## ANNUAL REPORTS AND RELATED DOCUMENTS::

### Issuer & Securities

Issuer/ Manager
METRO HOLDINGS LTD

Securities
METRO HOLDINGS LIMITED - SG1I11878499 - M01

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No

### Announcement Details

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Company Secretary

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Please refer to the attached files for:

1) Annual Report ; and
2) Letter To Shareholders

### Additional Details

Period Ended
31/03/2021

### Attachments

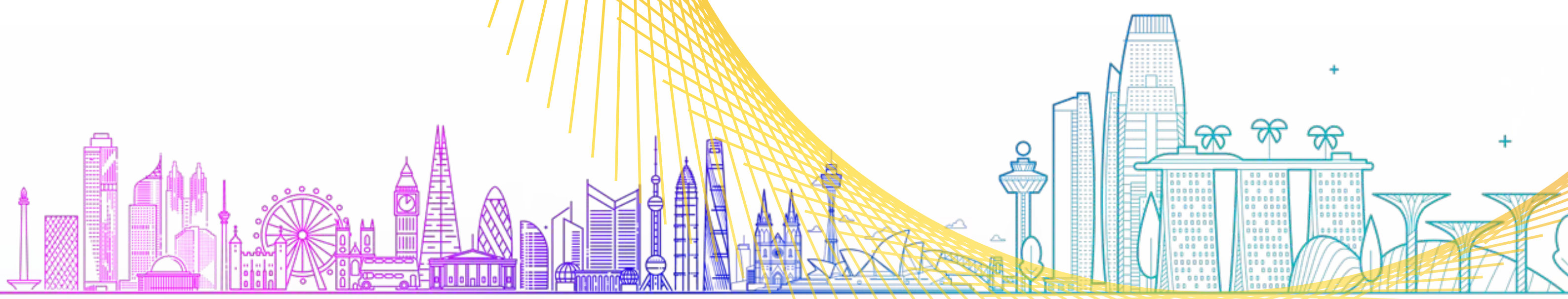
Annual Report 2021.pdf

Letter to Shareholder.pdf

Total size =9018K MB

美羅 METRO

# DIVERSIFICATION FOR RESILIENCE



**METRO HOLDINGS LIMITED**

ANNUAL REPORT 2021

# 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.

# 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$97.3 million and net assets of S$1.6 billion as at 31 March 2021.

## CONTENTS



# DIVERSIFICATION FOR RESILIENCE

Starting from its home in Singapore, Metro has strategically expanded its operations over the past 60 years to China, Indonesia, the United Kingdom and Australia. This was done with the goal of diversifying across countries, sectors and asset classes for resilient growth.

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

# DIVERSIFICATION FOR RESILIENCE

We are breaking new ground with strategic investments into Purpose-Built Student Accommodation ("PBSA") and Industrial/Logistics Real Estate sectors, as well as deepening our presence in Australia. Our investments in two PBSAs in the United Kingdom and 14 industrial, business park, high-spec industrial and logistics properties in Singapore will diversify our income streams and strengthen our resilience for sustainable growth.

## UNITED KINGDOM

**PURPOSE-BUILT STUDENT ACCOMMODATION**

*Enhances quality of our portfolio*

Dean Street Works, Bristol, United Kingdom

Red Queen, Warwick, United Kingdom

Continental Building, Singapore

## SINGAPORE

### INDUSTRIAL & LOGISTICS

*Enhances resilience of our portfolio*

GSK Asia House, Singapore

Bombardier Aerospace, Singapore

16 Changi North Way, Singapore

Ropes Crossing Village Shopping Centre, NSW, Australia

## AUSTRALIA

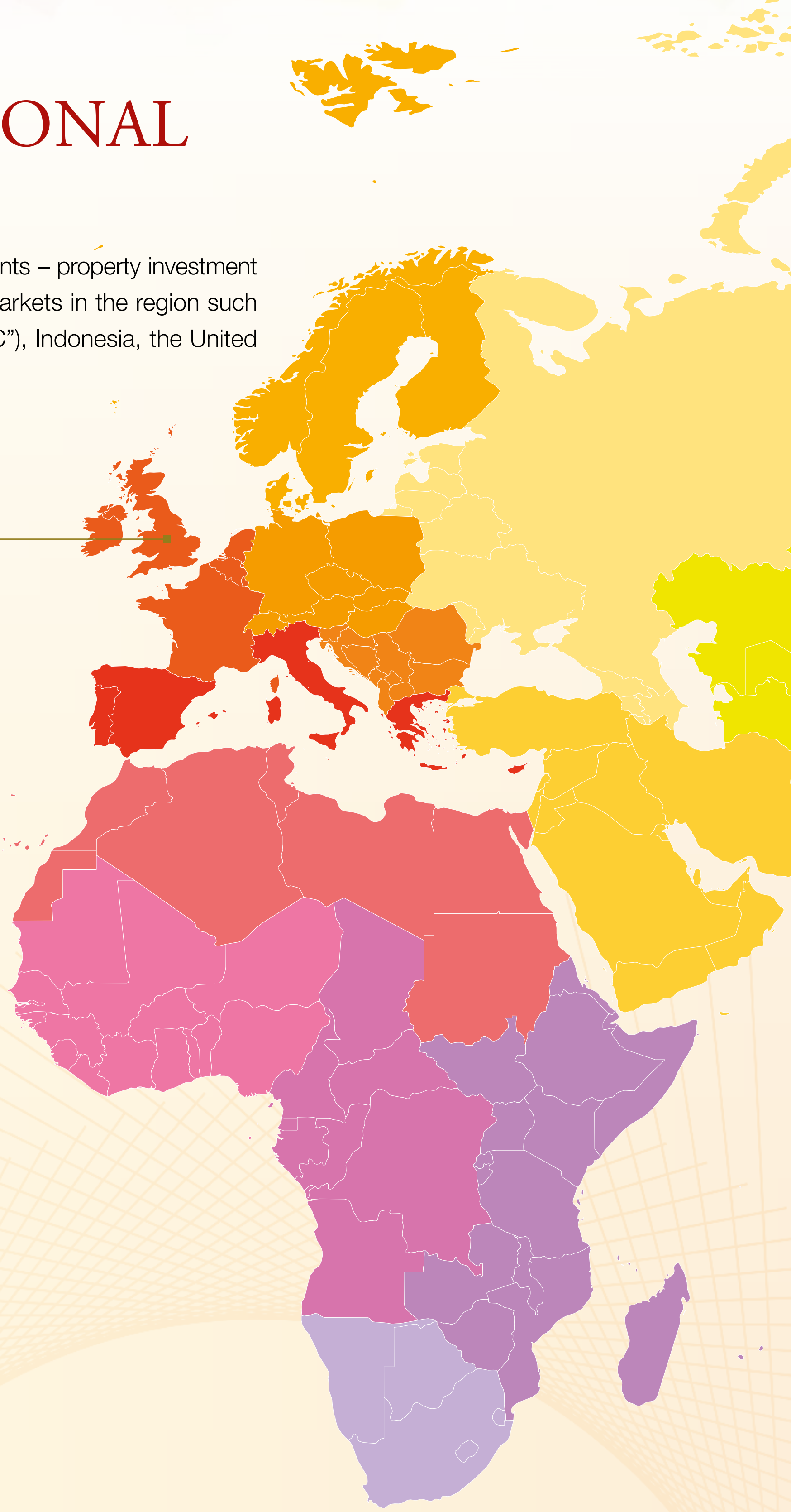
### RETAIL AND OFFICE

*Enhances income stability of our portfolio*

## METRO HOLDINGS AT A GLANCE

# OUR INTERNATIONAL 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, the United Kingdom ("UK") and Australia.



**UNITED KINGDOM**

**London**
- 5 Chancery Lane

**Manchester**
- Middlewood Locks
- Milliners Wharf The Hat Box

**Sheffield**
- Sheffield Digital Campus

**Warwick**
- Red Queen

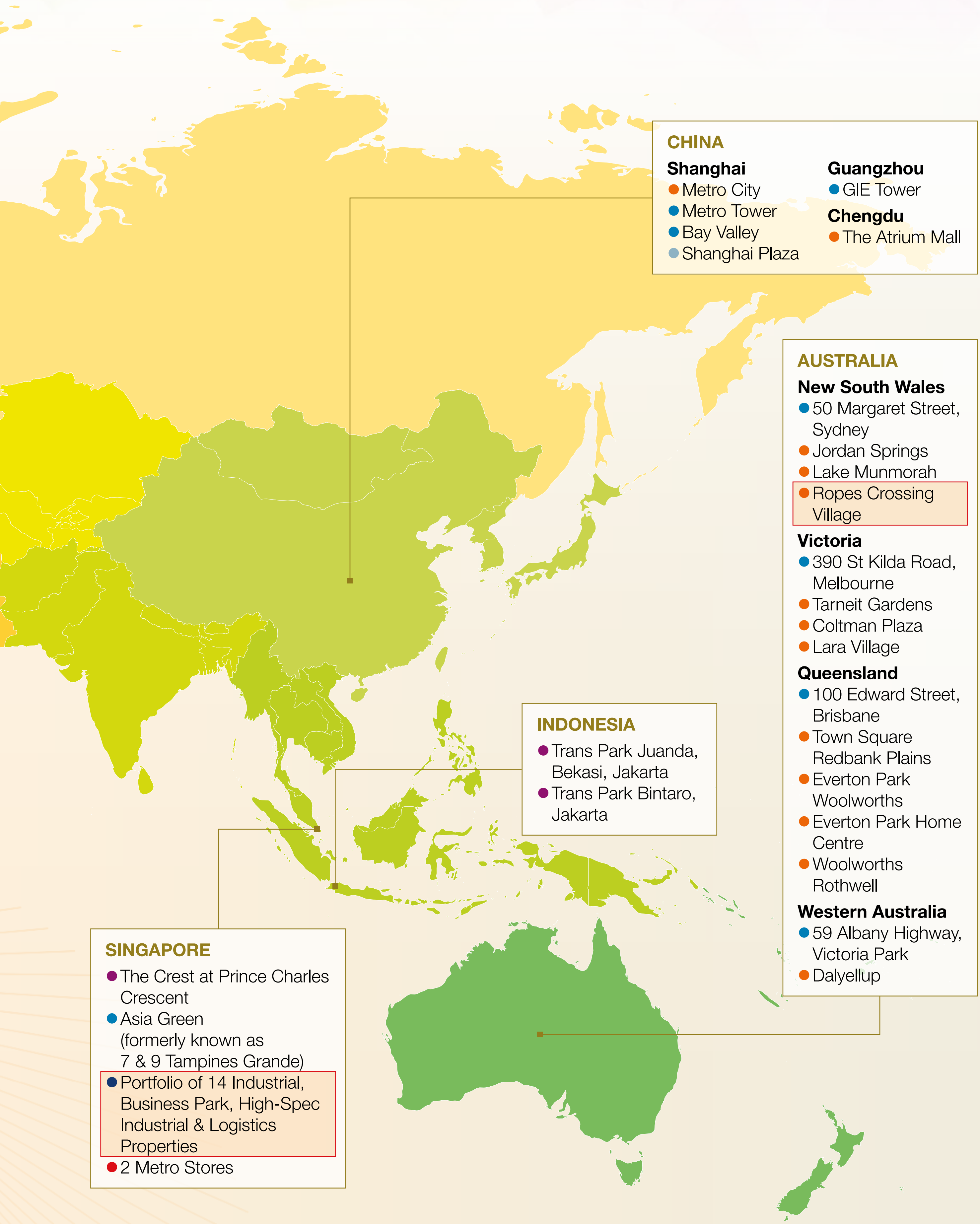
**Bristol**
- Dean Street Works

**Legend**

**Properties**
- Commercial
- Malls/Retail Centres
- Residential
- Mixed-use Development
- Student Accommodation
- Logistics & Industrial

**Retail**
- Retail Stores

☐ ***New Investments***


CHINA
Shanghai
Metro City
Metro Tower
Bay Valley
Shanghai Plaza
Guangzhou
GIE Tower
Chengdu
The Atrium Mall
AUSTRALIA
New South Wales
50 Margaret Street, Sydney
Jordan Springs
Lake Munmorah
Ropes Crossing Village
Victoria
390 St Kilda Road, Melbourne
Tarneit Gardens
Coltman Plaza
Lara Village
Queensland
100 Edward Street, Brisbane
Town Square Redbank Plains
Everton Park Woolworths
Everton Park Home Centre
Woolworths Rothwell
Western Australia
59 Albany Highway, Victoria Park
Dalyellup
INDONESIA
Trans Park Juanda, Bekasi, Jakarta
Trans Park Bintaro, Jakarta
SINGAPORE
The Crest at Prince Charles Crescent
Asia Green (formerly known as 7 & 9 Tampines Grande)
Portfolio of 14 Industrial, Business Park, High-Spec Industrial & Logistics Properties
2 Metro Stores

## METRO HOLDINGS AT A GLANCE

# PROPERTY INVESTMENT AND DEVELOPMENT

The Group's property arm has significant interests in almost 564,000 square metres of prime retail and office investment properties in gateway cities in the PRC, such as Shanghai, Guangzhou and Chengdu, as well as Singapore, London and Australia; two PBSA properties in Warwick and Bristol, the UK, with 391 en-suite beds and 44 studios; and over 335,000 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 4.9% in BentallGreenOak China Real Estate Fund II (A), L.P. ("BentallGreenOak Fund II") (formerly InfraRed NF China Real Estate Fund II (A), L.P.) and BentallGreenOak Fund III respectively, both private equity real estate opportunity funds and 7.3% in Mapletree Global Student Accommodation ("MGSA") Private Trust, a private trust in Singapore.

Asia Green, Singapore


Middlewood Locks, Manchester, UK

Shanghai Plaza, Shanghai, PRC


The Atrium Mall, Chengdu, PRC


59 Albany Highway, Victoria Park, Western Australia


Trans Park Bintaro, Jakarta, Indonesia

# METRO HOLDINGS AT A GLANCE

### SINGAPORE

The Crest at Prince Charles Crescent, Asia Green, Boustead Industrial Fund

- Bombardier Aerospace
- 11 Seletar Aerospace Link
- 26 Changi North Rise
- 16 Tampines Industrial Crescent
- 85 Tuas South Avenue 1
- 10 Tukang Innovation Drive
- GSK Asia House
- Edward Boustead Centre
- Continental Building – Phase 1
- Continental Building – Phase 2
- Continental Building – Phase 3
- 10 Changi North Way
- 12 Changi North Way
- 16 Changi North Way

### CHINA

**Shanghai**
Metro City, Metro Tower, Shanghai Plaza, Bay Valley

**Guangzhou**
GIE Tower

**Chengdu**
The Atrium Mall

### INDONESIA

**Jakarta**
Trans Park Juanda, Bekasi, Trans Park Bintaro

### UNITED KINGDOM

**Manchester**
Middlewood Locks, Milliners Wharf The Hat Box

**Sheffield**
Sheffield Digital Campus

**London**
5 Chancery Lane

**Warwick**
Red Queen

**Bristol**
Dean Street Works

### AUSTRALIA

**New South Wales**
50 Margaret Street, Jordan Springs, Lake Munmorah, Ropes Crossing Village

**Victoria**
390 St Kilda Road, Tarneit Gardens, Coltman Plaza, Lara Village

**Queensland**
100 Edward Street, Town Square Redbank Plains, Everton Park Woolworths, Everton Park Home Centre, Woolworths Rothwell

**Western Australia**
59 Albany Highway, Dalyellup

### CHINA INVESTMENT

Top Spring
BentallGreenOak Fund II
BentallGreenOak Fund III

### SINGAPORE INVESTMENT

MGSA Private Trust

# RETAIL

Metro's retail arm serves customers through two Metro department stores in Singapore, as well as via Metro Online, LazMall, Shopee Mall and Amazon.com. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise.

### SINGAPORE

Causeway Point and Paragon

### INDONESIA

Metro Trademarks

Paragon, Singapore

Metro Online

# KEY FACTS

**Dividend Per Share**
**2.25 cents**
FY2020: 2.0 cents

**Earnings Per Share**
**4.4 cents**
FY2020: 3.9 cents

**Profit Attributable to Shareholders**
**S$36.8 million**
FY2020: S$32.2 million

**Revenue**
**S$97.3 million**
FY2020: S$210.3 million

**Net Asset Value Attributable to Shareholders**
**S$1,537 million**
FY2020: S$1,500 million

**Return on Shareholders' Funds**
**2.42%**
FY2020: 2.14%

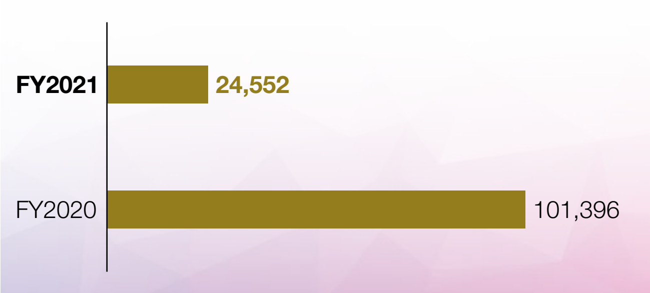
**Net Assets Per Share**
**S$1.86**
FY2020: S$1.81

**Dividend Payout Ratio**
**50.7%**
FY2020: 51.4%

# KEY FACTS

## PROPERTY DIVISION

**Property Revenue** (S$'000)




The Property Division's revenue decreased by S$76.8 million to S$24.6 million in FY2021 from S$101.4 million in FY2020, mainly from the lower sale of property rights of residential development properties in Bekasi and Bintaro, Jakarta, largely impacted by the ongoing COVID-19 pandemic. Revenue from GIE Tower, Guangzhou, increased marginally by S$0.4 million to S$6.6 million in FY2021.

The average occupancy rate for Metro's five investment properties – GIE Tower in Guangzhou, China; Metro City and Metro Tower in Shanghai, China; the fully-leased freehold office property at 5 Chancery Lane in Central London, the United Kingdom (the "UK"); and Asia Green, Singapore – remain high at 91.7% as at 31 March 2021.

### Recent Developments

- **Singapore** – In December 2020, the Group deepens its presence in Singapore by investing a 26% stake in Boustead Industrial Fund, a quality portfolio of 5 business park/high-spec industrial, 6 industrial and 3 logistics properties.

- **Chengdu, China** – Completed asset enhancement of The Atrium Mall ("晶融汇") in Chengdu, which opened in December 2020.

- **Shanghai, China** – Completed the makeover of Shanghai Plaza ("上海广场"), which opened in September 2020.

- **United Kingdom** – Established a Purpose-Built Student Accommodation ("PBSA") fund, Paideia Capital UK Trust ("Trust"), with a 30% investment stake to expand and diversify further in the UK. The Trust acquired two assets in Warwick and Bristol in December 2020 and January 2021 respectively. The Group and its joint venture partners incorporated Paideia Partners Pte. Ltd. to act as fund manager to grow its fund management arm.

- **Australia** – Further expanded in Australia in November 2020 by acquiring Ropes Crossing Village Shopping Centre in New South Wales, which enjoys a high occupancy of 96.7% as at 31 March 2021.

- **Europe** – Subsequent to FY2021, Metro invested €10 million (S$16 million) in an European Logistics Fund to further diversify into the growing logistics sector. The Fund currently has 12 income producing assets, including eight in Poland, three in the UK and one in Spain. The properties are predominantly freehold, with long weighted average unexpired lease term of close to 6 years and quality tenants including PepsiCo, Deutsche Post, DHL Group, DFS Group and Fiege Logistics.

### Outlook

- **Singapore** – The Group's premium Grade-A office towers at Tampines Regional Centre enjoys a committed occupancy of 88.9% as at 31 March 2021 and leasing is underway. Our residential project, The Crest at Prince Charles Crescent, was fully sold. Metro's recent investment into Boustead Industrial Fund's quality portfolio of 14 industrial, business park, high-spec industrial and logistics properties in Singapore will generate stable and recurring income to the Group.

