the joint ventures and require unanimous consent for all major decisions over the relevant activities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

- <sup>^</sup> The Group has equity accounted for its interest in PT Metropolitan Retailmart and Gurney Investments Pte Ltd as associates in view of the fact that the Group does not have control of the entities but only significant influence over the entities.
- (1) Liquidated during the financial year.
- (2) Liquidated/disposed in prior financial years.
- (3) Incorporated/acquired during the financial year.
- <sup>Ω</sup> Not required to be audited in the country of incorporation. These foreign subsidiaries are not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

All companies are audited by Ernst & Young LLP, Singapore except for the following:

- <sup>+</sup> Audited by member firms of Ernst & Young Global in the respective countries.
- <sup>\*</sup> Audited for purpose of Group consolidation by member firms of Ernst & Young Global.
- <sup>&</sup> Audited by other firms. These subsidiaries, joint ventures and associates are not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.
- <sup>#</sup> This significant foreign incorporated associate is audited by other firm which is considered a suitable auditing firm as it is one of the big four audit firms.

## 35. SUBSEQUENT EVENTS

Subsequent to the financial year end:

- (a) The Company has launched and priced \$200 million in aggregate principal amount of 4.30% notes due 2024 (the "Series 002 Notes"). The Series 002 Notes has been issued on 2 April 2019 by the Company, as issuer, pursuant to the \$1 billion multicurrency debt issuance programme established by the Company on 4 October 2018.
- (b) The Group and an independent third party, an affiliate of SRIF GP Pte. Ltd., have entered into a 50% joint-venture to jointly acquire 7 & 9 Tampines Grande, a premium Grade-A office property in Singapore (the "Investment"). The Group's 50% capital commitment for the Investment is approximately \$45.6 million. The Investment is not expected to have any significant effect on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 31 March 2020.
- (c) The Group has entered into a subscription agreement to subscribe 50% of the issued capital of Xiamen CICC Qihang Equity Investment Partnership (Limited Partnership) ("CICC Qihang Fund"), to acquire the prime commercial mall ("The Mall"), which is part of a landmark mixed-use development, The Atrium ("晶融汇") in Chengdu, PRC. The Group's total commitment for the Investment is RMB200 million (approximately \$39.8 million) and will hold an effective 25% stake in The Mall through CICC Qihang Fund. The investment is not expected to have any significant effect on the consolidated net tangible asset per share and the consolidated earnings per share of the Group for the financial year ending 31 March 2020.

## 36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 19 June 2019.



# STATISTICS OF SHAREHOLDINGS

As at 13 June 2019

Number of issued and paid up shares (excluding treasury shares)	: 828,035,874
Amount of issued and paid up shares	: S\$165,464,900
Class of shares	: Ordinary shares
Voting rights	: 1 vote per share
Treasury shares	: 3,512,800
Subsidiary holdings	: Nil

## TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares Held	%
1	Eng Kuan Company Private Limited	188,995,635	22.82
2	Ngee Ann Development Pte Ltd	85,515,056	10.33
3	Citibank Nominees Singapore Pte Ltd	83,183,947	10.05
4	Raffles Nominees (Pte.) Limited	80,938,694	9.77
5	Dynamic Holdings Pte Ltd	48,293,203	5.83
6	Maybank Kim Eng Securities Pte Ltd	34,947,369	4.22
7	DBS Nominees Pte Ltd	19,486,063	2.35
8	BPSS Nominees Singapore (Pte.) Ltd.	15,896,700	1.92
9	Lee Yuen Shih	10,578,200	1.28
10	United Overseas Bank Nominees (Private) Limited	8,555,353	1.03
11	Morph Investments Ltd	8,040,000	0.97
12	Phillip Securities Pte Ltd	7,217,335	0.87
13	DBS Vickers Securities (Singapore) Pte Ltd	6,510,733	0.79
14	Monconcept Investments Pte Ltd	5,722,512	0.69
15	Como Holdings Inc	4,804,800	0.58
16	City Developments Realty Limited	4,608,000	0.56
17	OCBC Securities Private Ltd	4,450,171	0.54
18	Ong Sioe Hong	4,211,182	0.51
19	OCBC Nominees Singapore Pte Ltd	3,455,154	0.42
20	United Caoutchouc Trading Co. Pte Ltd.	2,996,000	0.36
	<b>Total</b>	<b>628,406,107</b>	<b>75.89</b>

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	108	2.00	3,802	0.00
100 – 1,000	387	7.15	216,624	0.03
1,001 – 10,000	2,213	40.88	13,331,488	1.61
10,001 – 1,000,000	2,664	49.21	147,730,396	17.84
1,000,001 and above	41	0.76	666,753,564	80.52
<b>Total</b>	<b>5,413</b>	<b>100.00</b>	<b>828,035,874</b>	<b>100.00</b>

### Note:

Percentage is computed based on 828,035,874 issued shares (excluding 3,512,800 shares held as treasury shares) as at 13 June 2019.