- **China** – The Group's investment properties in Shanghai and Guangzhou continue to enjoy high occupancy and contribute stable recurring income. Asset enhancements have been completed for Shanghai Plaza ("上海广场") in Shanghai and The Atrium Mall ("晶融汇") in Chengdu, with the malls opened in September 2020 and December 2020 respectively. Both assets are expected to contribute to the Group's bottom line in the coming years. Bay Valley's occupancy in Shanghai has also improved gradually. Our associate, Top Spring International Holdings Limited and co-investments with BentallGreenOak China Real Estate Fund III L.P. in real estate debt instruments will continue to be subject to market turbulence in China and Hong Kong.

- **Indonesia** – The implementation of tighter social restrictions, a slowdown in GDP growth and ongoing volatilities brought on by the global pandemic, continue to impact the sales and collections of the Group's residential projects in Bekasi and Bintaro, Jakarta. Sales for both projects are underway at our sales galleries/marketing suites and online.

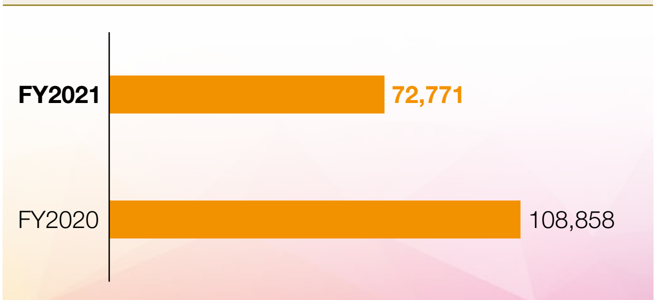
# KEY FACTS

- **United Kingdom** – Our office property at 5 Chancery Lane continues to be fully leased through 2023. For the Middlewood Locks development project in Manchester, Phase 3 is expected to commence construction in 2021 with completion expected in late 2023. Marketing efforts continued via marketing suite and online channels. Development efforts on Endeavour, Sheffield, is in progress. The Group's two PBSA properties at Warwick and Bristol are well-positioned and enjoy high occupancy rates of 90% and 100% respectively.

- **Australia** – The 20% equity stake in a portfolio of 15 quality freehold properties comprising four office buildings and 11 retail centres, will continue to generate a stable and recurring income stream.

## RETAIL DIVISION

**Retail Revenue** (S$'000)




Metro's retail revenue decreased to S$72.8 million in FY2021 from S$108.9 million in FY2020 mainly due to the closure of Metro Centrepoint in October 2019 upon lease expiry and lower sales in the departmental stores in Singapore due to closures during the circuit breaker from 7 April 2020 to 18 June 2020, arising from the COVID-19 pandemic. The Group's online business remained operational.

### Outlook

- Retail division continues to operate amidst difficult trading conditions.

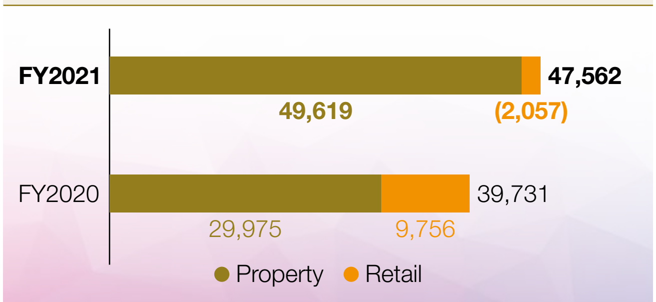
- Soft retail sales in Singapore due to Safe Management Measures and low visitor arrivals continue to weigh on our two department stores at Paragon and Causeway Point. The Group's online retail business continues to remain operational.

- Capitalise on retail brand name in Singapore and continue to focus on multi-media strategy and deployment of technology to enhance customers shopping experience.

- Consolidate operational efforts to achieve higher efficiency and productivity.

## PROFIT BEFORE TAX

**Profit Before Tax** (S$'000)




The Group's profit before tax ("PBT") for the year increased to S$47.6 million in FY2021 from S$39.7 million in FY2020 that included a one-off divestment gain of S$10.6 million from the disposal of the Group's 50% equity stake in its retail associate in Indonesia, PT Metropolitan Retailmart. The Group's FY2020 results was adversely affected by the COVID-19 pandemic with the full impact felt following the lockdown in China in early 2020. With the success of China government measures to contain the COVID-19 pandemic quickly, its economy rebounded and the Group results in FY2021 was lifted-up mainly from the higher contributions and fair value gains of the investment properties in China. In addition, lower losses incurred by associates and fair value gain from short term investments contributed to higher earnings registered in FY2021. FY2021 profits include an impairment loss on the right-of-use of assets and plant and equipment of S$4.7 million in view of the continuing challenges faced by the retail segment amidst the uncertainty of recovery in this COVID-19 pandemic.

# CHAIRMAN'S MESSAGE

" Moving forward, we continue to capitalise on opportunities with prudent capital structure and are confident that we will be able to continue with our strategic diversification expansion plans to achieve resilient growth. "

**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 2021 ("FY2021").

The continuation of the COVID-19 pandemic that started in end-2019 triggered an unprecedented global economic crisis that impacted countries, economies, businesses, operations, and livelihoods worldwide.

The start of 2021 brought about cautious optimism with the global rollout of vaccines and signs of improvement in pandemic containment. Cities are attempting to resume a gradual process to normalcy, despite resurgence of the virus and its mutations.

During the year, we continued to expand in our key markets notwithstanding the global uncertainties. While Singapore remains our base for investments and development (since 1957), we continue to build a geographically diversified portfolio to weather cyclical changes and structural shifts to remain relevant. We have expanded to China (since 1988), Indonesia (since 1991), the United Kingdom ("UK") (since 2014) and Australia (re-entered in 2019). We have a global portfolio with total assets amounting to S$2.3 billion and continue to evaluate each market closely and seize opportunities as they arise. For FY2021, I am pleased to report that our diversified, resilient recurring income base, which we strategically built up over the years, has allowed us to sustain our profitability amid these challenging times.

## FINANCIAL REVIEW

Metro registered 11.8% growth in net profit after tax ("PAT") to S$37.0 million for the full year ended 31 March 2021, as compared to S$33.1 million in the same period a year ago ("FY2020") that included a one-off divestment gain of S$10.6 million. The Group's FY2020 results was adversely affected by the COVID-19 pandemic with the full impact felt following the lockdown in China in early 2020. With the success of China government measures to contain the COVID-19 pandemic quickly, its economy rebounded and the Group results in FY2021 was lifted-up mainly from the higher contributions and fair value gains of the investment properties in China. In addition, lower losses incurred by associates and fair value gain from short term investments contributed to higher earnings registered in FY2021.

The Group posted revenue of S$97.3 million in FY2021, as compared to S$210.3 million in FY2020, largely due to lower contributions from the sale of property rights of residential development properties in Bekasi and Bintaro, Jakarta, impacted by the ongoing COVID-19 pandemic, lower revenue from the retail segment due to the closure of Metro Centrepoint in October 2019 upon lease expiry and lower sales from the closure of our two Singapore stores during the Circuit Breaker from April to June 2020.

As at 31 March 2021, the Group maintained a healthy balance sheet, with net assets of S$1.6 billion and total assets of S$2.3 billion. Metro's strong financial position, coupled with the S$1 billion Multicurrency Debt Issuance Programme established in October 2018, will provide good headroom for us to seize growth opportunities in our key markets of Singapore, China, Indonesia, the UK, and Australia.

# CHAIRMAN'S MESSAGE

## PROPERTY INVESTMENT AND DEVELOPMENT

### Diversification for Resilience – Key Investments and Strategic Moves in FY2021

In FY2021, Metro continued to expand our portfolio across resilient asset classes geographically. This is in line with our strategy to further enhance the quality, diversity and income profile of the Group's investment portfolio to generate stable and recurring income. During the year, Metro diversified into new asset classes in key markets in the UK and Singapore, working closely with strategic partners. This included the Purpose-Built Student Accommodation ("PBSA") segment in the UK, and 14 properties in the industrial/logistics real estate segment in Singapore. The Group further expanded in Australia by acquiring a retail asset in suburban New South Wales. Subsequent to FY2021, Metro invested €10 million (S$16 million) in an European Logistics Fund to further diversify into the growing logistics sector.

The average occupancy of the Group's five investment properties in Guangzhou, Shanghai, London and Singapore remained high at 91.7% as at 31 March 2021.

### Singapore

The COVID-19 pandemic has driven a rise in demand for global logistics and warehouse space on the back of stockpiling needs for e-commerce. Metro is positioned to capitalise on the highly sought-after industrial/logistics segment, with our December 2020 acquisition of a 26% stake in a portfolio of 14 quality industrial, business park, high-spec industrial and logistics properties, for an investment amount of up to S$76.6 million via entering into subscription agreements to subscribe for 26% of the Units and 7.0 per cent. Notes due 2031 of the Boustead Industrial Fund. This is the first collaboration and strategic partnership with the established group, Boustead Projects Limited ("BPL"), and marks Metro's entry into the industrial/logistics segment in Singapore with an immediate scale of 14 quality assets to generate stable and recurring income and for long term growth. The portfolio enjoys a high committed average occupancy rate of 99% and an overall weighted average lease expiry of approximately 7.5 years. This sector is poised for sustainable growth over the long term, well-supported by structural demand drivers such as the growth in e-commerce, and we are delighted to collaborate with an experienced and established partner like BPL.

The continued demand for decentralised office space in Singapore benefits our two blocks of premium Grade-A office towers at the Tampines Regional Centre, which has been rebranded as Asia Green. The property enjoys a high occupancy of 88.9%[1] as at 31 March 2021. The buildings were conferred the Green Mark Platinum Award by the Building and Construction Authority and the LEED Gold Certification by the US Green Building Council. Underpinned by some recovery signs of the Singapore residential market, our residential project, The Crest at Prince Charles Crescent, was fully sold.

### China

On the asset enhancement front, Metro completed the makeover of Shanghai Plaza ("上海广场"), which opened in September 2020, and The Atrium Mall ("晶融汇") in Chengdu, which opened in December 2020. Strategically located at Number 138 Huai Hai Zhong Road ("淮海中路"), Huang Pu ("黄浦") district in Shanghai, 500 meters from the Xintiandi ("新天地") Business District, the rebranded Shanghai Plaza has created a buzz in the vicinity. It is repositioned as a lifestyle destination with premium food and beverage operators and top specialty retailers. WeWork, a leading co-working space operator anchors the office space. Since opening, Shanghai Plaza has won several awards and accolades and is a preferred venue for art and sculpture exhibitions by renowned artist Xu Zhen ("徐震"). The integrated product offerings continue to excite and draw footfall.

Our LEED Gold certified The Atrium Mall, Chengdu, builds upon its central location in the heart of the Chun Xi Road's ("春熙路") core business district surrounded by top malls, Chengdu International Finance Square and Taikoo Li ("太古里") Chengdu to create its unique and distinct niche targeting flagship stores in Southwest China, including beauty store Harmay ("话梅"), Sevenbus bubble tea, and others that appeal to younger shoppers. Both assets are expected to contribute to the Group's bottom line in the coming years.

### Indonesia

In Jakarta, Indonesia, construction of our two residential projects Trans Park Juanda, Bekasi and Trans Park Bintaro are progressing despite COVID-19 pandemic restrictions. All five 32-storey residential towers at Bekasi have topped off and one of the two towers at Bintaro has topped off. Sales for both projects are underway at our sales galleries/marketing suites as well as online.

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[1] Committed occupancy includes JustCo

# CHAIRMAN'S MESSAGE

### United Kingdom

In December 2020, Metro established a PBSA fund, Paideia Capital UK Trust ("Trust"), through a newly formed strategic partnership with Lee Kim Tah Holdings Limited ("LKT") and Woh Hup Holdings Pte Ltd ("WH"), to expand and diversify further in the UK. Metro and its joint venture partners incorporated Paideia Partners Pte. Ltd. ("Paideia Partners") to act as fund manager to grow its fund management arm, following the setup of Sim Lian – Metro Capital Pte Ltd as the asset and investment management company for the Australian Portfolio.

Upon the December 2020 closing of the fund, the Trust acquired its first PBSA seed property in Warwick for a total consideration of £21.5 million (approximately S$38.7 million). The property is newly constructed and situated one mile north of the main campus of the University of Warwick, with approximately 22,000 full-time students and a committed occupancy of 90%. Shortly after, the Trust acquired its second asset in Bristol – Dean Street Works, for a total purchase consideration of £30.1 million (approximately S$54.8 million). This asset was completed in August 2020 with 100% committed occupancy. It is located 1.4 km from the main campus of the University of Bristol with approximately 27,000 students, and is a five-minute drive from Bristol's city centre and main shopping district Broadmead. The strategic investment in PBSA assets will position the Group favourably in the UK, given the resilience in demand for quality higher education. Together with our experienced partners LKT and WH, we will leverage on this platform to grow the PBSA portfolio in the UK, where we see good growth prospects. With an initial aggregate committed capital of £60 million (approximately S$108 million) upon its First Closing, the Trust will acquire PBSA properties in the UK to potentially grow its asset portfolio size to £150 million (approximately S$270 million). Paideia Partners will manage and grow the portfolio, which will potentially include new investors in the future.

In Manchester, submission planning for Phase 3 is ongoing for the Middlewood Locks mixed-use development. Phase 3 comprises two residential blocks to provide approximately 190 new homes, circa 5,000 sqft of retail, leisure and amenity accommodation together with 5,000 sqft of office net lettable area. The entire mixed-use 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.

### Australia

In line with the Group's diversification strategy Metro increased its Australian presence in FY2021 with the acquisition of Ropes Crossing Village Shopping Centre in New South Wales. The property, which enjoys a high occupancy of 96.7%[2], is a freehold asset located 49 kilometres west of Sydney CBD and is surrounded by multiple residential precincts.

### Europe

Subsequent to FY2021, Metro invested €10 million (S$16 million) in an European Logistics Fund to further diversify into the growing logistics sector. The Fund currently has 12 income producing assets, including eight in Poland, three in the UK and one in Spain. The properties are predominantly freehold, with long weighted average unexpired lease term of close to 6 years and quality tenants including PepsiCo, Deutsche Post, DHL Group, DFS Group and Fiege Logistics.

## RETAIL

Metro's retail revenue decreased to S$72.8 million in FY2021 from S$108.9 million in FY2020 mainly due to the closure of Metro Centrepoint in October 2019 upon lease expiry as well as lower sales in the departmental stores in Singapore due to closures during the circuit breaker from 7 April 2020 to 18 June 2020, arising from the COVID-19 pandemic. The Group's online retail business remained operational.

Excluding the divestment gain of S$10.6 million from the sale of the Group's 50% equity interest of PT Metropolitan Retailmart in Indonesia, the Group recorded a segment loss of S$0.2 million in FY2020, which was comparable to the segment loss of S$0.4 million in FY2021, after receiving the rental rebates granted by landlords, property tax rebates and jobs support scheme, totalling S$9.3 million. FY2021 profits included an impairment loss on the right-of-use of assets and plant and equipment of S$4.7 million due to continuing challenges faced by the retail segment.

[2] As at 31 March 2021

# CHAIRMAN'S MESSAGE

## OUTLOOK

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. After a 3.3% contraction in 2020, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022. Global growth is expected to moderate to 3.3% over the medium term from 2022-2024 – reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market economies. Emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses[3].

### Property investment and development

Following the early-2020 lockdown, China has managed to contain the COVID-19 pandemic quickly and its economy embarked on a recovery yielding annual growth of 2.3% in 2020. 1Q2021 saw lower sequential growth more in line with China's pre-crisis pace, with strong year-on-year growth of 18.3% mostly reflecting the base effect from the large contraction in 1Q2020[4]. CBRE expects China to register GDP growth of 8.2% in 2021, underpinned by the new "dual circulation" economic development strategy which lies at the centre of China's 14th Five-Year Plan (2021-2025) and beyond. The strategy involved leveraging China's large domestic market while retaining the existing "opening-up" policy to create more balanced development. Economic development over the next five years will therefore rely more upon domestic consumption and technological innovation[5]. As of 28 June 2021, about 16.0% of China population had received a second dose of the COVID-19 vaccine[6].

Our investment properties in Shanghai and Guangzhou continued to enjoy high occupancy. With asset enhancement completed for Shanghai Plaza and the Atrium Mall in Chengdu, the malls reopened in September 2020 and December 2020 respectively. Occupancy for Bay Valley in Shanghai has improved gradually, while our associate Top Spring International Holdings Limited and co-investments with BentallGreenOak China Real Estate Fund III L.P. in real estate debt instruments will continue to be subject to market turbulence in China and Hong Kong.

According to Singapore's Ministry of Trade and Industry, the nation's economy expanded by 1.3% in the first three months of 2021 amidst the global pandemic, with GDP growth forecast to be maintained at "4.0 to 6.0 per cent" in view of the heightened uncertainties in the economic environment[7]. As part of the Singapore government effort to administer vaccinations to all Singaporean as well as long-term residents, as of 28 June 2021 about 35.0% of Singapore population had received a second dose of the COVID-19 vaccine[8]. In the office sector, despite the total return of 0.5 million sqft of CBD office space by major financial institutions, 30-40% of this returned space has already been backfilled by landlords and co-working spaces[9]. The recent entry of Chinese technology companies such as Tencent, TikTok owner ByteDance and Alibaba[10] will also benefit the office sector in Singapore. All these bode well for our premium Grade-A office towers at Asia Green. Underpinned by some recovery signs of the Singapore residential market where prime home sales volume rose moderately in 1Q2021[11], our residential project The Crest at Prince Charles Crescent was fully sold.

In Singapore, the logistics and warehousing sector was the star performer in 2020. The eight-week circuit breaker and the subsequent reopening had sparked a surge in demand for logistics and warehouse space on the back of stockpiling needs and the e-commerce boom[12]. Metro is well-positioned in this sector given our recent investment in the Boustead Industrial Fund's quality portfolio of 14 industrial, business park, high-spec industrial and logistics properties.

On 6 January 2021, the Indonesian government announced the implementation of tighter social restriction

3 IMF, World Economic Outlook, April 2021
4 IMF, Policy Responses to COVID-19, 3 June 2021
5 CBRE, China Market Outlook 2021
6 Our World in Data, Vaccinations by location, 28 June 2021
7 MTI Singapore, MTI Maintains 2021 GDP Growth Forecast at "4.0 to 6.0 Per Cent" 25 May 2021
8 Our World in Data, Vaccinations by location, 28 June 2021
9 DBS, Darkest Before Dawn, 30 April 2021
10 Business Times, Facing Pressure At Home, Chinese Tech Giants Expand In Singapore, 5 April 2021
11 JLL, Property Market Monitor Singapore, 15 April 2021
12 JLL, Road to recovery, 3 February 2021

# CHAIRMAN'S MESSAGE

in Java and Bali regions, effective from 11-25 January 2021 and subsequently extended until 8 February 2021. The government also launched its nationwide vaccination programme in mid-January 2021, starting with health care workers. As of 28 June 2021, about 4.8% of Indonesia population had received a second dose of the COVID-19 vaccine[13]. Indonesia's annual GDP growth in 2020 recorded -2.1% and 1Q2021 GDP declined 0.7% over a year ago and some volatility remains[14] and this is expected to continue to negatively impact the sales and collections of our Bekasi and Bintaro residential projects, though sales continue both at our sales galleries/ marketing suites and online.

In the UK, amidst rising contagions and the rapid spread of a new strain of the virus, the government has imposed a third lockdown across England on January 4, 2021. Tier 4 restrictions were imposed, with schools, restaurants, bars, and non-essential shops prohibited from operating, and the public ordered to stay at home. The lockdown will be lifted in phases, beginning with the reopening of schools, followed by public recreational facilities from 8 March[15]. All sectors of the economy are now expected to reopen by 19 July 2021[16]. As of 28 June 2021, about 48.0% of UK population had received a second dose of the COVID-19 vaccine[17].

The UK student accommodation sector attracted £190 million worth of capital in March 2021, bringing the 1Q2021 total to £685 million, the highest quarterly figure since the sale of the iQ student accommodation portfolio a year ago[18]. Amidst this backdrop, Metro's two PBSA properties at Warwick and Bristol are well-positioned and enjoy high occupancy rates of 90% and 100% respectively. In Manchester, the residential prices are forecast to grow 3.4% over the next five years, while rental growth is estimated to average 3.3% per annum[19]. With the reopening of the Middlewood Locks marketing suite, the team continues to market both in person and via online channels. Despite COVID-19 causing exceptional occupier uncertainty in London and causing expansion/relocation decisions to be put on hold[20], our office property at 5 Chancery Lane continues to be fully leased through 2023.

In Australia, vaccinations for COVID-19 began on 22 February 2021 and 4.8% of the population had received a second dose of the COVID-19 vaccine as of 28 June 2021[21]. The economy has continued to recover with real GDP increasing by 1.8% QoQ in the first quarter of 2021, following the 3.2% QoQ rise in the fourth quarter 2020[22]. This should benefit Metro's portfolio of 15 quality freehold properties comprising 4 office buildings strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth. The other 11 retail centres are located regionally with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities.

### Retail

The retail division continues to operate amidst difficult trading conditions. Soft retail sales in Singapore due to operational-capacity constraints and low visitor arrivals[23] continue to weigh on our two department stores at Paragon and Causeway Point, exacerbated by heightened social distancing measures implemented from May 2021 to June 2021[24]. The Group's online retail business continues to remain operational.

### In Conclusion

Through strategic partnerships, we have expanded our geographical presence over the years in Singapore, China, Indonesia, the UK, and Australia.

As each of these countries is in a different phase of the global pandemic, we will continue to monitor, embrace and evolve our growth strategies, building upon our established track record in the real estate sector. We will also actively manage our existing investment portfolio to optimise returns and capitalise on new opportunities to enhance shareholder value.

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13 Our World in Data, Vaccinations by location, 28 June 2021
14 IMF, Policy Responses to COVID-19, 3 June 2021
15 IMF, Policy Responses to COVID-19, 3 June 2021
16 Reuters, UK's Johnson delays COVID reopening by a month, citing Delta variant risk, 15 June 2021
17 Our World in Data, Vaccinations by location, 28 June 2021
18 Colliers, United Kingdom Property Snapshot, 14 April 2021
19 JLL, Living with 2020 Vision: UK City Centre Forecasts, March 2020
20 Colliers, London Offices Update, 1 April 2021
21 Our World in Data, Vaccinations by location, 28 June 2021
22 IMF, Policy Responses to COVID-19, 6 June 2021
23 JLL, Property Market Monitor Singapore, 15 April 2021
24 MOH Singapore, Updates On Local Situation And Heightened Alert To Minimise Transmission, 14 May 2021

# CHAIRMAN'S MESSAGE

At the same time, Metro will continue to take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows and liquidity, and actively managing our existing investment portfolio, for optimal returns. With regards to our asset management strategy, our focus remains steadfast, prioritising critical asset enhancement, while deferring uncommitted capital expenditure and implementing cost savings, where possible.

Moving forward, we continue to capitalise on opportunities with prudent capital structure and are confident that we will be able to continue with our strategic diversification expansion plans to achieve resilient growth.

## PROPOSED DIVIDEND

To reward shareholders, the Board has recommended on a per share basis, dividends totalling 2.25 Singapore cents, comprising ordinary final dividend of 2.0 Singapore cents and a special dividend of 0.25 Singapore cents. Together, these represent a dividend yield of 3.0%[25] and a payout ratio of 50.7% of the net profit attributable to shareholders for FY2021.

## APPRECIATION

On behalf of the Board, I wish to express our sincere gratitude to our shareholders, staff, customers, business partners, associates and stakeholders for your unwavering support throughout Metro's journey approaching six and a half decades. Specifically, I would like to thank our loyal shareholders for standing together with us during this challenging period.

I would also like to express our appreciation to Mr Phua Bah Lee, Metro's Non-Executive and Independent Director, for his strong commitment and contribution to the Group over the past 28 years, as he is stepping down as Board member in July 2021. Mr Phua has been playing an integral role for the Group's expansion through the years, in particular Metro's entry into China. He will continue to provide management oversight as Senior Advisor.

Having contributed to Metro for more than 30 years, Mr Lawrence Chiang, Metro's former Group Chief Executive Officer and Advisor, retired on 31 December 2020. I would like to thank Lawrence for his leadership, dedication and invaluable contributions to Metro.

I would like to take this opportunity to welcome Mr Ng Ee Peng, who joined us as Non-Executive and Independent Director on 13 April 2021. Having held senior management positions in the Singapore military and private sector, his expertise will be invaluable to the Metro Group.

I would also like to thank my fellow Board members for their counsel and guidance provided to the Group amidst these volatile and challenging times.

With our strong foundation diversified across countries and asset classes, Metro is well-positioned to grow with resilience to become a leading property investment and development group in both new and existing markets.

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

2 July 2021

[25] Share price of S$0.760 as at 31 March 2021

# 主席致词

“展望未来，我们将继续利用审慎的资本结构，把握机会，并坚信我们将能够继续进行多元化战略扩张计划，以实现韧性增长。”

**朱维良中将**
集团主席

**尊敬的各位股东：**

我谨代表美罗控股有限公司（简称“美罗”或“集团”）董事会，很荣幸地向各位公布截至2021年3月31日财政年度（“2021财政年度”）的年度报告。

始于2019年底的新型冠状病毒肺炎（“COVID-19”）疫情在全球的持续引发了前所未有的全球经济危机，影响了世界各国的经济、企业、运营和生计。

2021年伊始，随着全球疫苗的推出和防疫措施后出现好转的迹象，带来了谨慎的乐观情绪。尽管病毒及其变种卷土重来，但城市正试图逐渐恢复常态。

在这一年里，尽管全球存在不确定性，我们仍在主力市场持续扩张。虽然新加坡仍然是我们投资和开发的基地（自1957年），但我们将继续建立一个地域多元化的投资组合，以应对周期性变化和结构变化，保持与时俱进。我们已将业务扩展至中国（自1988年）、印度尼西亚（自1991年）、英国（自2014年）和澳大利亚（2019年重新进入）。我们拥有总资产达23亿新元的全球投资组合，并继续密切考察每个市场以便抓住商机。对于2021财政年度，我很高兴地报告，我们多年来战略性地建立的多元化、有韧性的持续收入基础使我们能够在这些充满挑战的时期保持盈利能力。

## 财务回顾

2021年财政年度，美罗的税后净利润增长了11.8%，达到3,700万新元，而去年同期（“2020财政年度”）为3,310万新元，其中包括1,060万新元的一次性资产出售收益。集团2020财政年度的业绩受到新型冠状病毒肺炎疫情的不利影响，并在2020年初中国封锁后受到全面影响。随着中国政府迅速采取遏制新型冠状病毒肺炎疫情的措施取得成功，中国经济已经反弹，并且集团2021财政年度的业绩主要来自中国投资性房地产的更高贡献和公允价值收益。此外，联营公司的亏损减少和短期投资带来的公允价值收益提高了2021财政年度的收益。

集团在2021财政年度的收入为9,730万新元，而在2020财政年度为2.103亿新元，主要是由于受到新型冠状病毒肺炎疫情的持续影响，雅加达勿加泗和宾塔罗住宅开发物业产权销售的贡献减少。零售业务的收入减少是由于美罗先得坊（Metro Centrepoint）门店于2019年10月租赁期限届满后关闭，以及我们在2020年4月至6月的病毒阻断措施期间关闭了两家新加坡门店导致销售额下降。

截至2021年3月31日，集团保持稳健的资产负债表，净资产达16亿新元，总资产达23亿新元。美罗强健的财务状况，加上2018年10月制定的10亿新元的多币种债券发行计划，将为我们在新加坡、中国、印度尼西亚、英国以及澳大利亚等主力市场中抓住增长机会提供良好的发展空间。

# 主席致词

## 房地产投资和发展

### 多元化布局，保持韧性—2021财政年度的主要投资和战略举措

在2021财政年度，美罗继续在地域上扩大我们具有韧性的资产类别投资组合。这符合我们进一步提高集团投资组合的质量、多样性和收入情况以产生稳定和持续收入的战略。这一年里，美罗与战略合作伙伴密切合作，在英国和新加坡的主力市场多元化地拓展了新的资产类别。这包括在英国的专建学生公寓（"PBSA"）版块和新加坡的工业/物流房地产版块的14个物业。集团通过收购新南威尔士州郊区的零售资产，进一步在澳大利亚扩张。在2021财政年度之后，美罗向欧洲物流基金投资了1,000万欧元（1,600万新元），以进一步多元化发展不断增长的物流行业。

截至2021年3月31日，集团在广州、上海、伦敦和新加坡的五项投资性房地产的平均出租率保持在91.7%的高位。

### 新加坡

新型冠状病毒肺炎疫情使得电子商务的库存需求增加，推动了全球物流和仓库空间的需求增加。我们于2020年12月通过认购年率7.0%至2031年的宝德工业基金（Boustead Industrial Fund）票据，收购了14个优质工业、商业园区、高规格工业和物流物业投资组合的26%权益。投资金额高达7,660万新元。这也坚定了美罗在益受欢迎的工业/物流版块的地位。这是美罗与知名集团宝德工程（Boustead Projects Limited）的首次合作和战略伙伴关系，标志着美罗通过拥有14个优质资产的规模迅速进入新加坡的工业/物流领域，以产生稳定和持续的收入和实现长期增长。该投资组合拥有高达99%的承诺平均出租率和约7.5年的加权平均租赁期限。在电子商务增长等结构性需求驱动因素的大力支持下，该领域有望实现长期可持续增长，我们很高兴与像宝德工程这样经验丰富且知名的伙伴合作。

随着新加坡分散式办公空间的需求不断增加，我们的两座位于在淡滨尼区域中心的优质甲级写字楼从中受益，该大楼已更名为绿融大厦（Asia Green）。截至2021年3月31日，该物业的出租率高达88.9%[1]。该写字楼获得建设局颁发的绿色建筑标志白金认证，并被美国绿色建筑委员会授予LEED金级认证。在新加坡住宅市场出现复苏迹象的支持下，我们位于查尔斯太子湾（Prince Charles Crescent）的嘉御苑（The Crest）住宅项目已全部售罄。

### 中国

在资产增值方面，美罗完成了于2020年9月开业的上海广场（Shanghai Plaza）和于2020年12月开业的成都晶融汇（The Atrium Mall）的翻新工程。上海广场地理位置优越，位于上海市黄浦区淮海中路138号，距新天地商务区仅500米，翻新后焕然一新面貌的上海广场在附近注入新生活力。它被重新定位为拥有优质餐饮运营商以及顶级专业零售商的生活方式之目的地。领先的联合办公空间运营商WeWork则聚合了办公空间。即开业以来，上海广场屡获殊荣，是著名艺术家徐震的艺术和雕塑展览的首选场地。综合的产品供应持续吸引和带来客流量。

我们的LEED金级认证的成都晶融汇位于春熙路核心商业区的中心地带，周围环绕着顶级购物中心、成都国际金融中心和成都太古里，将在中国西南地区打造独特的利基定位的旗舰店，包括美妆店话梅、Sevenbus珍珠奶茶等吸引年轻消费者的品牌。预计这两项资产将在未来几年为集团的盈利做出贡献。

### 印度尼西亚

在印度尼西亚雅加达，尽管受到新型冠状病毒肺炎疫情的限制，我们的两个住宅项目Trans Park Juanda, Bekasi（勿加泗）和Trans Park Bintaro（宾塔罗）的建设仍在进行中。勿加泗项目的5栋32层的住宅楼已全部封顶，而宾塔罗项目的2栋住宅楼的其中1栋已经封顶。这两个项目的销售正在我们的销售/营销中心和网上进行。

[1] 承诺出租率包含JustCo

# 主席致词

## 英国

2020年12月，美罗通过与李金塔控股有限公司(Lee Kim Tah Holdings Limited)以及和合控股私人有限公司(Woh Hup Holdings Pte Ltd)新建立的战略合作伙伴关系，设立了专建学生公寓基金Paideia Capital UK Trust，以在英国进一步扩张和多元化布局。美罗也和这合资伙伴成立了Paideia Partners Pte Ltd担任基金管理人，以发展其基金管理部门。这是继成立Sim Lian – Metro Capital Pte Ltd作为澳大利亚投资组合的资产和投资管理公司。

专建学生公寓基金Paideia Capital UK Trust于2020年12月成立后，该基金以2,150万英镑(约3,870万新元)的总对价收购了在沃里克(Warwick)专建学生公寓种子物业。该新建物业位于拥有约2.2万名全日制学生的华威大学主校区以北1英里处，且承诺出租率达90%。不久之后，该基金以3,010万英镑(约5,480万新元)的总对价收购了其在布里斯托的第二项资产，Dean Street Works。该资产于2020年8月竣工，承诺出租率为100%。它距离拥有约2.7万名学生的布里斯托大学主校区1.4公里，距离布里斯托市中心和主要购物商圈布罗德米德有5分钟车程。鉴于优质高等教育需求的韧性，对专建学生公寓资产的战略投资将使集团在英国处于有利地位。我们与经验丰富的合作伙伴李金塔控股有限公司与和合控股私人有限公司一起，将利用这个平台在英国发展具有良好增长前景的专建学生公寓投资组合。该基金成立时的初始承诺资本总额为6,000万英镑(约1.08亿新元)，通过收购英国的专建学生公寓物业，该基金有望将其资产组合规模扩大至1.5亿英镑(约2.7亿新元)。Paideia Partners将管理和发展投资组合，未来可能会包括新的投资者。

在曼彻斯特，Middlewood Locks综合用途开发项目的第三期开发项目规划审批提交正在进行中。第三期开发项目项下有2栋住宅楼，拥有约190套住宅，约5,000平方英尺的零售、休闲和便利设施，以及5,000平方英尺的办公净出租面积。整个综合用途开发项目最终将提供2,215套新住宅和约75万平方英尺的商业空间，包括办公室、酒店、商店、餐厅、便利店和健身房。

## 澳大利亚

依照集团的多元化战略，美罗在2021财政年度通过收购新南威尔士州的Ropes Crossing Village购物中心增加了其在澳大利亚的业务。该物业是位于悉尼中央商务区以西49公里处的永久业权资产，周围环绕着多个住宅区，拥有高达96.7%的出租率[2]。

## 欧洲

在2021财政年度之后，美罗向欧洲物流基金投资了1,000万欧元(1,600万新元)，以进一步多元化发展不断增长的物流行业。该基金目前拥有12个创收资产，其中8个在波兰，3个在英国，1个在西班牙。这些物业主要为永久业权，加权平均尚余租赁期限长达近6年，优质租户包括百事可乐、德国邮政、DHL集团、DFS集团和Fiege物流。

## 零售业务

美罗的零售收入从2020财政年度的1.089亿新元减少至2021财政年度的7,280万新元，主要是由于美罗先得坊(Metro Centrepoint)门店于2019年10月租赁期限届满后关闭，以及因新型冠状病毒肺炎疫情而在2020年4月7日至2020年6月18日实施的病毒阻断措施期间，封锁导致新加坡百货商场的销售额下降。集团的网上零售业务则保持运营。

除去集团出售在印度尼西亚零售联营公司PT Metropolitan Retailmart 50%股权而获得1,060万新元的资产出售收益，集团零售业务在2020财政年度的亏损为20万新元，与集团在2021财政年度零售业务的亏损40万新元大致相当，扣除了此前已收到的总计930万新元由业主给予的租金回扣、产业税回扣和雇佣补贴计划。由于零售业务面临持续挑战，2021财政年度的利润包含固定资产和资产的使用权减值损失470万新元。

[2] 截至2021年3月31日

# 主席致词

## 展望未来

新型冠状病毒肺炎疫情一年后，尽管不断增加的疫苗接种覆盖率提振了士气，持续增长的死亡人数仍引发人们的担忧。因目前疫情的发展趋势，全球经济前景存在高度不确定性。全球经济在2020年萎缩3.3%之后，预计将在2021年增长6%，到2022年放缓至4.4%。从2022年至2024年的中期，全球经济增长预计将放缓至3.3%，反映出疫情对供应造成的潜在损害，包括发达经济体和一些新兴市场经济体与老龄化有关的劳动力增长放缓。新兴市场经济体和低收入发展中国家受到了更大的打击，预计将在中期遭受更大的损失[3]。

## 房地产投资和发展

在2020年初的封锁之后，中国成功地迅速遏制了新型冠状病毒肺炎疫情，中国经济开始复苏，2020年的年增长率为2.3%。2021年第一季度的环比增长放缓，与中国在危机前的步伐一致，而18.3%强劲的同比增长主要反映了2020年第一季度大幅收缩的基数效应[4]。世邦魏理仕（CBRE）预计，在中国"十四五"规划（2021-2025）及其后的核心，"双循环"新发展格局的支持下，中国2021年的国内生产总值（GDP）增长率将达到8.2%。该发展格局涉及利用中国庞大的国内市场，同时保留现有的"开放"政策，以创造更加均衡的发展。因此，中国未来五年的经济发展将更多地依赖国内消费和技术创新[5]。截至2021年6月28日，中国约16.0%的人口已接种第二剂新冠疫苗[6]。

我们在上海和广州的投资性房地产继续保持高出租率。随着上海广场和成都晶融汇的资产翻新增值工程竣工，这两个购物中心分别于2020年9月和2020年12月重新开业。上海湾谷的出租率逐渐提高，而我们的联营公司莱蒙国际集团（Top Spring International Holdings Limited）以及与BentallGreenOak China Real Estate Fund III LP共同投资的房地产债务工具将继续受到中国和香港市场波动的影响。

根据新加坡贸工部的数据，在全球疫情期间，新加坡经济在2021年前三个月增长了1.3%，由于经济环境的不确定性加剧，预计国内生产总值增长率将维持在"4.0%至6.0%"[7]。作为新加坡政府为所有新加坡公民和长期居民接种疫苗工作的一部分，截至2021年6月28日，新加坡约35.0%的人口已接种第二剂新冠疫苗[8]。在写字楼领域，尽管主要金融机构共返还了50万平方英尺的中央商务区办公空间，但其中30-40%的返还空间已经被业主和联合办公空间重新填满[9]。近期，中国的科技公司如腾讯、抖音的所有者字节跳动和阿里巴巴等进入新加坡[10]也将有利于新加坡的办公物业。这些都为我们位于绿融大厦（Asia Green）的优质甲级写字楼带来好兆头。在新加坡住宅市场出现复苏迹象的支持下，2021年第一季度优质住宅的销售量适度上升[11]，我们位于查尔斯太子湾（Prince Charles Crescent）的嘉御苑（The Crest）住宅项目已全部售罄。

在新加坡，物流和仓储行业在2020年表现出色。在储存需求和电子商务繁荣的环境下，为期八周的病毒阻断措施和随后的重新开放引发了对物流和仓库空间的需求激增[12]。美罗在该领域处于有利地位，基于我们最近投资了宝德工业基金（Boustead Industrial Fund）含14个工业、商业园区、高规格工业和物流物业的优质投资组合。

2021年1月6日，印度尼西亚政府宣布在爪哇岛和峇厘岛地区实施更加严格的社会限制措施，从2021年1月11日至25日实施，随后延长至2021年2月8日。政府还于2021年1月中旬启动了全国疫苗接种计划，从医护人员开始。

3 IMF, World Economic Outlook, April 2021
4 IMF, Policy Responses to COVID-19, 3 June 2021
5 CBRE, China Market Outlook 2021
6 Our World in Data, Vaccinations by location, 28 June 2021
7 MTI Singapore, MTI Maintains 2021 GDP Growth Forecast at "4.0 to 6.0 Per Cent" 25 May 2021
8 Our World in Data, Vaccinations by location, 28 June 2021
9 DBS, Darkest Before Dawn, 30 April 2021
10 Business Times, Facing Pressure At Home, Chinese Tech Giants Expand In Singapore, 5 April 2021
11 JLL, Property Market Monitor Singapore, 15 April 2021
12 JLL, Road to recovery, 3 February 2021

# 主席致词

截至2021年6月28日，印度尼西亚约4.8%的人口已接种第二剂新冠疫苗[13]。印度尼西亚2020年的国内生产总值增长率为负2.1%，2021年第一季度的国内生产总值比一年前下降0.7%，并且仍然存在一些波动[14]，预计这将继续对我们勿加泗和宾塔罗住宅项目的销售和收款产生负面影响，尽管销售继续在我们的销售/营销中心和网上进行。