# SUBSTANTIAL SHAREHOLDERS

As at 13 June 2019

	No. of Shares		No. of Shares	
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
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 <sup>(2)</sup>	6.734
Ong Jen Yaw	70,540	0.009	215,503,049 <sup>(3)</sup>	26.026
Ong Ling Ling	75,360	0.009	237,288,838 <sup>(4)</sup>	28.657
Ong Ching Ping	63,360	0.008	237,288,838 <sup>(4)</sup>	28.657
Ong Jenn (Wang Zhen)	63,360	0.008	293,047,743 <sup>(5)</sup>	35.391
Ong Sek Hian (Wang ShiXian)	–	–	293,111,103 <sup>(6)</sup>	35.398
Ngee Ann Development Pte Ltd	85,515,056	10.327	–	–
Ngee Ann Kongsı	–	–	85,515,056 <sup>(7)</sup>	10.327
Takashimaya Company Limited	–	–	85,515,056 <sup>(8)</sup>	10.327

## Notes:

- <sup>(1)</sup> “%” is based on 828,035,874 issued shares (excluding treasury shares).
- <sup>(2)</sup> Leroy Singapore Pte Ltd (“**Leroy**”)’s deemed interest is held through Raffles Nominees (Pte.) Limited.
- <sup>(3)</sup> 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.
- <sup>(4)</sup> 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.
- <sup>(5)</sup> Mr Ong Jenn (Wang Zhen)’s deemed interest is held through his interests in Dynamic, Eng Kuan and Leroy.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> Ngee Ann Kongsı is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.
- <sup>(8)</sup> Takashimaya Company Limited is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

To the best knowledge of the Company, the percentage of shareholding held in the hands of the public as at 13 June 2019 is approximately 47.69% of the total issued shares, excluding treasury shares. Therefore, the Company complies with Rule 723 of the Listing Manual.

## TREASURY SHARES AND SUBSIDIARY HOLDINGS

As at 13 June 2019, the number of treasury shares held is 3,512,800 representing 0.42% of the total number of issued shares. The Company does not have any subsidiary holdings.

# NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF BOOKS CLOSURE DATE

**NOTICE IS HEREBY GIVEN** that the Forty-Sixth Annual General Meeting of the Company will be held at Mandarin Ballroom I & II, Level 6, Main Tower, Mandarin Orchard Singapore by Meritus, 333 Orchard Road, Singapore 238867 on 29 July 2019 at 11.00 a.m. for the purpose of transacting the following business:

## ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement, Auditor's Report and Audited Financial Statements for the year ended 31 March 2019. **(Resolution 1)**
2. To declare the payment of a first and final tax exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2019. **(Resolution 2)**
3. To declare the payment of a special tax exempt (one-tier) dividend of 2.5 cents per ordinary share for the year ended 31 March 2019. **(Resolution 3)**
4. To re-elect Mr Phua Bah Lee, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (a)] **(Resolution 4)**
5. To re-elect Mr Gerald Ong Chong Keng, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (b)] **(Resolution 5)**
6. To re-elect Mr Yip Hoong Mun, a Director retiring pursuant to Article 100 of the Company's Constitution. [refer to explanatory note (c)] **(Resolution 6)**
7. To approve the Directors' Fees of \$902,976 (2018: \$823,500) for the year ended 31 March 2019. **(Resolution 7)**
8. To re-appoint Ernst & Young LLP as the Company's Auditor and to authorise the Directors to fix its remuneration. **(Resolution 8)**

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

### 9. Share Issue Mandate

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,

# NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF BOOKS CLOSURE DATE

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 are outstanding 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. [refer to explanatory note (d)] **(Resolution 9)**

## 10. Renewal of the Share Purchase Mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (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**”);

# NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF BOOKS CLOSURE DATE

- (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 after the relevant five-day period;

**“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. [refer to explanatory note (e)] **(Resolution 10)**

# NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF BOOKS CLOSURE DATE

**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and Register of Members of the Company will be closed on 7 August 2019 for the purpose of determining shareholders' entitlements to the proposed first and final tax exempt (one-tier) dividend of 2.0 cents per ordinary share and the special tax exempt (one-tier) dividend of 2.5 cents per ordinary share for the financial year ended 31 March 2019 (the "**Proposed Dividends**").

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898 up to 5.00 p.m. on 6 August 2019 will be registered before shareholders' entitlements to the Proposed Dividends are determined.

Shareholders (being Depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 6 August 2019 will rank for the Proposed Dividends.

The Proposed Dividends, if approved at the Forty-Sixth Annual General Meeting of the Company to be held on 29 July 2019, will be paid on 19 August 2019.

By Order of the Board  
Tan Ching Chek and Eve Chan Bee Leng  
Joint Company Secretaries

12 July 2019  
Singapore

# NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF BOOKS CLOSURE DATE

## Explanatory Notes:

- (a) Mr Phua Bah Lee, if re-elected, will continue to serve as the Chairman of the Remuneration Committee and a member of the Nominating Committee. Mr Phua Bah Lee is a Non-Executive and Independent Director. Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Phua Bah Lee can be found in the “Information on Directors Seeking Re-election” section of the Company’s Annual Report 2019.
- (b) Mr Gerald Ong Chong Keng, if re-elected, will continue to serve as a member of the Audit Committee and a member of the Nominating Committee. Mr Gerald Ong Chong Keng is a Non-Executive Director. Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Gerald Ong Chong Keng can be found in the “Information on Directors Seeking Re-election” section of the Company’s Annual Report 2019.
- (c) Mr Yip Hoong Mun, if re-elected, will continue to serve as an Executive Director. Mr Yip Hoong Mun is the Group Chief Executive Officer. Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Yip Hoong Mun can be found in the “Information on Directors Seeking Re-election” section of the Company’s Annual Report 2019.
- (d) The proposed ordinary resolution 9 above, if passed, will empower the Directors of the Company from the date of the Annual General Meeting to issue shares of the Company up to the limits as specified in the resolution for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting. As at 13 June 2019, the Company had 3,512,800 treasury shares and no subsidiary holdings.
- (e) The proposed ordinary resolution 10 above, if passed, will empower the Directors of the Company, effective until the date 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 or the date on which such authority is carried out to the full extent mandated or is varied or revoked by the Company in a general meeting, whichever is the earliest, to exercise the power of the Company to purchase or acquire its Shares. 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 amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company’s financial position, cannot be ascertained as at the date of this Notice as these 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. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at 13 June 2019, at a purchase price equivalent to the Maximum Price per Share, in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2019 and certain assumptions, are set out in Paragraph 2.7 of the Company’s Letter to Shareholders dated 12 July 2019.

# NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF BOOKS CLOSURE DATE

## Notes:

- (i) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

- (ii) A proxy need not be a member of the Company.
- (iii) If a proxy is to be appointed, the instrument of proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898 not less than 72 hours before the time appointed for holding the Annual General Meeting.
- (iv) The instrument of proxy must be signed by the appointor or his attorney duly authorised in writing. In the case of joint shareholders, all holders must sign the instrument of proxy.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Phua Bah Lee, Mr Gerald Ong Chong Keng and Mr Yip Hoong Mun are the Directors seeking re-election at the annual general meeting of Metro Holdings Limited (“**Company**”) on 29 July 2019.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Phua Bah Lee, Mr Gerald Ong Chong Keng and Mr Yip Hoong Mun, as set out in Appendix 7.4.1. of the Listing Manual of the SGX-ST is as follows:

Name of Director	Phua Bah Lee	Gerald Ong Chong Keng	Yip Hoong Mun
Date of Appointment	5 October 1993	18 June 2007	1 June 2019
Date of last re-election (if applicable)	28 July 2016	28 July 2016	N.A.
Age	86	57	57
Country of Principal Residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Phua Bah Lee (“ <b>Mr Phua</b> ”) possesses the experience, expertise, knowledge and skills to contribute towards the core competency of the Board. He will continue to contribute his valuable experience and knowledge to the Board of the Company.	Mr Gerald Ong Chong Keng (“ <b>Mr Gerald Ong</b> ”) possesses the experience, expertise, knowledge and skills to contribute towards the core competency of the Board. He will continue to contribute his valuable experience and knowledge to the Board of the Company.	Mr Yip Hoong Mun (“ <b>Mr Yip</b> ”) has the qualification and extensive working experience and the Board felt that he is a suitable person to contribute and lead the Metro Group of Companies.
Whether appointment is executive, and if so, the area of responsibility:	The appointment is Non-Executive.	The appointment is Non-Executive.	The appointment is Executive. Mr Yip will be overall in charge of the operations of the Metro Group of companies.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Independent Director, Chairman of Remuneration Committee and a Member of Nominating Committee.	Non-Executive Director, a Member of the Audit, Nominating and Investment Committees.	Executive Director and Group Chief Executive Officer. He is a member of the Investment Committee.
Professional qualifications	Mr Phua graduated from the Nanyang University, Singapore, with a Bachelor of Commerce degree.	Mr Gerald Ong has been recognised as an IBF Distinguished Fellow and is a Council Member and Treasurer of the Singapore Institute of International Affairs (‘SIIA’). He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.	Mr Yip has a Bachelor of Civil Engineering degree with first class honours from the National University of Singapore and a Master’s degree in Business Administration from Stanford University, USA. He also completed a management course at Fudan University, Shanghai, China.

## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Phua Bah Lee	Gerald Ong Chong Keng	Yip Hoong Mun
<p>Working experience and occupation(s) during the past 10 years</p>	<p>Mr Phua is the Chairman of the Remuneration Committee and a Member of the Nominating Committee.</p> <p>He is also a Director of Singapura Finance Ltd and also holds directorships in a number of private companies.</p> <p>He was the Parliamentary Secretary of the Ministry of Communications from 1968 to 1971 and Senior Parliamentary Secretary of the Ministry of Defence from 1972 to 1988. He was a Member of Parliament for the Tampines Constituency from 1968 to 1988.</p>	<p>Mr Gerald Ong is a Member of the Audit, Nominating and Investment Committees.</p> <p>He is currently the Deputy Chairman of the PrimePartners Corporate Finance Group and is the Chairman of Aseana Properties Ltd (listed on the London Stock Exchange Main List).</p> <p>Mr Gerald Ong has more than 25 years of corporate finance related experience. He has held senior positions at various financial institutions including NM Rothschilds &amp; Sons (Singapore) Ltd, the DBS Bank Group, Tokyo-Mitsubishi International (Singapore) Pte Ltd and Hong Leong (Malaysia) Group. During his time with these institutions, Mr Ong's duties encompassed the provision of a wide variety of Corporate Finance services from advisory, M&amp;A activities and fund raising exercises incorporating various structures such as equity, debt, equity-linked and derivative-enhanced issues.</p>	<p>Mr Yip was appointed the Group Chief Executive Officer and Executive Director with effect from 1 June 2019. He is a member of the Investment Committee.</p> <p>As Group Chief Executive Officer, he plays a key role in the Group's investment strategies and holds executive responsibility over the business performance of the Metro Group of companies. He oversees the Group's property investment and development projects and joint ventures in Singapore, China, Indonesia and the UK. Prior to this, he was Metro's Deputy Group Chief Executive Officer, a position he assumed since May 2018. Before this, Mr Yip served as Group Chief Operating Officer and Chief Executive Officer of Metro China.</p> <p>Mr Yip has over 30 years of experience in executive and senior management roles in strategic planning, operations, hospitality, real estate investment and development. Mr Yip started his career with Indeco Engineers and later joined BP South East Asia. Prior to joining Metro, he spent over 20 years with the CapitalLand Group, and served different roles in various strategic business units. He was Managing Director of Ascott China in 2003 and then Chief Executive Officer, Asia Pacific and the Gulf Region of The Ascott Group in 2006. Subsequent to that, Mr Yip has been involved in property developments in the Gulf Region, Vietnam and Indonesia of the CapitalLand Group.</p>

## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Phua Bah Lee	Gerald Ong Chong Keng	Yip Hoong Mun
Shareholding interest in the Company and its subsidiaries	72,576 ordinary shares (Deemed interest held through spouse)	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or of any of its principal subsidiaries	No	Mr Gerald Ong is the representative of Eng Kuan Company Private Limited, a substantial shareholder of the Company.	No
Conflict of interests (including any competing business)	No	No	No
Undertaking submitted to the Company in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes

Other principal commitments including directorships:			
Past (for the last 5 years)	Please see page 160 of this Annual Report	Please see page 160 of this Annual Report	Please see page 161 of this Annual Report
Present	Please see page 160 of this Annual Report	Please see page 160 of this Annual Report	Please see page 161 of this Annual Report

Mr Phua Bah Lee, Mr Gerald Ong Chong Keng and Mr Yip Hoong Mun have individually confirmed that on each of the questions as set out in paragraph (a) to (k) of Appendix 7.4.1 of the Listing Manual, the answer is “no”.