在英国，由于感染增加和新毒株的迅速传播，政府于2021年1月4日在英格兰实施了第三次封锁。第四级封锁措施被启用，学校、餐馆、酒吧和非必要商店禁止营业，公众被令待在家里。解封从3月8日起分阶段进行，首先是重新开放学校，然后是开放公共娱乐设施[15]。现在预计所有经济部门都将在2021年7月19日重新开放[16]。截至2021年6月28日，英国约48.0%的人口已接种第二剂新冠疫苗[17]。

2021年3月，英国学生公寓领域吸引了价值1.9亿英镑的资金，使2021年第一季度的资金总额达到6.85亿英镑，这是自一年前iQ学生公寓组合售出以来的最高季度数据[18]。在此背景下，美罗在沃里克和布里斯托的两处专建学生公寓物业位置优越，出租率分别高达90%和100%。在曼彻斯特，预计未来五年的住宅价格将增长3.4%，而租金预计每年平均增长3.3%[19]。随着Middlewood Locks营销中心的重新开放，该团队将继续通过线下和通过网络渠道进行营销。尽管新型冠状病毒肺炎疫情造成伦敦的租户出现异常不确定性并导致扩建/搬迁决定被搁置[20]，但我们在Chancery Lane 5号的办公楼将继续全部出租至2023年。

在澳大利亚，新冠疫苗接种于2021年2月22日开始。截至2021年6月28日，4.8%的人口已接种第二剂新冠疫苗[21]。继2020年第四季度国内生产总值环比增长3.2%之后，经济继续复苏，2021年第一季度实际国内生产总值环比增长1.8%[22]。这将有利于美罗的15处优质永久业权物业组合，其中包括4栋办公楼，位于悉尼和布里斯班的核心中央商务区以及墨尔本和珀斯的中央商务区边缘。其他11个零售中心位于各区域，超过90%的零售空间由必需品零售商占据，例如提供日常必需品的超市。

## 零售业务

在艰难的贸易条件下，零售业务继续经营。由于商场和商店的人流限制和游客人数较少[23]，新加坡零售销售疲软继续给我们位于百利宫和长堤坊的两家百货商场带来压力，并因2021年5月至2021年6月实施加强的社交距离措施而加剧了这种压力[24]。集团的网上零售业务继续维持营运。

## 总结

通过战略合作伙伴关系，我们多年来在新加坡、中国、印度尼西亚、英国和澳大利亚扩大了我们的地域影响力。

由于每个国家都处于全球疫情的不同阶段，我们将基于在房地产行业取得的成绩，继续监控、采纳和发展我们的增长战略。我们也将积极管理我们现有的投资组合，以获得最佳回报并利用新机会提高股东价值。

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[13] Our World in Data, Vaccinations by location, 28 June 2021
[14] IMF, Policy Responses to COVID-19, 3 June 2021
[15] IMF, Policy Responses to COVID-19, 3 June 2021
[16] Reuters, UK's Johnson delays COVID reopening by a month, citing Delta variant risk, 15 June 2021
[17] Our World in Data, Vaccinations by location, 28 June 2021
[18] Colliers, United Kingdom Property Snapshot, 14 April 2021
[19] JLL, Living with 2020 Vision: UK City Centre Forecasts, March 2020
[20] Colliers, London Offices Update, 1 April 2021
[21] Our World in Data, Vaccinations by location, 28 June 2021
[22] IMF, Policy Responses to COVID-19, 6 June 2021
[23] JLL, Property Market Monitor Singapore, 15 April 2021
[24] MOH Singapore, Updates On Local Situation And Heightened Alert To Minimise Transmission, 14 May 2021

# 主席致词

与此同时，美罗将继续采取积极主动的措施来加强我们的财务状况，包括保留现金、优化现金流和流动性、积极管理我们现有的投资组合，以获得最佳回报。关于我们的资产管理战略，我们的重点仍然坚定不移，优先考虑增强关键资产，同时尽可能推迟未承诺资本支出并节省成本。

展望未来，我们将继续利用审慎的资本结构，把握机会，并坚信我们将能够继续进行多元化战略扩张计划，以实现韧性增长。

## 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2.25分新元，其中包括2.0分新元的末期普通股息和0.25分新元的特别股息。这总体表明美罗在2021财政年度的股息率为3.0%[25]，派息率为集团股东应占净利润的50.7%。

## 致谢

我谨代表董事会向我们的股东、员工、客户、商业伙伴、合伙人和利益相关者表示衷心感谢，感谢你们在美罗近65年的历程中给予的坚定支持。我要特别感谢我们忠实的股东在这个充满挑战的时期与我们並肩。

我还要感谢美罗的非执行和独立董事潘呇厘先生在过去28年中对集团的坚定承诺和奉献，他将于2021年7月卸任董事会成员。潘先生多年来一直为集团的扩张发挥着不可或缺的作用，尤其是美罗进入中国。他将继续作为高级顾问提供管理监督。

为美罗奉献了30多年的美罗前集团首席执行官兼顾问郑国杉先生于2020年12月31日退休。我要感谢郑国杉先生对美罗的领导、奉献精神和宝贵贡献。

我也借此机会欢迎吴一平先生，他于2021年4月13日加入我们，担任非执行和独立董事。他曾在新加坡军事和私人机构担任高级管理职位，他的专业知识对美罗集团来说是非常宝贵的。

我还要感谢各位董事会成员在这充满动荡和挑战的时期为集团提供的建议和指导。

凭借我们跨越国家和资产类别的多元化雄厚基础，美罗将巩固自身优势，在成长中保持韧性，成为现有和新市场的领先房地产投资和开发集团。

**朱维良中将**
集团主席

2021年7月2日

[25] 截至2021年3月31日，股价为每股0.760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*

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

**NG EE PENG**
*Director,*
*Non-Executive and Independent*

**YIP HOONG MUN**
*Group Chief Executive Officer,*
*Executive Director*

# 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 a 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 also served as Singapore's Non-Resident Ambassador to the State of Israel from 2006 to 2020.

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 Advanced 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。从2006年至2020年，他担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 Honorary Consul for Liechtenstein. 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, mergers and acquisitions 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 of the Singapore Institute of International Affairs. 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，同时也是列支敦士登名誉领事。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。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 Singapore Post Limited, Jubilant Pharma Limited and Cromwell EREIT Management Pte Ltd. She is the Chairman of the Board of Trustees of the Singapore Business Federation and Medishield Life Council. She is also a member of the SGX Listings Advisory Committee, SingHealth Fund Limited and Tote Board (Singapore Totalisator Board).

Mrs Fang was a member of Board of Trustees of Singapore University of Technology and Design until August 2019. She 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 Chairman of the Charity Council. She was also a Justice of the Peace and was awarded the Public Service Star in 2009. Her past directorships include Banyan Tree Holdings Limited, Singapore Telecommunications Limited and MediaCorp Pte Ltd. She was an Advisor to the Far East Organization Group.

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。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。她也是新交所上市咨询委员会、SingHealth Fund Limited以及新加坡赛马博彩管理局的董事会成员。

她曾是新加坡科技设计大学受托人董事会的成员直到2019年8月。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。她曾经在悦榕控股有限公司、新加坡电信有限公司以及新传媒有限公司担任董事一职。她曾是远东机构的顾问。

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 several private companies. Since 1978, he has been the Chairman of watch distribution companies, Crystal Time (Singapore) Pte Ltd and Crystal Time (M) Sdn Bhd. His past directorship includes Parkson Retail Asia Limited.

# BOARD OF DIRECTORS

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. He also serves as the Honorary Patron of the Down Syndrome Association (Singapore).

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，现任多家私人公司的董事。自1978年以来，他一直担任手表分销公司Crystal Time (Singapore) Pte Ltd和Crystal Time (M) Sdn Bhd的主席。他曾担任的董事包括百盛零售亚洲有限公司。

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。他还担任唐氏综合症协会（新加坡）的名誉赞助人。

## DEBORAH LEE SIEW YIN
## 李秀缨女士

*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 Ascott Residence Trust Management Limited, Ascott Business Trust Management Pte Ltd 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 Wuthelam 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.

李秀缨女士于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Ascott Residence Trust Management Limited, Ascott Business Trust Management Pte Ltd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。

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

## NG EE PENG
## 吴一平

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

Mr Ng Ee Peng was appointed a Director of Metro in April 2021.

Mr Ng is presently an Independent Director of Sinarmas Land Limited. Mr Ng is also the Founder and Chairman of Lunas Analytics.ai Pte. Ltd., a fintech Artificial Intelligence startup. From 2019 to February 2020, he was Executive Vice President and later, Senior Advisor, Chairman's Office, of PT Smartfren Tbk, Indonesia. Before that, from 2010 to 2019, he was President Director and Group Chief Executive Officer, PT Gunung Sewu Kencana, Indonesia. Since 1974 to the latter position, Mr Ng held

# BOARD OF DIRECTORS

various posts, including, President and Chief Executive Officer, GE Capital ASEAN (1993 to 2000, and 2007 to 2010); President, Asian Aerospace Pte. Ltd. and Reed Exhibitions Pte. Ltd. (2003 to 2006); Group Chief Executive Officer, DBS Land/Executive Vice President Corporate, CapitaLand Group/Chief Executive Officer, CapitaLand Commercial & Fund Management (2000 to 2002); and Brigade Commander being his last position at Singapore Armed Forces (1974 to 1989).

Mr Ng holds a Bachelor of Science (First Class Honors) from University of Manchester Institute of Science & Technology and a Master of Business Administration from Harvard University, USA. He also completed a Diploma (with Honors) from US Army Command & General Staff College.

吴一平于2021年4月受委为美罗的董事。

吴先生现为Sinarmas Land Limited的独立董事。吴先生是Lunas Analytics.ai Pte. Ltd.的创始人兼董事长，一家金融科技人工智能创业公司。从2019年到2020年2月，他担任印度尼西亚PT Smartfren Tbk的执行副总裁，后来担任董事长办公室的高级顾问。在此之前，他于2010年至2019年担任印度尼西亚PT Gunung Sewu Kencana的总裁兼集团首席执行官。从1974年开始至担任后者一职，吴先生担任过多个职位，包括GE Capital ASEAN总裁兼首席执行官（1993年至2000年以及2007年至2010年）；Asian Aerospace Pte. Ltd.总裁和Reed Exhibitions Pte. Ltd.（2003年至2006年）；DBS Land行政总裁/嘉德置地集团企业执行副总裁/嘉德置地商业与基金管理集团首席行政总裁（2000年至2002年）；Brigade Commander是他在新加坡武装部队的最后一个职位（1974年至1989年）。

吴先生拥有曼彻斯特大学的理学学士学位（一等荣誉）和美国哈佛大学的工商管理硕士学位。他还获得了美国陆军指挥参谋学院的文凭（荣誉）。

## YIP HOONG MUN
## 叶康文

*Group Chief Executive Officer, Executive Director*
*集团首席执行官，执行董事*

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, the United Kingdom and Australia. 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、英国和澳洲的美罗合资企业。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控股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**
*Advisor*
*(Retired on 31 December 2020)*

**YIP HOONG MUN**
*Group Chief Executive Officer*

## LAWRENCE CHIANG KOK SUNG

*Advisor*
*(Retired on 31 December 2020)*

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 as the Advisor of the Group to provide management oversight. He retired on 31 December 2020.

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 47 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

*Group Chief Executive Officer*

Mr Yip Hoong Mun was appointed as the 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, the United Kingdom and Australia. 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.

# KEY MANAGEMENT

**WONG SIOE HONG**
*Executive Chairman,*
*Metro (Private) Limited*

**EVE CHAN BEE LENG**
*Group Chief Financial Officer*
*& Joint Company Secretary*

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

## WONG SIOE HONG

*Executive Chairman, Metro (Private) Limited*

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

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

Ms Chan has more than 27 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 10 stores spread across Jakarta, Bandung, Surabaya, Makassar and Solo.

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.

In December 2019, Metro entered into a Deed of Sale and Purchase and sold its entire 50% equity stake in Metro Indonesia to Trans Corp. At the same time, Metro entered into a revised license agreement and granted to PT Metropolitan Retailmart permission to use its "Metro" trademarks in return for a fee payable to Metro.

## BENTALLGREENOAK CHINA REAL ESTATE FUND (formerly INFRARED NF CHINA REAL ESTATE FUND)
(Since 2007)

BentallGreenOak is a leading global real estate investment manager with US$62 billion in assets under management as at 31 Mar 2021, and a global presence of 24 offices across 12 countries.

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

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

In 2015, Metro invested in BentallGreenOak China Real Estate Fund II (A), L.P. (formerly 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 BentallGreenOak China Real Estate Fund III L.P. (formerly 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 centres of which are Hong Kong, Shenzhen and Guangzhou, as well as the economically dynamic regions including Shanghai and Sydney, Australia. 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 2020.

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 RMB524 million. The property operated as serviced apartments with a total of 284 residential units across a total GFA of approximately 49,357 sqm. All 284 residential units have been sold and handed over.

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 2021, Metro has an equity stake of approximately 16.2% 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 capitalisation of approximately S$1.5 billion and total asset value exceeding S$4 billion as at 31 December 2020. 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.

## SCARBOROUGH GROUP INTERNATIONAL
(Since 2014)

Founded by Kevin McCabe in 1980, Scarborough Group International ("Scarborough") is one of the United Kingdom's largest privately owned, mixed-use property developers. Over the last six decades, Scarborough has grown from a UK based real estate developer and investor into a global organisation with an award-winning portfolio of projects.

In the UK alone, Scarborough has delivered 6.3 million square feet of commercial space and 1,400+ of residential units, with a gross development value totalling more than 4.5 billion and a further 4.0 billion in the pipeline.

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-unit 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.

# PARTNERSHIPS

## 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 the 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.

In December 2020, Metro, through a newly formed strategic partnership with LKT Group and Woh Hup Holdings Pte Ltd, established a Purpose-Built Student Accommodation fund, Paideia Capital UK Trust, to expand further in the United Kingdom.

## SIM LIAN GROUP OF COMPANIES
(Since 2019)

Sim Lian is a group of companies with established businesses in property development, investment, construction, real estate professional services and asset management.

Sim Lian Holdings Pte Ltd is an investment holding and development company, invested in a wide range of assets types across various markets in Asia. The company also has asset management business with deep expertise and a strong track record in the key real estate markets in Asia, in particular Singapore and Australia.

Sim Lian Group Ltd is an established property development, construction and investment company with a strong track record spanning more than 40 years. The Group was listed on the Mainboard of the Singapore Exchange for 16 years from 2000 to 2016, and has a broad portfolio of residential, commercial, industrial, retail and mixed-use developments, built on the core foundations of prime location, quality workmanship and efficient space planning.

In November 2019, Metro expanded its regional footprint by investing 20% in a joint venture with Sim Lian that owns a portfolio of 14 quality freehold properties comprising 4 office buildings and 10 retail centres that span across 4 key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia.

In November 2020, Metro further expands in New South Wales with the acquisition of Ropes Crossing Village Shopping Centre.

## SIM LIAN-METRO CAPITAL
(Since 2019)

To align the interest with Metro's strategic partner, Sim Lian and to grow Metro's asset management arm, Metro invested a 20% equity stake in an asset and investment management company, namely Sim Lian – Metro Capital Pte. Ltd., in November 2019 to manage the portfolio in Australia.

# PARTNERSHIPS

## EVIA REAL ESTATE
(Since 2019)

Founded in 2010, Evia Real Estate ("EVIA") is an owner, developer, and fund manager of diversified real estate classes across residential, industrial and logistics, commercial and retail in Singapore and South Korea. EVIA has made its mark by solidifying itself as one of the most recognised providers of investment opportunities across all sectors of the real estate market. In April 2019, Metro entered into a 50% joint-venture with an affiliate of EVIA to jointly acquire Asia Green (formerly known as 7 & 9 Tampines Grande), a premium Grade-A office property in Singapore.

## WOH HUP GROUP OF COMPANIES
(Since 2020)

Woh Hup started out as a one-man construction company by the late Mr Yong Yit Lin in 1927 with $200. 90 years on, Woh Hup is one of Singapore's largest privately owned construction and civil engineering specialists with a 2,500 strong workforce and professionals. Woh Hup is a principal player in the building of private residential and commercial developments. The company has a portfolio of notable and iconic projects including Clifford Pier, Gardens by the Bay and Jewel Changi Airport marking its progression alongside Singapore. Woh Hup also specialises in civil engineering projects where they build roads, flyovers, Mass Rapid Transport stations and tunnels. Woh Hup continually seeks to spearhead cutting-edge, innovative building solutions in the Singapore market and forges strategic joint-venture partnerships with overseas counterparts, facilitating its expansion and cementing its position at the forefront of the construction sector locally and regionally.

In December 2020, Metro formed a strategic partnership with an affiliate of Woh Hup and Lee Kim Tah Holdings Limited to establish a Purpose-Built Student Accommodation fund, Paideia Capital UK Trust, to acquire properties in the United Kingdom.

## BOUSTEAD GROUP OF COMPANIES
(Since 2020)

Established in 1996 and listed on the SGX Mainboard, Boustead Projects Limited ("BPL") is a leading provider of innovative real estate solutions with an international presence across Singapore, China, Malaysia and Vietnam. To date, BPL has constructed and/or developed more than 3 million square metres of real estate internationally for clients including Fortune 500, S&P 500 and Euronext 100 corporations.

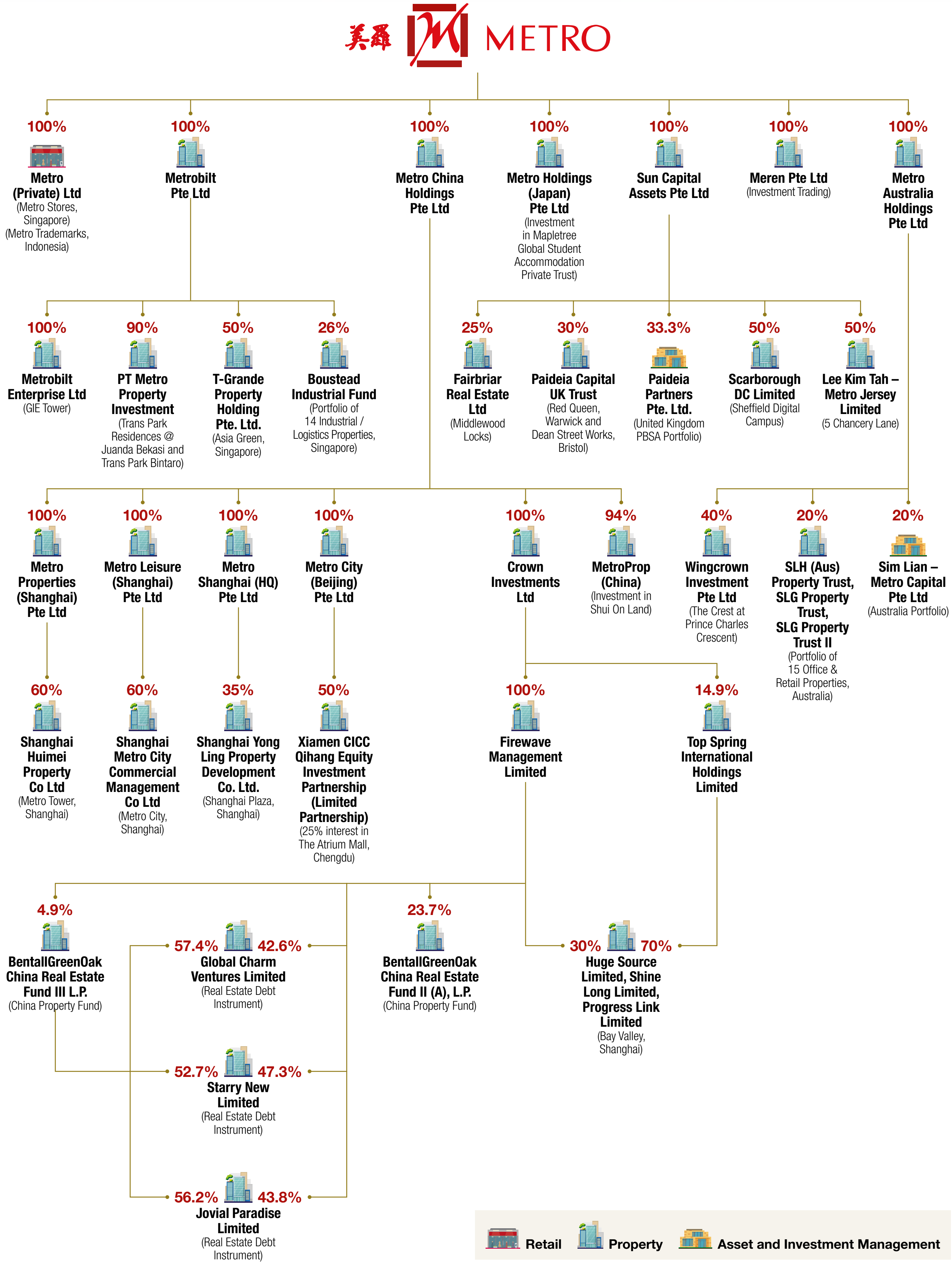
BPL is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering and technology group which is separately listed on the SGX Mainboard.