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## Other Principal Commitments Including Directorships

### Mr Phua Bah Lee

Director, Non-Executive and Independent

#### Past (for the last five years)

Director of

- Singapore Changshu Development Company Pte Ltd
- Changshu Xinghua Port Co Ltd
- Pan United Corporation Limited

#### Present

Director of

- Singapura Finance Ltd
- Kreya Ayer People's Theatre Foundation
- Metro China Holdings Pte Ltd
- Metro (Shanghai) Enterprise Management Pte Ltd
- NAD Triple Funds Pte Ltd
- Ngee Ann Development Pte Ltd
- Ngee Ann Property Management Pte Ltd
- Ngee Ann Traditional Chinese Medicine Centre Ltd
- Pecly Investments Pte Ltd
- RE Properties Pte Ltd
- Singapore Teochew Foundation Limited
- The New Otani Singapore Pte Ltd (IMVL)

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### Mr Gerald Ong Chong Keng

Director, Non-Executive

#### Past (for the last five years)

Director of

- Seal Asia Pte. Ltd.
- Tricor PrimePartners Corporate Services Pte Ltd
- Ethos Investment Holdings Pte Ltd
- PPCF International Pte Ltd)
- Gurney Investments Pte Ltd
- RSM Ethos Pte Ltd
- Seal Consulting (Singapore) Pte Ltd

#### Present

Director of

- Aseana Properties Limited
- PrimePartners Corporate Finance Pte Ltd
- PrimePartners Corporate Finance Holdings Pte Ltd
- PrimePartners Group Pte Ltd
- OEC Holdings Pte Ltd
- Shangri-La Healthcare Investment Pte Ltd
- The RuMa Hotel KL Sdn Bhd
- Urban DNA Sdn Bhd

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## Mr Yip Hoong Mun

Group Chief Executive, Executive Director

### Past (for the last five years)

Director of

- CapitaLand Vietnam Investments Pte. Ltd.
- CVH Sparkle Pte. Ltd.
- CapitaLand (Vietnam) Holdings Pte. Ltd.
- CapitaLand Vietnam Pte. Ltd.
- CapitaLand Indonesia Holdings Pte. Ltd.
- KS Prime Holding Pte. Ltd.
- CapitaLand Regional Investments Limited
- CVH Cayman Holdings Limited
- CVH Cayman 1 Limited
- CVH Cayman 2 Limited
- CVH Cayman 4 Limited
- CapitaLand-Vista Joint Venture Co. Ltd
- CapitaLand-Hoang Thanh Company Limited
- CVH Cayman 5 Limited
- CVH Cayman 8 Limited
- CVH Cayman 9 Limited
- Capitaland-Thien Duc Company Limited
- Vietnam Joint Venture Company Limited
- CVH Spring Company Limited
- Sparkle Value Homes Company Limited
- CapitaLand-Hoang Thanh Investment Company Limited
- PT Surya Raya Capital
- PT Kapital Indonesia Management

### Present

Director of

- Metrobilt Pte Ltd
- Metrobilt Construction Pte Ltd
- Metro Leisure (Shanghai) Pte Ltd
- Metro China Holdings Pte Ltd
- Metro Properties (Shanghai) Pte Ltd
- Metro Xinjiang Investments Pte Ltd
- Metro City (Beijing) Pte Ltd
- Metro Shanghai HQ Pte Ltd
- Shanghai Metro City Commercial Management Co. Ltd
- Shanghai Huimei Property Co. Ltd
- Guangzhou International Electronics Building Co. Ltd.
- Metro (Shanghai) Enterprise Management Pte Ltd
- Xing Metro Enterprise Management (Shanghai) Co. Ltd
- Huge Source Limited
- Shine Long Limited
- Progress Link Limited
- Access Harvest Limited
- Talent Hope Limited
- Top Spring International Holdings Limited
- Shanghai Xin Luo Business Consulting Co. Ltd
- Metro Holdings (Japan) Pte Ltd
- Metro Australia Holdings Pte Ltd
- Orchard Square Development Corporation Private Limited
- Metro Development Holdings (S) Pte Ltd
- Metro Prop Singapore Pte Ltd
- Meren Pte Ltd
- Sun Capital Assets Pte Ltd
- PT Metro Property Investment
- South Bright Investment Limited
- Metrobilt Enterprise Limited
- Metrobilt South China Limited
- Firewave Management Limited
- Lee Kim Tah - Metro Jersey Limited
- Shanghai Xin Chu Business Consulting Co. Ltd
- WingCrown Investment Pte Ltd
- Sunshine (BVI) Ltd
- Metro Prop Investments Ltd
- Gurney Investments Pte Ltd
- Gurney Plaza Sdn. Bhd
- Etika Cekap Sdn. Bhd.
- Crown Investments Ltd
- MetroProp (China)
- Shanghai Yi Zhou Property Management Co., Ltd.
- Shanghai Shang Min Business Consulting Co. Ltd.
- Shanghai Yong Ling Property Development Co. Ltd.
- Shanghai Xing Guang Business Consulting Co. Ltd
- Ascend TGrande Pte Ltd
- T-Grande Investment Holding Pte. Ltd.
- T-Grande Property Holding Pte. Ltd.

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## ANNUAL GENERAL MEETING PROXY FORM

### Important

1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Metro Holdings Limited shares, this Proxy Form is not valid for use by them and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 July 2019.

I/We (Name) \_\_\_\_\_, (NRIC/Passport No./Co. Regn. No.) \_\_\_\_\_

of (Address) \_\_\_\_\_, being a member/members of METRO HOLDINGS LIMITED (the “**Company**”) hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Forty-Sixth Annual General Meeting of the Company (the “**Meeting**”) to be held at Mandarin Ballroom I & II, Level 6, Main Tower, Mandarin Orchard Singapore by Meritus, 333 Orchard Road, Singapore 238867 on 29 July 2019 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
1.	To adopt the Directors’ Statement, Auditor’s Report and Audited Financial Statements		
2.	To declare First and Final Dividend		
3.	To declare Special Dividend		
4.	To re-elect Mr Phua Bah Lee, a Director retiring under Article 94 of the Company’s Constitution		
5.	To re-elect Mr Gerald Ong Chong Keng, a Director retiring under Article 94 of the Company’s Constitution		
6.	To re-elect Mr Yip Hoong Mun, a Director retiring under Article 100 of the Company’s Constitution		
7.	To approve Directors’ Fees		
8.	To re-appoint Ernst & Young LLP as Auditor and authorise the Directors to fix its remuneration		
<b>SPECIAL BUSINESS</b>			
9.	To approve the Share Issue Mandate		
10.	To approve the Renewal of the Share Purchase Mandate		

Voting will be conducted by poll. If you wish to exercise all your votes For or Against, please tick with ‘✓’. Alternatively, please indicate the number of votes For or Against each resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Total Number of  
Shares Held**

## NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898 not less than 72 hours before the time appointed for holding the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged together with the instrument, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

## GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



# CORPORATE DATA

## BOARD OF DIRECTORS

**Lt-Gen (Retd) Winston Choo Wee Leong**  
Chairman, Non-Executive and Independent

**Phua Bah Lee**  
Director, Non-Executive and Independent

**Gerald Ong Chong Keng**  
Director, Non-Executive

**Fang Ai Lian (Mrs)**  
Director, Non-Executive and Independent

**Tan Soo Khoon**  
Director, Non-Executive and Independent

**Deborah Lee Siew Yin**  
Director, Non-Executive and Independent

**Yip Hoong Mun**  
Group Chief Executive Officer, Executive Director

## AUDIT COMMITTEE

**Fang Ai Lian (Mrs)**  
Chairman

**Gerald Ong Chong Keng**

**Tan Soo Khoon**

**Deborah Lee Siew Yin**

## NOMINATING COMMITTEE

**Lt-Gen (Retd) Winston Choo Wee Leong**  
Chairman

**Phua Bah Lee**

**Gerald Ong Chong Keng**

**Fang Ai Lian (Mrs)**

## REMUNERATION COMMITTEE

**Phua Bah Lee**  
Chairman

**Lt-Gen (Retd) Winston Choo Wee Leong**

**Deborah Lee Siew Yin**

## INVESTMENT COMMITTEE

**Lt-Gen (Retd) Winston Choo Wee Leong**  
Chairman

**Gerald Ong Chong Keng**

**Tan Soo Khoon**

**Yip Hoong Mun**

## SECRETARIES

**Tan Ching Chek**

**Eve Chan Bee Leng**

## AUDITORS

**Ernst & Young LLP**  
**Tan Seng Choon**  
Engagement Partner  
(Since financial year ended 31 March 2018)

## PRINCIPAL BANKERS

**DBS Bank Ltd**

**The Hongkong and Shanghai Banking Corporation Ltd**

**United Overseas Bank Ltd**

**Malayan Banking Berhad**

**Oversea-Chinese Banking Corporation Limited**

**Credit Suisse AG**

## REGISTRARS

**Tricor Barbinder Share Registration Services**  
(A division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road, #02-00  
Singapore 068898  
Tel: (65) 6236 3333