In December 2020, Metro deepened its presence in Singapore by acquiring a 26% stake in a portfolio of 14 quality properties comprising six industrial properties, one business park, four high-spec industrial properties and three logistics properties, for an investment amount of up to S$76.6 million via entering into subscription agreements to subscribe for 26% of the Units and 7.0 per cent. Notes due 2031 of Boustead Industrial Fund.

## PAIDEIA Partners Pte Ltd
(Since 2020)

To align the interest with Metro's strategic partners, LKT Group and Woh Hup, and to grow Metro's asset management arm, Metro invested a 33.3% equity stake in a newly incorporated asset and investment management company, namely Paideia Partners Pte. Ltd. ("Paideia Partners"), in December 2020 to manage the purpose-built student accommodation portfolio in the United Kingdom. Paideia Partners is the fund manager to Paideia Capital UK Trust.

# CORPORATE STRUCTURE



# PORTFOLIO REVIEW

## PROPERTY INVESTMENT AND DEVELOPMENT

### INVESTMENT PROPERTIES

As at 31 March 2021, average occupancy for the Group's five investment properties, including those held by joint ventures, remained high at 91.7% (31 March 2020: 94.3%).

### OCCUPANCY RATES

| | As at 31.3.2021 (%) | As at 31.3.2020 (%) |
|---|---|---|
| GIE Tower, Guangzhou | 92.8 | 93.8 |
| Metro City, Shanghai | 98.3 | 94.8 |
| Metro Tower, Shanghai | 89.4 | 94.3 |
| 5 Chancery Lane, London | 100.0 | 100.0 |
| Asia Green, Singapore | 78.1 | 88.6 |

### PROPERTY VALUATIONS

As at 31 March 2021, Metro City and Metro Tower, Shanghai registered a decline in valuation.

| | FY2021 (RMB'm) | FY2020 (RMB'm) | Change (%) | FY2021 (S$'m) | FY2020 (S$'m) | Change (%) |
|---|---|---|---|---|---|---|
| GIE Tower, Guangzhou[1] | 545 | 542 | 0.6 | 112 | 109 | 2.8 |
| Metro City, Shanghai[1] | 914 | 944 | -3.2 | 187 | 190 | -1.6 |
| Metro Tower, Shanghai[1] | 1,120 | 1,134 | -1.2 | 230 | 228 | 0.9 |

| | FY2021 (GBP'm) | FY2020 (GBP'm) | Change (%) | FY2021 (S$'m) | FY2020 (S$'m) | Change (%) |
|---|---|---|---|---|---|---|
| 5 Chancery Lane, London[1] | 80 | 80 | – | 148 | 140 | 5.7 |

| | FY2021 (S$'m) | FY2020 (S$'m) | Change (%) |
|---|---|---|---|
| Asia Green, Singapore[1] | 405 | 405 | – |

(1) As at 31 March

(2) Above figures represent 100% of the property valuations and are appraised by independent valuers Cushman & Wakefield Limited (Shanghai and Guangzhou), Colliers International Valuation UK LLP (London) and Knight Frank Pte Ltd (Singapore)

Exchange rates:
FY2021: S$1: RMB4.878: GBP0.5405
FY2020: S$1: RMB4.975: GBP0.5698

One year into the COVID-19 pandemic, high uncertainty continues to surround the global economic outlook. After a -3.3% contraction in 2020, the global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022 and to 3.3% over the medium term.

Following the early-2020 lockdown, China has managed to contain the COVID-19 pandemic quickly and its economy embarked on a V-shaped recovery yielding annual growth of 2.3% in 2020. 1Q2021 saw lower sequential growth more in line with China's pre-crisis pace, with strong year-on-year growth of 18.3% mostly reflecting the base effect from the large contraction in 1Q2020.

In the UK, despite COVID-19 causing exceptional occupier uncertainty in London and causing expansion/relocation decisions to be put on hold, our office property at 5 Chancery Lane continues to be fully leased through 2023.

Singapore's GDP grew by 1.3% on a year-on-year basis in the first quarter of 2021. Singapore's Ministry of Trade and Industry ("MTI") maintained 2021 GDP growth forecast at 4.0 to 6.0%, in view of the heightened uncertainties in the economic environment, characterised by both upside and downside risks, especially arising from the COVID-19 pandemic.

### EXPIRY PROFILE BY GROSS RENTAL INCOME

| | 1HFY2022 (%) | 2HFY2022 (%) |
|---|---|---|
| GIE Tower, Guangzhou | 8.8 | 25.4 |
| Metro City, Shanghai | 10.9 | 18.5 |
| Metro Tower, Shanghai | 5.8 | 29.4 |
| 5 Chancery Lane, London | – | – |
| Asia Green, Singapore | 10.7 | 33.9 |

# PORTFOLIO REVIEW

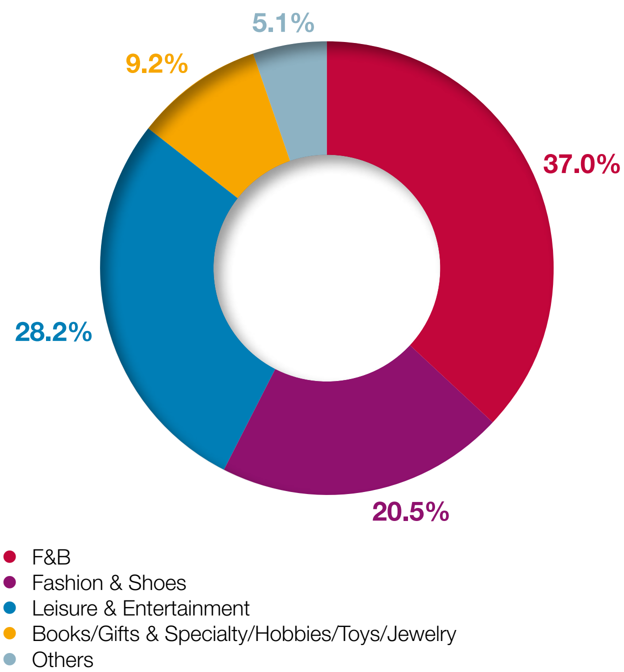
## METRO CITY
*Shanghai*


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.

Its occupancy rate as at 31 March 2021 was 98.3% (2020: 94.8%).

| KEY STATISTICS | |
|---|---|
| % owned by Group | 60 |
| Site area (sqm) | 15,434 |
| Lettable Area (sqm) | 38,599 |
| Tenure | 36-year term from 1993 (8 years remaining) |
| No. of Tenants | 173 |
| Occupancy Rate (%) | 98.3 |
| Valuation (100%) | S$187 million (RMB914 million) |
| Partner | Shanghai Xujiahui Centre (Group) Co., Ltd. 上海徐家匯商城(集團)有限公司 |

### MALL TENANT MIX BY LETTABLE AREA
(As at 31 March 2021)



# PORTFOLIO REVIEW

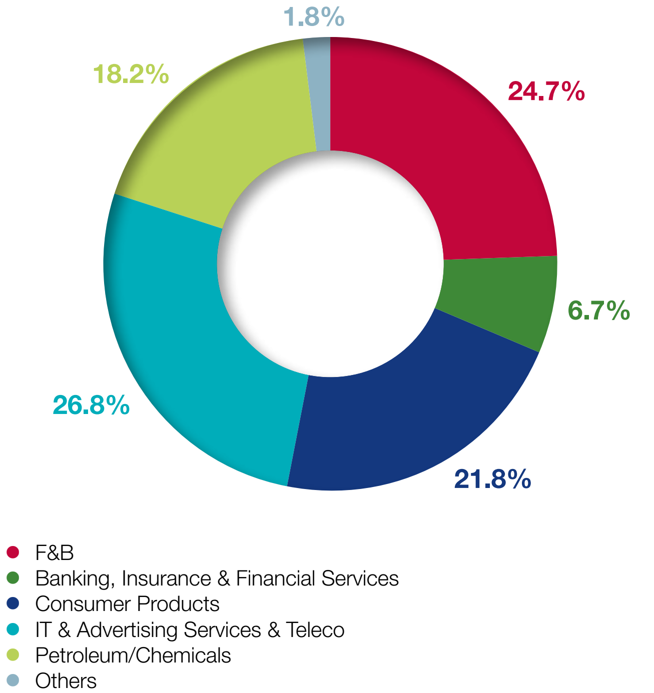
## METRO TOWER
*Shanghai*

Located next to Metro City, Shanghai, Metro Tower offers nearly 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 89.4% as at 31 March 2021 (2020: 94.3%).

| KEY STATISTICS | |
|---|---|
| % owned by Group | 60 |
| Site area (sqm) | 4,993 |
| Lettable Area (sqm) | 39,295 |
| Tenure | 50-year term from 1993 (22 years remaining) |
| No. of Tenants | 32 |
| Occupancy Rate (%) | 89.4 |
| Valuation (100%) | S$230 million (RMB1,120 million) |
| Partner | Shanghai Xujiahui Centre (Group) Co., Ltd. 上海徐家匯商城（集團）有限公司 |

### OFFICE TENANT MIX BY LETTABLE AREA
(As at 31 March 2021)



# PORTFOLIO REVIEW

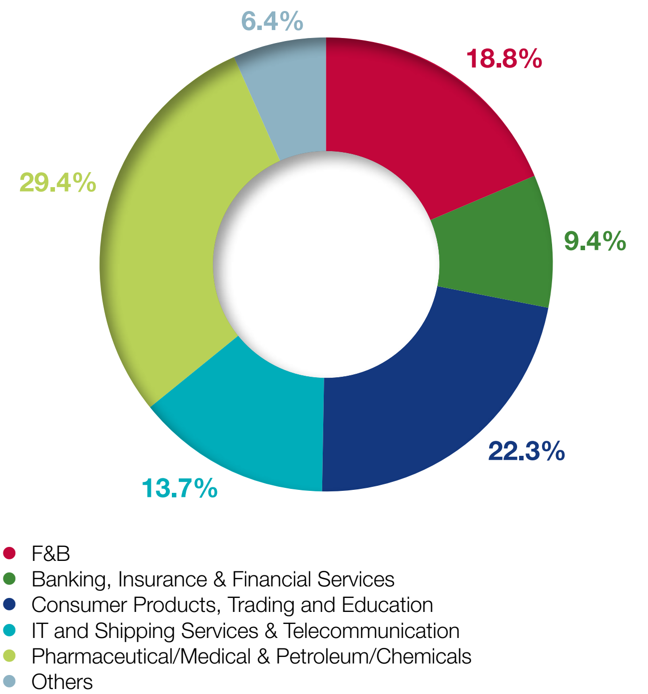
## GIE TOWER
*Guangzhou*

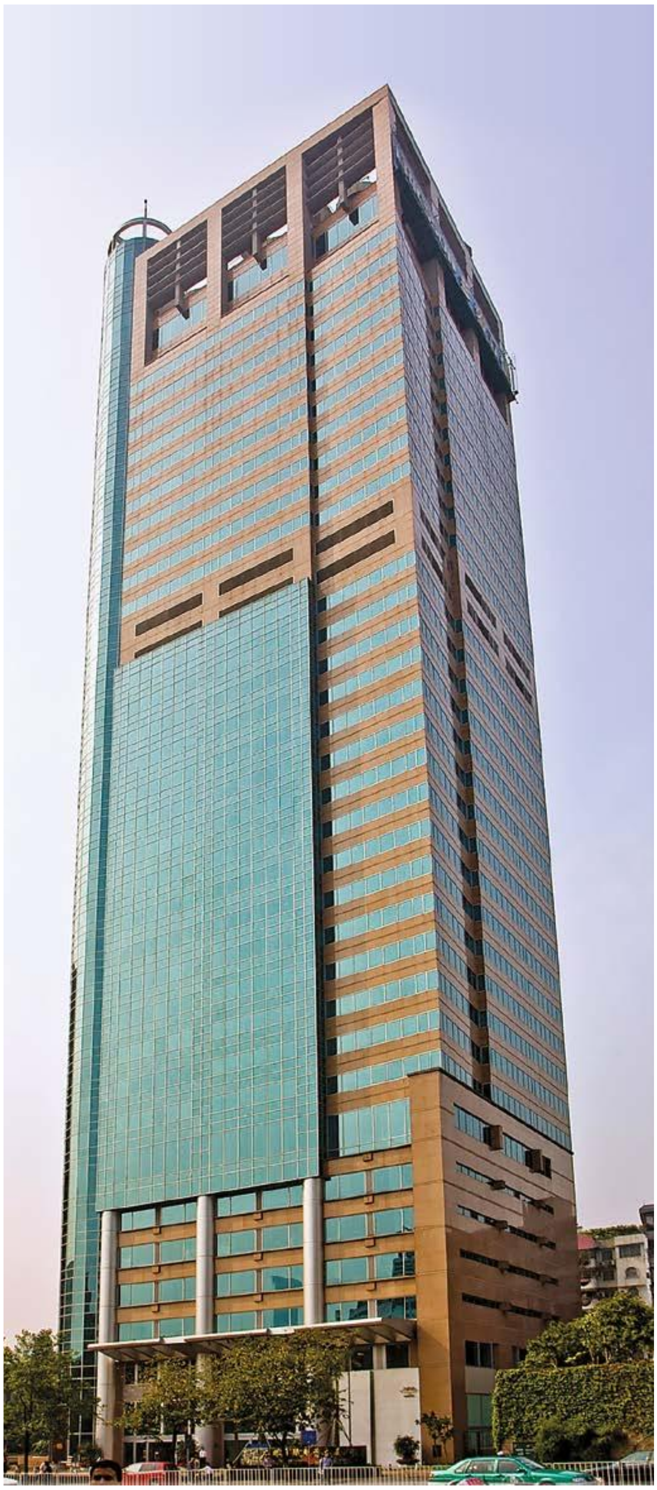
Part of a 7-storey shopping podium and 35-storey Grade-A office tower, GIE Tower, Guangzhou, is located at Huanshi Road East, in the Central Business District of Dongshan, Guangzhou.

The Group owns over 28,000 square metres of office and retail space in the building. GIE Tower's occupancy rate was 92.8% as at 31 March 2021 (2020: 93.8%).

| KEY STATISTICS | |
|---|---|
| % owned by Group | 100 |
| Site area (sqm) | Strata-titled |
| Lettable Area (sqm) | 28,390 |
| Tenure | 50-year term from 1994 (23 years remaining) |
| No. of Tenants | 34 |
| Occupancy Rate (%) | 92.8 |
| Valuation (100%) | S$112 million (RMB545 million) |

### OFFICE TENANT MIX BY LETTABLE AREA
(As at 31 March 2021)



# PORTFOLIO REVIEW

## ASIA GREEN
*Singapore*

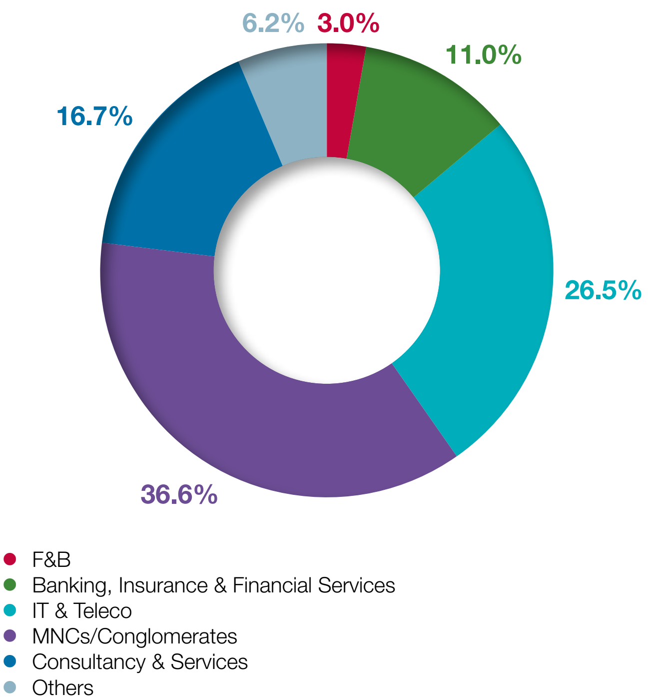

In April 2019, the Group grew its presence in Singapore by acquiring a 50% stake in Asia Green (formerly known as 7 and 9 Tampines Grande), two blocks of premium Grade-A BCA Green Mark Platinum and LEED® Gold Certified office buildings.

Strategically located at Tampines Regional Centre, Asia Green is only a 25-minutes drive from CBD, 10-minutes drive from Changi Airport and 5-minutes walk from Tampines MRT interchange that is part of both East-West and Downtown lines.

Asia Green's occupancy rate was 78.1% as at 31 March 2021 (2020: 88.6%). The committed occupancy as at 31 March 2021 was 88.9%.

| KEY STATISTICS | |
|---|---|
| % owned by Group | 50 |
| Site area (sqm) | 8,000 |
| Lettable Area (sqm) | 26,724 |
| Tenure | 99-year term from 2007<br>(85 years remaining) |
| No. of Tenants | 16 |
| Occupancy Rate (%) | 78.1 |
| Valuation (100%) | S$405 million |
| Partner | Evia Real Estate |

### OFFICE TENANT MIX BY LETTABLE AREA
(As at 31 March 2021)



# PORTFOLIO REVIEW

## PORTFOLIO OF 14 INDUSTRIAL, BUSINESS PARK, HIGH-SPEC INDUSTRIAL & LOGISTICS PROPERTIES

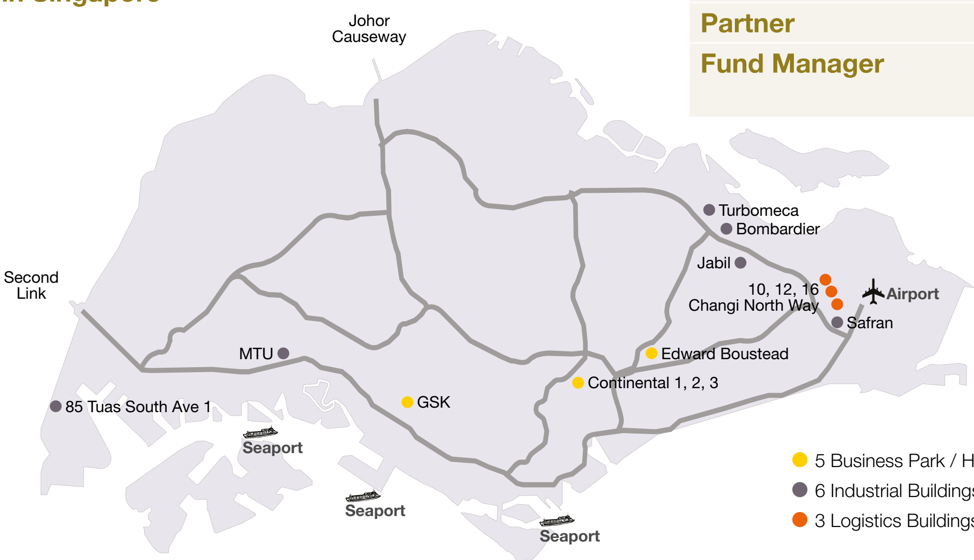
*Singapore*

In December 2020, the Group deepened its presence in Singapore by investing in a 26% stake in a portfolio of 14 quality industrial, business park, high-spec industrial and logistics properties in Singapore, for an investment amount of up to S$76.6 million via entering into subscription agreements to subscribe for 26% of the Units and 7.0 per cent. Notes due 2031 of the Boustead Industrial Fund.

| KEY STATISTICS | |
|---|---|
| % owned by Group | 26 |
| Lettable Area (sqft) | 1,748,105 |
| Tenure | Average lease tenure 32 years |
| Average Occupancy Rate (%) | 99 |
| Weighted Average Lease Expiry[1] | ~7.5 years |
| Total Consideration (26%) | S$76.6 million |
| Partner | Boustead Projects Limited |
| Fund Manager | Boustead Industrial Fund Management Pte. Ltd. |

[1] As at 31 March 2021

**Total of 14 assets in Singapore**





Bombardier Aerospace


26 Changi North Rise


16 Changi North Way


GSK Asia House


Continental Building


Edward Boustead Centre

## SHANGHAI PLAZA
*Shanghai*

Shanghai Plaza ("上海广场"), a landmark mixed-use commercial building with a gross floor area of 41,998 square metres across seven floors, was acquired in May 2018. It is located at the prime Huai Hai Zhong Road ("淮海中路"), Huang Pu district, Shanghai, which is one of the most densely populated urban districts in China. The property is also close to Xintiandi ("新天地"), People's Square and Lujiazui ("陆家嘴") CBD, with connectivity to major train lines and expressways.