## REGISTERED OFFICE

**391A Orchard Road**  
**#19-00 Tower A**  
**Ngee Ann City**  
**Singapore 238873**  
Tel: (65) 6733 3000  
Fax: (65) 6735 3515  
Website: [www.metroholdings.com.sg](http://www.metroholdings.com.sg)

## INVESTOR RELATIONS CONTACTS

**Citigate Dewe Rogerson, Singapore Pte Ltd**  
**Ms Dolores Phua / Mr Joey Ho**  
105 Cecil Street  
#09-01 The Octagon  
Singapore 069534  
Tel: (65) 6534 5122  
Fax: (65) 6534 4171  
[dolores.phua@citigatedewerogerson.com](mailto:dolores.phua@citigatedewerogerson.com)  
[joey.ho@citigatedewerogerson.com](mailto:joey.ho@citigatedewerogerson.com)



[www.metroholdings.com.sg](http://www.metroholdings.com.sg)

**METRO HOLDINGS LIMITED**

391A Orchard Road #19-00 Tower A Ngee Ann City  
Singapore 238873

Tel: (65) 6733 3000 | Fax: (65) 6735 3515

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## LETTER TO SHAREHOLDERS

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### 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

12 July 2019

To the shareholders of  
METRO HOLDINGS LIMITED

Dear Sir/Madam

#### 1. INTRODUCTION

- 1.1 Summary.** We refer to Resolution 10 in the Notice convening the Forty-Sixth Annual General Meeting of Metro Holdings Limited (the “**Company**”) to be held on 29 July 2019 (“**AGM**”). Resolution 10 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.
- 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-Fifth Annual General Meeting of the Company held on 27 July 2018 (“**2018 AGM**”). The authority and limitations of the Share Purchase Mandate were set out in the Company’s Letter to Shareholders dated 5 July 2018 and the ordinary resolution relating to the Share Purchase Mandate in the notice of the 2018 AGM. The Share Purchase Mandate approved at the 2018 AGM was expressed to continue in force until the next Annual General Meeting of the Company and, as such, will be expiring on 29 July 2019, being the date of the forthcoming AGM. It is proposed that the Share Purchase Mandate be renewed at the AGM. Accordingly, Resolution 10 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.

**(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 of the SGX-ST (“**Listing Manual**”), treasury shares and subsidiary holdings are to be disregarded for the purposes of computing the 10% limit. As at 13 June 2019 (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 after the relevant five-day period;

**“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 2019 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, \$86,943,766 based on \$1.05 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, \$151,530,564 based on \$1.83 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 2019 released by the Company on 28 May 2019).

**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 2018;
- (2) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (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 2019 would have been as follows:

**MARKET PURCHASE <sup>(1)</sup>**

	GROUP		COMPANY	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
<b>As at 31 March 2019</b>				
Share Capital	169,717	169,717	169,717	169,717
Treasury Shares	(1,768)	(88,712)	(1,768)	(88,712)
Foreign Currency Translation Reserve	(7,007)	(7,007)	-	-
Statutory Reserve	4,321	4,321	-	-
Revenue Reserve	1,348,933	1,348,933	194,316	194,316
Other Reserves	1,006	1,006	-	-
Equity Attributable to Owners of the Company	1,515,202	1,428,258	362,265	275,321
Non-Controlling Interests	23,856	23,856	-	-
Total Equity	1,539,058	1,452,114	362,265	275,321
Current Assets	693,492	606,548	299,381	265,638
Current Liabilities	166,376	166,376	280,898	334,099
Borrowings	229,671	229,671	149,187	149,187
Cash and Cash Equivalents	195,316	108,372	33,743	-
Net Tangible Assets (NTA) <sup>(2)</sup>	1,515,202	1,428,258	362,265	275,321
Net Profit After Tax	95,684	95,684	103,280	103,280
Profit Attributable to Owners of the Company	95,271	95,271	103,280	103,280
Number of Shares ('000)	828,036	745,232 <sup>(3)</sup>	828,036	745,232 <sup>(3)</sup>
<b>Financial Ratios</b>				
NTA per Share (\$)	1.83	1.92	0.44	0.37
Gearing (times) <sup>(4)</sup> (Net D/E)	0.0	0.1	0.3	0.5
Current Ratio (times) <sup>(5)</sup>	4.2	3.6	1.1	0.8
Earnings per Share (cents) <sup>(6)</sup>	11.5	12.8	12.5	13.9