Asset enhancement was completed and the mall opened in September 2020. Leasing activities are underway.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 35 |
| **Lettable Area (sqm)** | 39,305 |
| **Tenure** | 50-year term from 1992 (21 years remaining) |
| **Occupancy Rate (%)** | 86.8[1] |
| **Valuation (100%)** | S$639 million (RMB3,119 million) |
| **Partners** | Hualing Group / Sunac China Holdings Limited |

[1] Includes WeWork



## BAY VALLEY
*Shanghai*

Acquired in September 2017, the three office buildings C7, 87% of A4 and 12% of C4 comprise gross floor area of approximately 58,733 square metres. Located at No. 33 and 36, No. 78 and 79, and No. 25, 1688 Guoquan North Road, the properties are well-located within the integrated business community development known as the Bay Valley ("湾谷"). Bay Valley is situated in New Jiangwan City ("新江湾城"), which is in the Yangpu ("杨浦") District of Shanghai, one of China's most established industrial centres.

The properties are currently fully leased.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 30 |
| **Saleable/Leaseable GFA (sqm)** | 58,733 |
| **Land use rights tenure ending on** | 2 November 2058 |
| **Occupancy Rate (%)** | 100 |
| **Valuation (100%)** | S$318 million (RMB1,550 million) |
| **Partner** | Top Spring International Holdings Limited |

# PORTFOLIO REVIEW

## THE ATRIUM MALL
*Chengdu*

In May 2019, Metro expanded its footprint to Chengdu, China, with the acquisition of a 25% stake in a prime LEED® Gold certified commercial mall ("The Atrium Mall"), that is part of a landmark mixed-use development, The Atrium ("晶融汇").

It is located in the heart of Chengdu's CBD and the Dacisi business corridor, close to the Chunxi ("春熙路") and the Hong Xing Road pedestrian malls such as Taikoo Li ("太古里") Chengdu. The Atrium Mall is well connected by 2 train stations and over 20 bus lines.

Asset enhancement was completed and the mall officially opened in December 2020.

| KEY STATISTICS | |
|---|---|
| % owned by Group | 25 |
| Lettable Area (sqm) | 25,186 |
| Occupancy Rate (%) | 82.3 |
| Tenure | 40-year term from 2007 (26 years remaining) |
| Valuation (100%) | S$357 million (RMB1,740 million) |
| Partners | China International Capital Corporation Limited / ARA Asset Management Limited |

## 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.

It is situated in a central and traditional office location in the heart of Midtown Central London and in close 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 | |
|---|---|
| % owned by Group | 50 |
| Site Area (acres) | 0.487 |
| Lettable Area (sqm) | 7,882 |
| Tenure | Freehold |
| No. of Tenant | 1 |
| Occupancy Rate (%) | 100 |
| Valuation (100%) | S$148 million (£80 million) |
| Partner | Lee Kim Tah Holdings Limited |

# PORTFOLIO REVIEW

## PURPOSE-BUILT STUDENT ACCOMMODATION

*United Kingdom*

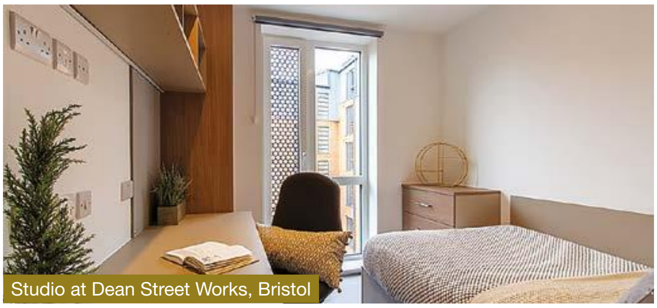
Red Queen, Warwick

Social Study Lounge at Red Queen, Warwick

In December 2020, Metro established a purpose-built student accommodation ("PBSA") fund, Paideia Capital UK Trust ("Trust") through a newly formed strategic partnership with Lee Kim Tah Holdings Limited and Woh Hup Holdings Pte Ltd, to expand and diversify further in the United Kingdom. Metro and its joint venture partners incorporated Paideia Partners Pte. Ltd. to act as fund manager to grow its fund management arm.

Upon the First Closing of the fund, the Trust acquired its first PBSA seed property in Warwick for a total consideration of £21.5 million (approximately S$38.7 million). The property is newly constructed and situated one mile north of the main campus of the University of Warwick, with approximately 22,000 full-time students and a committed occupancy of 90%. In January 2021, the Trust acquired its second asset in Bristol – Dean Street Works, for a total purchase consideration of £30.1 million (approximately S$54.8 million). This asset was completed in August 2020 with 100% committed occupancy. It is located 1.4 km from the main campus of the University of Bristol with approximately 27,000 students, and is a five minute drive from Bristol's city centre and main shopping district Broadmead.

Dean Street Works, Bristol



Studio at Dean Street Works, Bristol

| KEY STATISTICS | | |
|---|---|---|
| **Trust** | Paideia Capital UK Trust | |
| **% owned by Group** | 30 | |
| **Fund Manager** | Paideia Partners Pte. Ltd. | |
| **% owned by Group** | 33.3 | |
| **Initial Aggregate Committed Capital** | £60.0m | |
| **Asset Name, Location** | Red Queen, Warwick | Dean Street Works, Bristol |
| **Acquisition Date** | 21 December 2020 | 29 January 2021 |
| **Total Consideration** | £21.5m | £30.1m |
| **No. of Beds** | 210 en-suite beds | 44 studios, 181 en-suite beds |
| **Occupancy Rate (%)** | 90% | 100% |
| **Partners** | Lee Kim Tah Holdings Limited / Woh Hup Holdings Pte Ltd | |

# PORTFOLIO REVIEW

## PORTFOLIO OF 15 OFFICE & RETAIL PROPERTIES[1]
*Australia*

In November 2019, Metro expanded its regional footprint by investing 20% in a joint venture with Sim Lian that owns a portfolio of 14 quality freehold properties comprising 4 office buildings and 10 retail centres that span across 4 key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia. The four office buildings are strategically located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth. The other 10 retail centres are located regionally with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities of the community within the primary residential catchment area. Metro deepened its footprint in Australia in November 2020 by acquiring Ropes Crossing Village Shopping Centre in New South Wales, which enjoys a high occupancy of 96.7% as at 31 March 2021.


Office Building at 50 Margaret Street, Sydney, NSW

Retail Centre at Town Square Redbank Plains, QLD

Retail Centre at Dalyellup Shopping Centre, WA

To align the interest with its strategic partner, Sim Lian and to grow its asset management arm, the Group invested a 20% equity stake in an asset and investment management company namely, Sim Lian – Metro Capital Pte. Ltd., in November 2019 to manage the portfolio in Australia.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 20 |
| **Lettable Area (sqm)** | 137,755 |
| **Tenure** | Freehold |
| **Average Occupancy Rate (%)** | 94.8 |
| **Valuation (100%)** | S$957 million (A$935 million) |
| **Partner** | Sim Lian Holdings Pte Ltd |
| **Asset & Investment Manager** | Sim Lian – Metro Capital Pte. Ltd. |

[1] See map on page 5 for complete list of 15 properties


Office Building at 390 St Kilda Road, Melbourne, VIC

# PORTFOLIO REVIEW

## DEVELOPMENT PROPERTIES

Underpinned by some recovery signs of the Singapore residential market where prime home sales volume rose moderately in 1Q2021[1], our residential project, The Crest at Prince Charles Crescent, was fully sold.

In China, supported by good GDP growth and the new "dual circulation" economic development strategy, it is expected that economic development over the next five years will be reliant more upon domestic consumption and technological innovation[2]. Occupancy has improved gradually for our office buildings at Bay Valley, Shanghai.

In Indonesia, the implementation of tighter social restrictions, a slowdown in GDP growth and ongoing volatilities brought on by the global pandemic[3], continue to impact the sales and collections of the Group's residential projects in Bekasi and Bintaro, Jakarta. Despite this, sales have continued both at our sales galleries/marketing suites and online.

In the UK, Manchester residential prices are forecast to grow 3.4% over the next five years, while rental growth is expected to average 3.3% per annum[4]. The Group's residential project, Middlewood Locks, continues to market via marketing suite and online channels.

1 JLL, Property Market Monitor Singapore, 15 April 2021
2 CBRE, China Market Outlook 2021
3 IMF, Policy Responses to COVID-19, 5 May 2021
4 JLL, Living with 2020 Vision: UK City Centre Forecasts, 10 March 2020

## THE CREST AT PRINCE CHARLES CRESCENT

*Singapore*

The Crest at Prince Charles Crescent is a 469-unit condominium comprising four blocks of five-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 Bishopsgate 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 and was fully sold.

| KEY STATISTICS | |
|---|---|
| % owned by Group | 40 |
| Site Area (sqm) | 23,785 |
| Construction start date | June 2013 |
| TOP | February 2017 |
| Total GFA (sqm) | 50,854 |
| Land cost | S$516.3 million |
| Partner | Wing Tai Holdings Limited |

# PORTFOLIO REVIEW

## TRANS PARK BEKASI
*Jakarta*

Trans Park Juanda, Bekasi consists of five 32-storey residential towers with approximately 5,622 units and is part of the larger Trans Park @ Juanda Bekasi, a quality landmark mixed-development consisting of a hotel, a school, Small office Home office ("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, supermarket, F&B and cinemas, as well as a theme park with Snow World and Kidcity.

All five residential towers have topped-off and apartment sales are underway.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 90 |
| **Construction start date** | November 2017 |
| **Construction completion date** | March 2021 |
| **Total saleable GFA (sqm)** | 162,754 |
| **Purchase consideration (100%)** | IDR1.99 trillion |
| **Partners** | CT Corp / Lee Kim Tah Holdings Limited |


## TRANS PARK BINTARO
*Jakarta*

Trans Park Bintaro consists of two residential towers with approximately 1,260 apartment units and 170 SoHo units and is part of the larger Trans Park Bintaro, a quality landmark mixed-development that includes a Transmart mall over a total site area of 1.6 hectares. The Transmart mall, with a gross floor area of approximately 22,361 sqm, opened in December 2019 with department stores, supermarket, F&B and cinemas, as well as a theme park with Snow World and Kidcity.

One of two residential towers have topped-off and apartment sales are underway.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 90 |
| **Construction start date** | March 2018 |
| **Construction completion date** | September 2021 |
| **Total saleable GFA (sqm)** | 61,619 |
| **Purchase consideration (100%)** | IDR1.33 trillion |
| **Partners** | CT Corp / Lee Kim Tah Holdings Limited |

# PORTFOLIO REVIEW

## MIDDLEWOOD LOCKS
*Manchester*

Artist Impression of Phase 3 Exterior

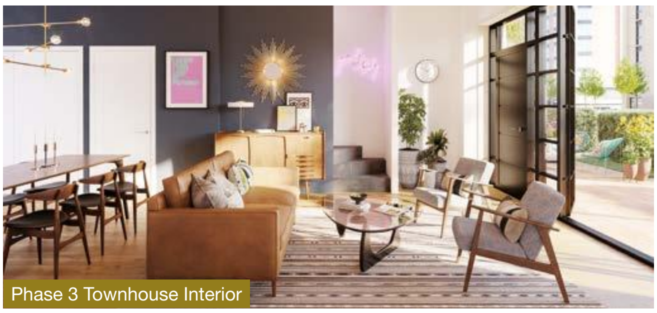
Middlewood Locks is situated at the Western boundary of the Manchester City Centre, next to the River Irwell and the Trinity Way Inner Ring Road. The development is a short distance away from major roads and is set to be a vibrant neighbourhood which will eventually provide 2,215 new homes. There will 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 are in progress. Construction work for Phase 2 is ongoing. Phase 3 is expected to commence construction in 2021 with completion expected in late 2023.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 25 |
| **Site Area (acres)** | 24.0 |
| **Tenure** | Freehold |
| **Estimated total GFA (sqft)** | 2.4 million |
| **Gross Development Value** | £700 million |
| **Partner** | Scarborough Group International Limited |


Phase 3 Townhouse Interior

# PORTFOLIO REVIEW

## SHEFFIELD DIGITAL CAMPUS
*Sheffield*

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 7,460 sqm and with a secure car park facility, was completed in 3Q2017 and sold in May 2018.

Endeavour (formerly known as Vidrio House), another Grade-A office building, will be built with seven floors, spanning 5,792 sqm and will have a secure car park facility.

Development works are now focused on Endeavour.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 50 |
| **Site Area (acres)** | 1.03 |
| **Tenure** | Freehold |
| **Expected completion date** | 2022 |
| **Estimated total GFA (sqft)** | 13,252 |
| **Partner** | Scarborough Group International Limited |

## BAY VALLEY
*Shanghai*

Acquired in September 2017, the two office buildings 88% of C4 and 13% of A4 comprise a total gross floor area of approximately 39,121 square metres. 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 (“湾谷”). Bay Valley is situated in New Jiangwan City (“新江湾城”), which is in the Yangpu (“杨浦”) District of Shanghai, one of China's most established industrial centres.

Leasing activities are underway.

| KEY STATISTICS | |
|---|---|
| **% owned by Group** | 30 |
| **Land use rights tenure ending on** | 2 November 2058 |
| **Saleable/Leaseable GFA (sqm)** | 39,121 |
| **Gross Development Value (100%)** | S$220 million (RMB1,073 million) |
| **Partner** | Top Spring International Holdings Limited |

# PORTFOLIO REVIEW

## TOP SPRING INTERNATIONAL HOLDINGS LIMITED


The Group owns about 14.9% of Top Spring as at 31 March 2021.

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 People's Republic of China (the "PRC").

As at 31 December 2020, the Top Spring Group had a total of 22 projects over 11 cities in various stages of development, including an estimated net saleable/leasable gross floor area ("GFA") of completed projects of approximately 336,689 square metres ("sqm"), an estimated net saleable/leasable GFA of projects under development of approximately 114,696 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 29,534 sqm, totalling an estimated net saleable/leasable GFA of approximately 511,413 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 grown into a retailer with an established brand name in the region.

Metro continually enhances its merchandise mix to bring refreshing shopping experiences to its customers, through its close collaboration with local and international business partners, the expansion of its product categories, and via optimisation of its product assortments. Its products range from fashion to home furnishings.

Metro Retail has undertaken to transform itself with a strong focus on multi-media strategy and in developing fresh concepts and improving assortment of merchandise to entice customers. This, coupled with better in-store shopping experience, is driven towards meeting the evolving needs of customers and supporting a complete online-to-offline ("O2O") customer experience. The Group also introduced the convenient cross-store merchandising and selling option, where 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 Metro Online, Metro LazMall, Shopee Mall, Amazon.com, 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.

### SINGAPORE

#### Metro Stores

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

- Metro Paragon
- Metro Causeway Point, Woodlands

Metro Paragon continues to evolve as a fashion store having an array of in-house, local and international brand names while Metro Woodlands 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 Trademarks

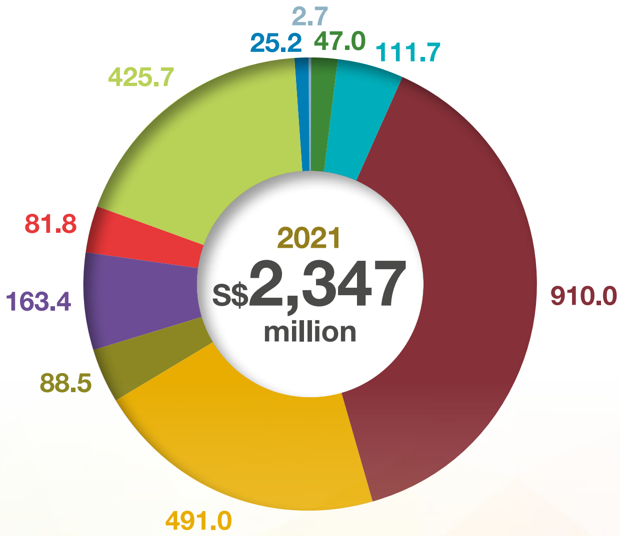
Metro granted PT Metropolitan Retailmart, which was divested in December 2019 to the Group's existing partner, permission to use its "Metro" trademarks in Indonesia.

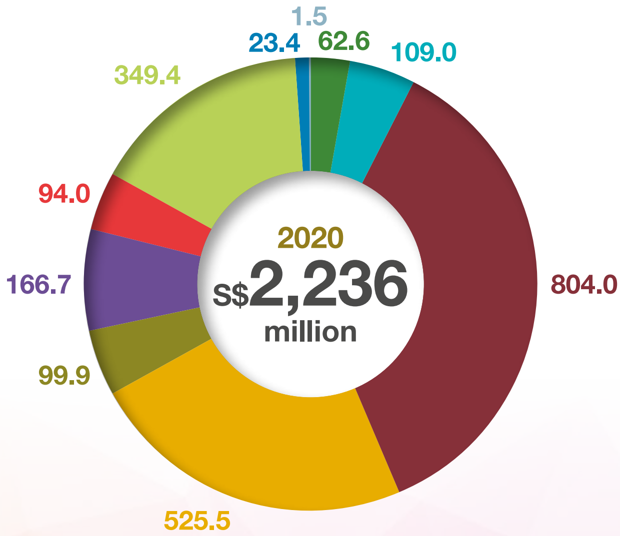
### OUTLOOK

The retail division continues to operate amidst difficult trading conditions. Soft retail sales in Singapore due to operational-capacity constraints and low visitor arrivals continue to weigh on our two department stores at Paragon and Causeway Point, exacerbated by heightened social distancing measures implemented from May 2021 to June 2021. The Group's online retail business continues to remain operational.