**OFF-MARKET PURCHASE <sup>(1)</sup>**

	GROUP		COMPANY	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
<b>As at 31 March 2019</b>				
Share Capital	169,717	169,717	169,717	169,717
Treasury Shares	(1,768)	(153,299)	(1,768)	(153,299)
Foreign Currency Translation Reserve	(7,007)	(7,007)	-	-
Statutory Reserve	4,321	4,321	-	-
Revenue Reserve	1,348,933	1,348,933	194,316	194,316
Other Reserves	1,006	1,006	-	-
Equity Attributable to Owners of the Company	1,515,202	1,363,671	362,265	210,734
Non-Controlling Interests	23,856	23,856	-	-
<b>Total Equity</b>	<b>1,539,058</b>	<b>1,387,527</b>	<b>362,265</b>	<b>210,734</b>
Current Assets	693,492	541,961	299,381	265,638
Current Liabilities	166,376	166,376	280,898	398,686
Borrowings	229,671	229,671	149,187	149,187
Cash and Cash Equivalents	195,316	43,785	33,743	-
Net Tangible Assets (NTA) <sup>(2)</sup>	1,515,202	1,363,671	362,265	210,734
Net Profit After Tax	95,684	95,684	103,280	103,280
Profit Attributable to Owners of the Company	95,271	95,271	103,280	103,280
Number of Shares ('000)	828,036	745,232 <sup>(3)</sup>	828,036	745,232 <sup>(3)</sup>
<b>Financial Ratios</b>				
NTA per Share (\$)	1.83	1.83	0.44	0.28
Gearing (times) <sup>(4)</sup> (Net D/E)	0.0	0.1	0.3	0.7
Current Ratio (times) <sup>(5)</sup>	4.2	3.3	1.1	0.7
Earnings per Share (cents) <sup>(6)</sup>	11.5	12.8	12.5	13.9

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 2019 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 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, as deemed to be adjusted for any corporate action that occurs after the relevant five-day period. 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 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 sensitive information has been publicly announced. In particular, in line with the Company’s internal guide on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the two weeks immediately preceding, and up to the time of the announcement of, the Company’s results for each of the first three quarters of its financial year and during the one month preceding, and up to the time of announcement of, the Company’s results for the full financial year.

**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)		After Share Purchase	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Relevant Director</b>				
Gerald Ong Chong Keng <sup>(2)</sup>	-	-	-	-
<b>Ong Family <sup>(3)</sup></b>				
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
<b>Ong Companies <sup>(3)</sup></b>				
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 2018 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 10, 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 10 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 10, 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. Mr Gerald Ong Chong Keng and each of the Ong Family members will also not accept any appointment as proxy or otherwise for voting in respect of Resolution 10 at the AGM.

#### 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		No. of Shares	
	Direct Interest	%	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		No. of Shares	
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
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 <sup>(2)</sup>	6.734
Ong Jen Yaw	70,540	0.009	215,503,049 <sup>(3)</sup>	26.026
Ong Ling Ling	75,360	0.009	237,288,838 <sup>(4)</sup>	28.657
Ong Ching Ping	63,360	0.008	237,288,838 <sup>(4)</sup>	28.657
Ong Jenn (Wang Zhen)	63,360	0.008	293,047,743 <sup>(5)</sup>	35.391
Ong Sek Hian (Wang ShiXian)	-	-	293,111,103 <sup>(6)</sup>	35.398
Ngee Ann Development Pte Ltd	85,515,056	10.327	-	-
Ngee Ann Kongsı	-	-	85,515,056 <sup>(7)</sup>	10.327
Takashimaya Company Limited	-	-	85,515,056 <sup>(8)</sup>	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 Kongsı 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

## APPENDIX

### 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		No. of Shares	
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
Yoong Sek Har	2,594,126	0.313	-	-
Ong Sioe Hong	4,211,182	0.509	17,000,000 <sup>(2)</sup>	2.053
Ong Jen Yaw	70,540	0.009	215,503,049 <sup>(3)</sup>	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 <sup>(4)</sup>	28.657
Ong Jenn (Wang Zhen)	63,360	0.008	293,047,743 <sup>(5)</sup>	35.391
Ong Ching Ping	63,360	0.008	237,288,838 <sup>(4)</sup>	28.657
Ong Sek Hian (Wang ShiXian)	-	-	293,111,103 <sup>(6)</sup>	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.

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## APPENDIX

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### 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		No. of Shares	
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
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 <sup>(2)</sup>	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.

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