# FINANCIAL HIGHLIGHTS

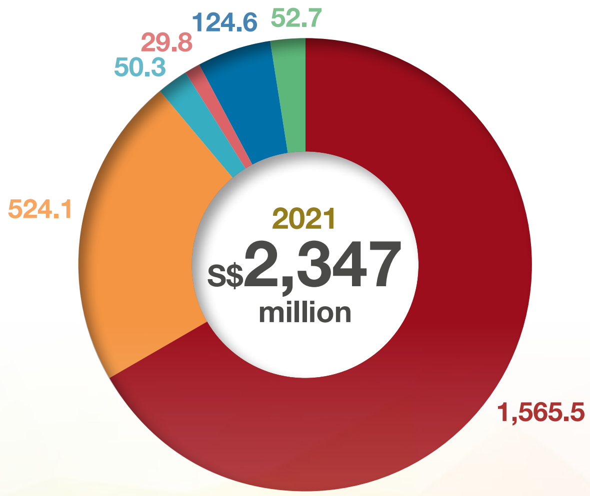
## TOTAL ASSETS OWNED
(S$' million)

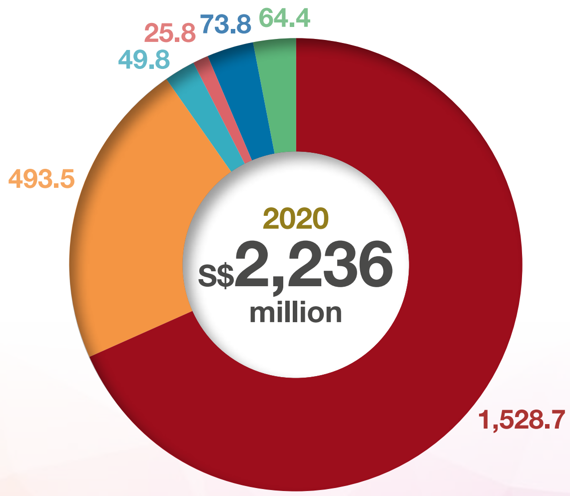



- Plant and Equipment
- Right-of-Use Assets
- Investment Property
- Associates
- Joint Ventures
- Long Term Investments
- Development Properties
- Accounts and Other Receivables
- Cash and Cash Equivalents
- Others

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

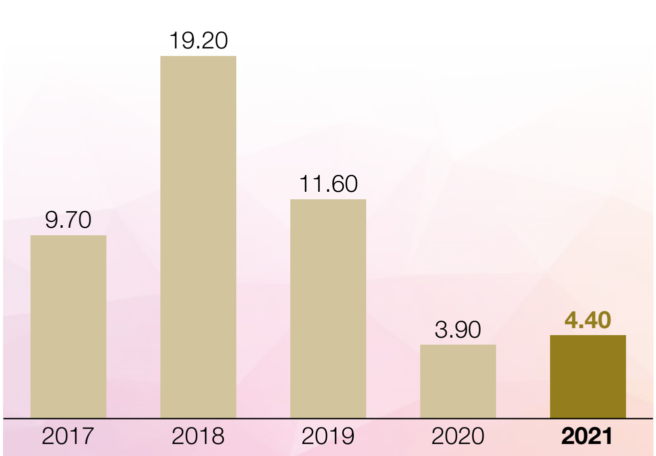


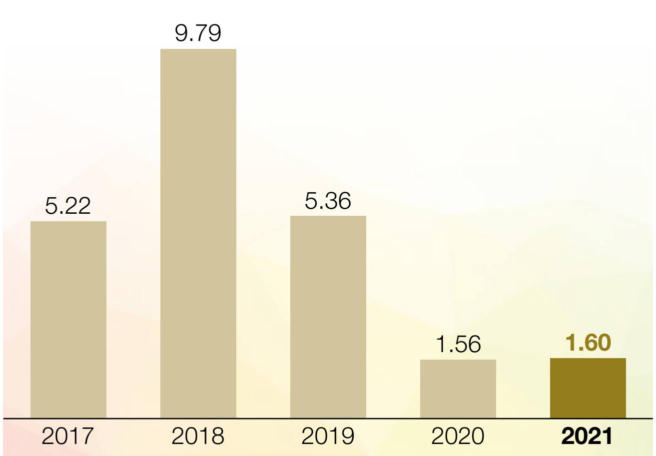

- Total Equity
- Borrowings
- Trade and Other Payables and Deferred Income
- Tax and Deferred Tax Liabilities
- Amount Due to Joint Ventures
- Lease Liabilities

# FINANCIAL HIGHLIGHTS

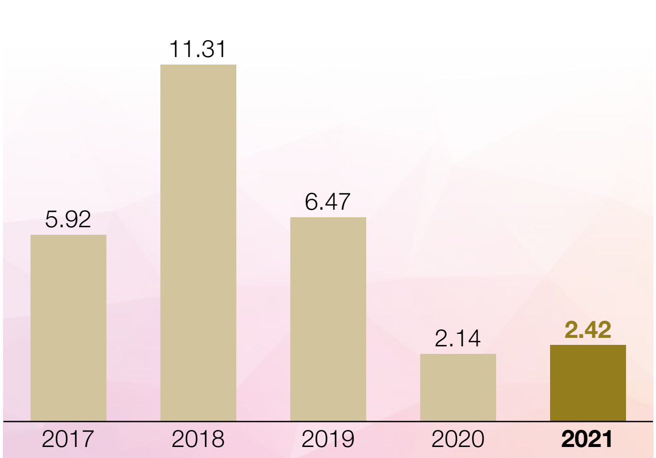
## EARNINGS PER SHARE
(cents)



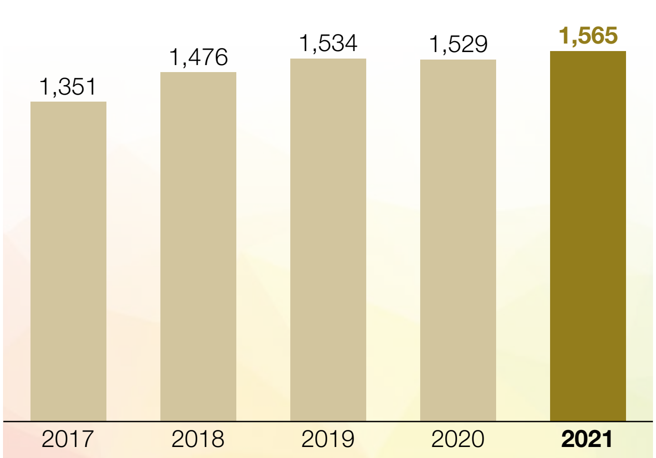

## RETURN ON TOTAL ASSETS
(%)



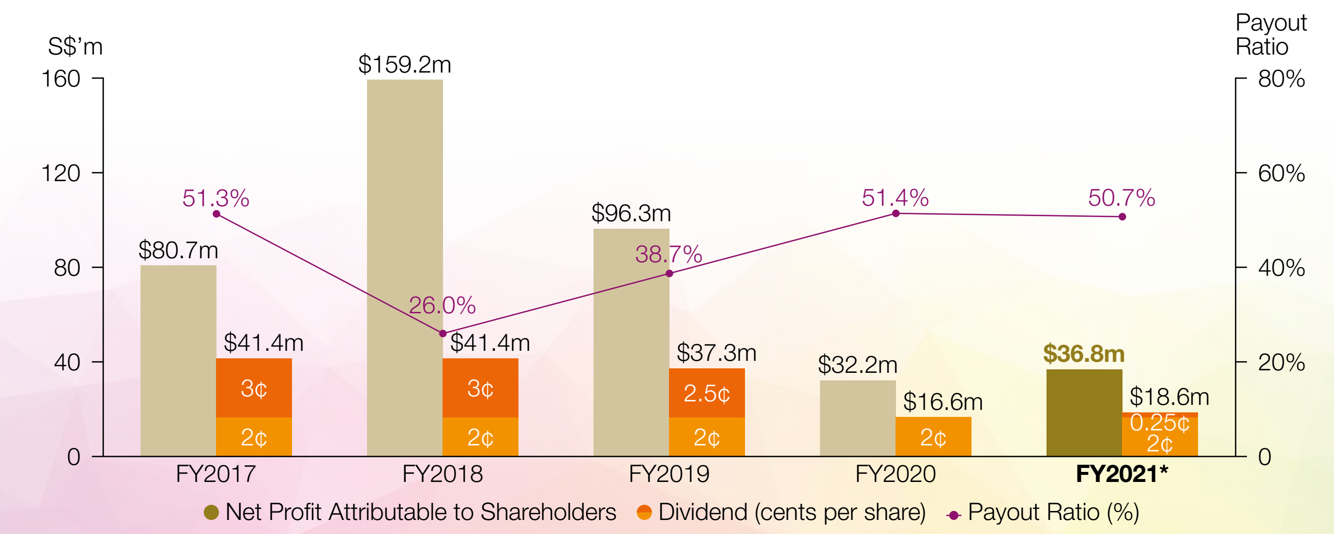

## RETURN ON SHAREHOLDERS' FUNDS
(%)




## TOTAL NET ASSETS
(S$'million)




## DIVIDEND PAYOUT




* FY2021's proposed dividend subject to shareholders' approval at the AGM in July 2021

# FINANCIAL SUMMARY

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **Financial Results (S$'000)** | | | | | |
| Revenue | 97,323 | 210,254 | 171,964 | 136,326 | 131,224 |
| Profit from operations before taxation | 47,562 | 39,731 | 108,033 | 170,702 | 82,541 |
| Taxation | (10,567) | (6,651) | (11,338) | (11,007) | (1,522) |
| Profit net of taxation | 36,995 | 33,080 | 96,695 | 159,695 | 81,019 |
| Non-controlling interests | (243) | (832) | (413) | (500) | (337) |
| Net profit attributable to shareholders | 36,752 | 32,248 | 96,282 | 159,195 | 80,682 |
| Net final dividend proposed/paid | 16,561 | 16,561 | 16,561 | 16,561 | 16,561 |
| Net final special dividend proposed/paid | 2,070 | – | 20,701 | 24,841 | 24,841 |
| **Balance Sheets (S$'000)** | | | | | |
| Plant and equipment | 2,710 | 1,465 | 2,128 | 4,466 | 5,062 |
| Investment properties | 111,725 | 109,022 | 112,029 | 100,214 | 104,423 |
| Other non-current assets | 1,276,713 | 1,296,495 | 1,092,036 | 1,038,513 | 986,347 |
| Current assets | 956,225 | 829,357 | 693,492 | 552,813 | 460,225 |
| Total assets | 2,347,373 | 2,236,339 | 1,899,685 | 1,696,006 | 1,556,057 |
| Current liabilities | (390,366) | (208,619) | (166,376) | (192,076) | (175,247) |
| Long-term and deferred liabilities | (391,511) | (499,023) | (199,154) | (27,702) | (30,111) |
| Net assets | 1,565,496 | 1,528,697 | 1,534,155 | 1,476,228 | 1,350,699 |
| 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 | 1,368,700 | 1,332,130 | 1,342,350 | 1,299,694 | 1,180,277 |
| Shareholders' funds | 1,536,649 | 1,500,079 | 1,510,299 | 1,467,643 | 1,348,226 |
| Non-controlling Interests | 28,847 | 28,618 | 23,856 | 8,585 | 2,473 |
| | 1,565,496 | 1,528,697 | 1,534,155 | 1,476,228 | 1,350,699 |

# FINANCIAL SUMMARY

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **Financial Ratios** | | | | | |
| Earnings per share after tax and | | | | | |
| non-controlling interests (cents)# | 4.40 | 3.90 | 11.60 | 19.20 | 9.70 |
| Return on shareholders' funds (%)^# | 2.42 | 2.14 | 6.47 | 11.31 | 5.92 |
| Return on total assets (%)^# | 1.60 | 1.56 | 5.36 | 9.79 | 5.22 |
| Dividend proposed | | | | | |
| Special final & interim net dividend | | | | | |
| per share (cents) | 0.25 | – | 2.50 | 3.00 | 3.00 |
| Final/Interim net dividend | | | | | |
| per share (cents) | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Dividend cover (times)# | 1.97 | 1.95 | 2.58 | 3.85 | 1.95 |
| Net assets per share (S$)# | 1.86 | 1.81 | 1.82 | 1.77 | 1.63 |
| Debt equity ratio | 0.06 | 0.10 | Net Cash | Net Cash | Net Cash |
| Total liabilities to shareholders' funds (times) | 0.51 | 0.47 | 0.24 | 0.15 | 0.15 |
| Interest cover (times)# | 3.46 | 3.09 | 19.62 | 85.13 | 298.98 |

**Notes:**

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

# The financial ratios are based on continuing operations.

# CORPORATE SOCIAL RESPONSIBILITY

(L to R): Metro Group CEO Mr Yip Hoong Mun, Recipient and New Town Secondary 4 Student Nur Musyafiqah Bte Mustaffa, Metro Chairman Lt-Gen (Retd) Winston Choo and Beyond Social Services Executive Director Mr Gerard Ee after the laptop-giving ceremony on 29 September 2020.

As Metro continues to diversify across geographies and asset classes to achieve resilient growth, the Group holds firm to the 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.

## EMPOWERING THROUGH EDUCATION

### Singapore

#### "Metro Is Singapore" COVID-19 Initiative

Despite COVID-19 headwinds, Metro raised S$250,000 in a month for the "Metro Is Singapore" COVID-19 Initiative. Partnering Beyond Social Services ("BSS"), Metro will provide more than 200 laptops for low-income Singaporean students' home-based learning. The charity drive ran from 1st to 31st August 2020, and Metro donated 2.5% of the department stores and online sales revenues. Board of Directors, management, staff and key shareholders also contributed.


### Shanghai, China

#### 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 been running for 17 years and has benefitted more than 3,000 deserving primary and secondary school students through a grant of RMB100,000 each year. In 2021, Shanghai Metro will donate another RMB100,000 to assist students in need of financial aid.

#### Supporting Minority Students

Shanghai Metro has upheld its pledge to support the minority students of the Shanghai Xuhui district for the past 12 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 2021, Shanghai Metro will donate a further RMB10,000 to support this activity.

# CORPORATE SOCIAL RESPONSIBILITY


### Happy Summer in Metro

Marking the 21st year that "Happy Summer in Metro" has been held, the event which has become a popular community activity central to Shanghai Metro, seeks to promote academic excellence among less-privileged students.

In July 2020, Shanghai Metro signed a new round of agreement with the Shanghai Xuhui District Education Development Fund to donate RMB150,000 to further education development as well as to reward outstanding teachers. Shanghai Metro plans to donate a further RMB150,000 in 2021.

Shanghai Metro also invited teachers from Tongjiang, Sichuan province to visit the world-class city of Shanghai and participate in the teacher training programme.


### Anhui, China

### Shanghai Metro Hope School

In May 2020, Shanghai Metro donated RMB15,000 medical and teaching supplies to aid the school in its fight against COVID-19 pandemic. In October 2020, the Shanghai Metro team once again visited the Shanghai Metro Hope School in Feng Yang County, Anhui Province, China and donated a further RMB5,000 in student financial aid.

## CARING FOR THE ELDERLY

Since 2006, Shanghai Metro has contributed to Shanghai Xujiahui Street Home for the elderly annually. In 2021, Shanghai Metro continued to show its care and concern through a donation of beddings totalling RMB10,000 to the home.

## 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 made to the principles and provisions of the revised Code of Corporate Governance 2018 (the "**2018 Code**").

Pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors of the Company (the "**Board**") confirms that the Company and the Group, have for FY2021 complied with the Principles as set out in the 2018 Code. The Board also confirms that where there are deviations from the Provisions of the 2018 Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below.

## THE BOARD'S CONDUCT OF AFFAIRS

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

### Provisions 1.1 and 1.2

### Board roles and directors' duties

***Board's role***

The Board oversees the business affairs and sets overall corporate strategy and direction of the Group. The Board is collectively responsible for the long-term success of the Group. Management plays an important role in providing Board members with complete, adequate and timely information to assist the directors in the fulfilment of their responsibilities.

***Scope of directors' duties***

Apart from its statutory duties, the Board's principal functions include:

(i) reviewing the adequacy and effectiveness of the Group's risk management and ensuring that management maintains a sound system of internal controls framework (including financial, operational and management systems) to safeguard the shareholders' investments and the Group's assets;
(ii) monitoring and managing risks to achieve appropriate balance between risks and Group performance;
(iii) reviewing Management's performance; and
(iv) ensuring that standards of code of conduct applied to Management are observed.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group. It works closely with Management, its external and internal auditors to make objective decisions in the interest of the Group. The Board is supported by the Nominating Committee ("**NC**"), Audit Committee ("**AC**"), Remuneration Committee ("**RC**") and Investment Committee ("**IC**") (collectively, the "**Board Committees**") to facilitate the discharge of its functions to which it has delegated specific areas of responsibilities.

***Conflicts of interest***

All Board members who have a potential conflict of interest in any matter being considered are required to abstain from participating in the relevant Board discussion and decision making. This policy also applies to all the Board Committees.

***Continuous Training for Directors and Orientation for incoming Directors***

Directors are regularly updated on the business activities of the Group during the Board meetings. Changes to regulations and accounting standards are monitored closely by Management. Directors are updated on regulatory changes, such as changes in laws and regulations, code of corporate governance, financial reporting standards to enable them to effectively discharge their duties. News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") 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.

# CORPORATE GOVERNANCE

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. If a newly-appointed Director has no prior experience as a director of SGX-ST listed company, he is required to attend courses and training organised by institutions such as Singapore Institute of Directors ("**SID**"), the ACRA and the SGX at the Company's expense.

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.

During the year, Mr Yip Hoong Mun, a director and the Group Chief Executive Officer ("**Group CEO**") attended various SID courses relating to the duties, responsibilities, liabilities, board dynamics and board performance and stakeholder engagement.

### Provision 1.3 – Internal guidelines on matters requiring Board's approval

The Board oversees the business affairs of the Group and sets overall corporate strategy and direction. It approves the Group's annual budget and 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 is also responsible for the succession planning, appointment and replacement of directors, as well as appointment of key management personnel and the determination of their remuneration.

***Board organisation and support***

### Provision 1.4 – Delegation to Board Committees

The Board is supported by the Board Committees to assist it in the discharge of its responsibilities and to enhance the Company's corporate governance framework. Each Committee has its own terms of reference which sets out the scope of its duties and responsibilities. Any change to the terms of reference for any Board Committee requires the Board's approval. Each Board Committee examines issues pursuant to their written terms of references and makes recommendations to the Board, who shall then decide after taking into consideration such recommendations. Minutes of all Board Committees meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such Board Committee meetings.

While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

### Provision 1.5 – Board and Board Committee meetings and attendance records

The Board and the Board Committees meet regularly based on meeting schedule planned in advance of each financial year so as to ensure maximum attendance by all participants. Ad hoc meetings can be convened as warranted by circumstances. If a director is unable to attend meetings in person, telephonic or video conference participation at meetings is allowed under the Constitution of the Company.

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.

The Board conducts regular scheduled meetings on a quarterly basis. Management has access to the directors for guidance or exchange of views outside of the formal environment of the Board meetings.

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

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 in FY2021, as well as at the Annual General Meeting held in 2020 are set out below:

| Name of Director | Board | | Audit Committee | | Nominating Committee | | Remuneration Committee | | Investment Committee | | Annual General Meeting |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Attended |
| Lt-Gen (Retd) Winston Choo Wee Leong | 4 | 4 | 4 | 4* | 1 | 1 | 1 | 1 | 6 | 6 | 1 |
| Phua Bah Lee | 4 | 4 | 4 | 3* | 1 | 1 | 1 | 1 | 6 | – | 1 |
| Gerald Ong Chong Keng | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1* | 6 | 6 | 1 |
| Mrs Fang Ai Lian | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1* | 6 | – | 1 |
| Tan Soo Khoon | 4 | 4 | 4 | 4 | 1 | 1* | 1 | 1* | 6 | 6 | 1 |
| Deborah Lee Siew Yin | 4 | 4 | 4 | 4 | 1 | 1* | 1 | 1 | 6 | – | 1 |
| Yip Hoong Mun | 4 | 4 | 4 | 4* | 1 | 1* | 1 | 1* | 6 | 6 | 1 |

* Attendance by invitation

During FY2021, the independent directors and non-executive director also met amongst themselves and/or with the Executive Director and Group CEO and management team on an ad hoc basis to approve and/or discuss specific issues or matters relating to the Group. Such informal discussion and meetings are not included in the above table.

### Provision 1.6 – Access to Information

Directors are given full access to the management team and Company Secretary, all Board and Board Committees' minutes and all approval and information papers.

All scheduled Board and Board Committees' meetings are planned in advance of each financial year and meeting papers are distributed to the directors at least one week before the meetings.

In addition to the annual budget submitted to the Board for approval, Management also provides the Board with quarterly operational reports and related materials on the Group's performance position and prospects and any material variances between the actual results with previous corresponding period against the budget with appropriate explanation.

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 memorandum to enable the Directors to make informed decisions.

### Provision 1.7 – Independent professional advice/company secretary

The Company provides for the directors, individually or as a group to have separate and independent access to management and the company secretary, and to seek external independent professional advice, where necessary, at the expense of the Company in furtherance of their duties and after consultation with the Chairman of the Board.

The role of the company secretary has been clearly defined which includes, inter alia, advising the Board on all matters regarding proper functioning of the Board, compliance with the Company's constitution, the Companies Act, Chapter 50, relevant provisions of the Securities and Futures Act and the Listing Manual of the Singapore Exchange Securities Trading Limited. The company secretary assists the Board in implementing and strengthening corporate governance policies and procedures.

# CORPORATE GOVERNANCE

Under the direction of the Chairman, the company secretary ensures good information flow to and within the Board and the Board Committees and between management and the non-executive directors.

During FY2021, the company secretary attended meetings of the Board and its committees and the minutes of such meetings were circulated to all members of the Board and Board Committees.

The appointment and removal of the company secretary are subject to the approval of the Board.

## BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

The Board comprises the following directors:

| Name of Director | Board | Audit Committee | Nominating Committee | Remuneration Committee | Investment Committee |
|---|---|---|---|---|---|
| Lt-Gen (Retd) Winston Choo Wee Leong | Chairman | – | Chairman | Member | Chairman |
| Phua Bah Lee | Member | – | Member | Chairman | – |
| Gerald Ong Chong Keng | Member | Member | Member | – | Member |
| Mrs Fang Ai Lian | Member | Chairman | Member | – | – |
| Tan Soo Khoon | Member | Member | – | – | Member |
| Deborah Lee Siew Yin | Member | Member | – | Member | – |
| Yip Hoong Mun | Member | – | – | – | Member |
| Ng Ee Peng* | Member | – | – | – | – |

* Appointed on 13 April 2021

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, Ms Deborah Lee Siew Yin and Mr Ng Ee Peng are non-executive and independent directors. Mr Yip Hoong Mun is the Executive Director and Group CEO of the Company.

### Provision 2.1 – Director Independence

There is strong and independent element on the Board. As at 31 March 2021, the Board consisted of seven board members, out of which five are independent directors. With the appointment of Mr Ng Ee Peng on 13 April 2021, the Board consisted of eight board members, out of which six are independent directors, one non-executive director and one executive director.

The NC determines the independence of each director annually. An independent director is one who is independent in conduct, character and judgment and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that can interfere, or be reasonably perceived to interfere with the exercise of the director's independent business judgment to the best interests of the Company.

The NC conducted its annual review of the directors' independence and is satisfied that the Company had complied with Guideline 2.1 of the Code of Corporate Governance 2012 ("**2012 Code**") which provides that at least one-third of the Board is made up of independent directors. The Company also complies with the Rule 210(5)(c) of the Listing Manual of SGX-ST (which will take effect from 1 January 2022) which requires independent directors to consist of at least one-third of the Board.

# CORPORATE GOVERNANCE

The NC and the Board take into account the existence of relationships or circumstances, including those identified by the SGX-ST Listing Rule 210(5)(d) and the 2018 Code's Practice Guidance ("**Practice Guidance**"), that are relevant in determining a director's independence.

The Company's process of determining whether a director is independent includes the use of a declaration form on independence which each independent director is required to complete and submit to the NC for its annual review. The results of the self-assessment are then collated by the company secretary and reported to the Board.

For FY2021, the NC had assessed the independence of Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian, Mr Tan Soo Khoon and Ms Deborah Lee Siew Yin, and was satisfied that there was no relationship or other factors such as financial assistance, past association, business dealings, being a representative of a shareholder, financial dependence, relationship with the Group or the Group's management, which would impair or compromise their independent judgment or which would deem them not to be independent.

Each independent director had recused himself or herself in the determination of his or her own independence.

***Independence of Directors Who Have Served on the Board beyond Nine (9) Years***

The NC noted that prior to 1 January 2022, Guideline 2.4 of the 2012 Code shall apply to directors who have served on the Board beyond nine years from the date of his or her first appointment.

Guideline 2.4 of the 2012 Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

As at 31 March 2021, four independent directors, namely Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon 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, Mrs Fang Ai Lian and Mr Tan Soo Khoon to particularly rigorous review, the NC and the Board have (with each of them abstaining from discussion and deliberation on his or her 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 NC 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 substantial shareholders, notwithstanding that each of them has served more than nine years on the Board. In addition, these directors continue to provide stability to the Board and the Company has benefited greatly from them who are specialists in their own field and they have, over time, not only gained valuable insight into the Group, its business, markets and industry but have brought their breadth and depth of business experience to the Company.

The NC 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 NC and the Board are of the view that Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon remain independent.

In line with the SGX-ST Listing Rule 210(5)(d)(iii) which will take effect from 1 January 2022, the continued appointment of an independent director who has served the Board for an aggregate period of more than nine years will be subject to the approval of (i) all shareholders; and (ii) all shareholders, excluding shareholders who are directors and the CEO of the Company (and their associates) (the "**Two-Tier Voting**").

# CORPORATE GOVERNANCE

In this respect, the independent directors, namely, Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon who have served the Board beyond nine years, will be subjected to this Two-Tier Voting process at the forthcoming annual general meeting ("**2021 AGM**"). Such resolutions approved by a Two-Tier Voting may remain in force for three years from the conclusion of the annual general meeting following the passing of the resolutions or the retirement or resignation of the director, whichever the earlier. Mr Phua Bah Lee, who has served the Board for an aggregate period of more than nine years will be retiring at the 2021 AGM by rotation and will not seek re-election.

In seeking the requisite approvals under Rule 210(5)(d)(iii) for each of Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon to continue as an independent Director, the Company seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. The Board believes that the Company will benefit from the continued appointment of Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian, and Mr Tan Soo Khoon as independent Directors given their deep knowledge of the Group's business and operations which are gained over the course of their tenure as Board members. The NC and the Board have observed that Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon continue to demonstrate independence in conduct, character and judgment, and that their length of service on the Board neither interferes with their exercise of independent judgment nor hinders their ability to act in the best interests of the Company. After a rigorous review, the NC and the Board have determined that Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon continue to be independent despite each having served for more than nine years on the Board. Each of Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon has recused himself/herself from all NC (where applicable) and Board deliberations and decisions relating to his/her continued independence.

### Provision 2.2 – Composition of independent directors on the Board

Provision 2.2 of the 2018 Code requires independent directors to make up a majority of Board where the Chairman is not independent. Currently, Lt-Gen (Retd) Winston Choo Wee Leong, Chairman of the Board, is considered an independent director.

For FY2021, more than half of the Board members were made up of independent and non-executive directors. Therefore, the NC is of the view that the Board has sufficient independent element and its composition is appropriate to facilitate effective decision-making.

### Provision 2.3 – Proportion of non-executive directors

In FY2021, independent and non-executive directors constitute more than half of the Board. There is one non- executive director on the Board. The independent and non-executive directors had constructively challenged and contributed to the development of both the Group's short-term and long-term business strategies. Their views and opinions also provide different perspectives to the Group's businesses. The management's progress in implementing such agreed business strategies is being monitored by the independent and non-executive directors who ensured objectivity in such deliberations.

### Provision 2.4 – Board composition and size

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

Taking into account the scope and nature of the Group's operations, the NC considered the Board composition and size to be appropriate. The Board collectively provided relevant competencies to facilitate effective decision making for the existing needs and demands of the Group's businesses. The Board's decision-making process is not dominated by any individual or group of individuals.

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

# CORPORATE GOVERNANCE

Although the Company does not have a written policy on Board Diversity, it has maintained a culture of diversity to benefit from a wide talent pool. The current Board composition provides diversity in terms of skills, experience and knowledge.

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

Details of the directors' qualifications, background and working experience are set out under the "Board of Directors" section of this annual report.

### Provision 2.5 – Regular meetings of non-executive directors

Where appropriate and necessary, the non-executive directors (which include the independent directors) would also meet without the presence of Management.

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 Management, and no individual has unfettered powers of decision-making.**

### Provisions 3.1 and 3.2 – Separation of role of Chairman and CEO

### Rule 1207(10A) of the Listing Manual of SGX-ST

The Company's Chairman and the Group CEO 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 CEO.

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

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

At the general meetings of shareholders, the Chairman plays a pivotal role in fostering constructive dialogue between the shareholders, the Board and the management.

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

### Provision 3.3 – Lead Independent Director

The 2018 Code encourages the appointment of a lead independent director to provide leadership in situations where the chairman is conflicted, especially the chairman is not independent.

As Lt-Gen (Retd) Winston Choo Wee Leong, Chairman of the Board, is an independent director, the Board is of the view that the appointment of a lead independent director is not necessary.

# CORPORATE GOVERNANCE

## BOARD MEMBERSHIP

**Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### Provisions 4.1 and 4.2 – NC membership and key terms of reference

The NC 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 NC'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;
(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 2018 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.

### Provision 4.3 – Selection, appointment and re-appointment process for directors

The NC is responsible for recommending identified candidates to the Board to fill vacancies arising from resignation, retirement or any other reasons or if there is a need to appoint additional directors with the required skill or knowledge to the Board in order to fill any identified competency gap in the Board. The potential candidate may be proposed by existing directors, substantial shareholders, management or through third party referrals.

The Company has the following process for the selection and appointment of new directors:

(i) the NC recommends to the Board a suitable size of the Board; and evaluates the balance of skills, knowledge and experience of Board members required to add value and facilitate effective decision-making, taking into consideration the scope and nature of the Group's operations;
(ii) the NC considers the channels for seeking suitable candidates and draw up a list of potential candidates. Such sources include internal promotion, recommendations from directors/substantial shareholders/management or external search consultants;
(iii) short-listed candidates will be required to furnish their curriculum vitae stating in detail their qualification, working experience, employment history, and to complete certain prescribed forms to enable the NC to assess the candidate's independence status;
(iv) the NC evaluates the candidates' capabilities by taking into consideration certain criteria such as diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and how the candidates fit into the overall desired competency matrix of the Board; and
(v) the NC makes recommendation to the Board for approval. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required.

The NC and the Board had observed the above procedures in the process of appointing Mr Ng Ee Peng as a non-executive and independent director on 13 April 2021.

# CORPORATE GOVERNANCE

The NC also ensures compliance with Article 94 of the Company's constitution which states one-third of the Directors (or if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall require to retire from office by rotation and subject themselves to re-election by shareholders at every annual general meeting of the Company. Rule 720(5) of the Listing Manual of the SGX-ST also required that all directors must submit themselves for re-nomination and re-appointment at least once every three years.

The Company's constitution also stipulates that a new director appointed by the Board must subject himself or herself for retirement and re-election at the AGM immediately following his or her appointment. The NC, in considering the nominating of any director for re-election, will evaluate the performance of the director involved.

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 | 11 September 2020 |
| Phua Bah Lee | Non-Executive/ Independent Director | 5 October 1993 | 29 July 2019 |
| Gerald Ong Chong Keng | Non-Executive Director | 18 June 2007 | 29 July 2019 |
| Mrs Fang Ai Lian | Non-Executive/ Independent Director | 16 July 2008 | 11 September 2020 |
| Tan Soo Khoon | Non-Executive/ Independent Director | 9 December 2011 | 11 September 2020 |
| 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 | 29 July 2019 |
| Ng Ee Peng | Non-Executive/ Independent Director | 13 April 2021 | Not Applicable |

The following directors are due to retire by rotation at the forthcoming 2021 AGM under Article 94 of the Company's Constitution:

(a) Mr Phua Bah Lee;
(b) Mr Gerald Ong Chong Keng; and
(c) Ms Deborah Lee Siew Yin.

Mr Ng Ee Peng will retire at the forthcoming 2021 AGM under Article 100 of the Company's Constitution.

Mr Gerald Ong Chong Keng, Ms Deborah Lee Siew Yin and Mr Ng Ee Peng have offered themselves for re-election.

Mr Phua Bah Lee will retire from the Board of Directors upon conclusion of the forthcoming 2021 AGM.

After assessing the contribution and performance of the retiring directors, the NC has recommended that Mr Gerald Ong Chong Keng, Ms Deborah Lee Siew Yin and Mr Ng Ee Peng be re-elected at the forthcoming 2021 AGM. The Board has accepted the recommendations of the NC.

Each director had recused himself or herself relating to the recommendation on his or her re-election as director of the Company.

# CORPORATE GOVERNANCE

Subject to their re-election:

(i) Mr Gerald Ong Chong Keng shall continue to serve as a non-executive director and a member of the AC, NC and IC;
(ii) Ms Deborah Lee Siew Yin shall continue to serve as a non-executive and independent director and a member of the AC and RC; and
(iii) Mr Ng Ee Peng shall continue to serve as a non-executive and independent director.

The requisite information required under Appendix 7.4.1 of the SGX-ST Listing Manual pertaining to Mr Gerald Ong Chong Keng, Ms Deborah Lee Siew Yin and Mr Ng Ee Peng can be found on pages 180 to 185 of this Annual Report.

### Provision 4.4 – Continuous review of the directors' independence

Each independent director of the Company will confirm his independence (or otherwise) based on a checklist annually. The checklist is drawn up based on the guidelines provided under the 2018 Code. In FY2021, the NC had reviewed the independence of the independent directors, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code, its Practice Guidance and the SGX-ST Listing Manual. Details of the review process are set out under Provision 2.1 of this report.

### Provision 4.5 – Multiple directorships

Information of each director including his/her directorship(s) or chairmanship(s) in other listed company(ies) and other principal commitment(s) are furnished under the "Board of Directors" section of this Annual Report.

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 NC is satisfied that the director is able to and has been adequately carrying out his duties as a director of the Company. The NC 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 NC and the Board have decided not to set any maximum number of listed company board representations that any director may hold.

## BOARD PERFORMANCE

**Principle 5 – The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

### Provisions 5.1 and 5.2 – Board evaluation process, Board performance criteria and individual director evaluation

The NC evaluates and assesses the effectiveness of the Board taking into consideration appropriate performance criteria.

The Company has implemented a formal process to evaluate the performance and effectiveness of the Board as a whole and of each of its Board Committees as well as each individual director annually. The evaluation of each individual director is done through self-evaluation.

The performance criteria were recommended by the NC and approved by the Board.

The evaluation of the Board and the Board Committees focus on a set of performance criteria approved by the Board which includes the size and composition of the Board, Board independence, the Board's access to information and Board's accountability, Board Committee performance in relation to discharging their responsibilities as set out in their respective terms of reference.

The self-evaluation questionnaire of individual directors' focus on their competency, attendance and contributions at meetings, preparedness for meetings and their interactive and interpersonal skills.

# CORPORATE GOVERNANCE

All Directors are given a board evaluation questionnaire and self-evaluation questionnaire to express their view of various aspects of the performance of the Board, the Board Committees and their individual performance so as to assess the overall effectiveness of the Board. The completed questionnaires were submitted to the Company Secretaries for collation. The findings of such evaluations were presented to the NC for review before submitting to the Board for discussion and identifying areas for improvement and implementing certain recommendations to further enhance the effectiveness of the Board.

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

## PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

**Principle 6: Formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel.**

### Provisions 6.1 and 6.2 – Remuneration Committee composition and terms of reference

The RC is chaired by Mr Phua Bah Lee with Lt-Gen (Retd) Winston Choo Wee Leong and Ms Deborah Lee Siew Yin, who are all non-executive and independent directors as members.

The RC'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 CEO;
(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.

### Provision 6.3 – Developing remuneration framework

The RC 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 or her own remuneration.

In setting the remuneration framework, the RC has considered all aspects of remuneration. The RC aims to be fair and avoids rewarding poor performance.

### Provision 6.4 – RC access to advice on remuneration matters

The RC has explicit authority to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters when necessary. During FY2021, the RC did not engage the service of an external remuneration consultant.

# CORPORATE GOVERNANCE

## LEVEL AND MIX OF REMUNERATION

**Principle 7: Level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

### Provisions 7.1, 7.2 and 7.3 – Remuneration of directors and key executives

The executive director who is also the CEO has a service contract which includes terms of termination under appropriate notice.

The RC also reviews all matters concerning the remuneration of the independent directors and non-executive directors to ensure that the remuneration commensurate with the effort, time spent and responsibilities of the directors and not to be over-compensated to the extent that their independence may be compromised.

The independent directors and 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 AGM.

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 RC 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.

The Company does not have a share option scheme or long-term incentive plan for the executive or key executives after considering the size of the current business operations of the Group as well as its existing workforce.

## DISCLOSURE ON REMUNERATION

**Principle 8: Transparency on remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.**

### Provisions 8.1 and 8.3 – Breakdown of remuneration of Directors and CEO, and key executives

The breakdown of directors' remuneration for FY2021 is as follows:

| 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 | 81 | 100% | – | – |
| Gerald Ong Chong Keng | 157 | 100% | – | – |
| Mrs Fang Ai Lian | 129 | 100% | – | – |
| Tan Soo Khoon | 150 | 100% | – | – |
| Deborah Lee Siew Yin | 97 | 100% | – | – |
| Yip Hoong Mun | 2,301 | 52% | 42% | 6% |

# CORPORATE GOVERNANCE

For FY2021, the top four key executives (who are not directors) have been identified as follows:

1. Lawrence Chiang Kok Sung
2. Wong Sioe Hong
3. Eve Chan Bee Leng
4. David Tang Kai Kong

On the disclosure of remuneration of the Group's top key executives, the Company is of the view that it would not be in its best interest to make such disclosure on a named basis in bands of S$250,000 with breakdowns of each key executive's remuneration earned through base salary, performance-related bonuses and benefits in kind. Accordingly, such details are not disclosed as the Company believes that in view of the competitive nature of the human resource environment and to support the Company's efforts in attracting and retaining executive talents, it should maintain confidentiality on employee remuneration matters. Their profiles are found on pages 28 and 29.

The aggregate total remuneration of the top four key executives (who are not directors or the Group CEO) for FY2021 was S$ 3,488,000.

### Provision 8.2 – Employee related to substantial shareholder, directors or Group CEO

Mr Ong Jenn is the only employee of the Group who is a substantial shareholder and who is also an immediate family member of substantial shareholders. Mr Ong Jenn's total remuneration for the period from 2 November 2020 to 31 March 2021 was less than S$100,000.

## ACCOUNTABILITY AND AUDIT

## RISK MANAGEMENT & INTERNAL CONTROLS

### Principle 9 – Board's governance of risk management system and internal controls

### Provision 9.1: Nature and Extent of Risks

The Board is responsible for the governance of risks and sets the tone and direction for the Group in the way risks are being managed. The Board has the responsibility to approve the strategy of the Group in a manner which addresses stakeholders' expectations without subjecting to an unacceptable level of risks.

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 IC and the AC 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.

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 AC.

# CORPORATE GOVERNANCE

The AC examines the effectiveness of the Group's internal control systems. The many assurance mechanisms 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 AC. The AC reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal Auditors in this respect.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, frauds or other irregularities.

### Provision 9.2: Assurance from Group CEO, Group Chief Financial Officer ("Group CFO") and Key Management Personnel

The Company has established a practice whereby business and finance heads of the subsidiaries and strategic business units are required to provide yearly written representation in specific template confirming, inter alia, that the financial processes and internal controls are in place and to confirm the integrity of the Group's financial statements. The report will also highlight material financial risk and impact, as well as providing updates on significant financial issues of the Group. This report is presented to the AC and Board for information.

In FY2021, based on the Group CEO and the Group CFO's representation, the Board issued negative assurance statements in its half year financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Board has obtained a written confirmation from:

(a) the Group CEO, who is also the Executive Director, and the Group Chief Financial Officer 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) the Group CEO and other key management personnel who are responsible regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

### Rule 1207(10) of the Listing Manual of SGX-ST

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 AC and IC, the Board, with the concurrence of the AC, 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 2021 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.

There was no material weakness in risk management and internal controls noted as at 31 March 2021.

# CORPORATE GOVERNANCE

## Principle 10: Audit Committee

### Provisions 10.1, 10.2 and 10.3

The AC comprises three non-executive and independent directors and one non-executive director. It is chaired by Mrs Fang Ai Lian and the members are Mr Gerald Ong Chong Keng, Mr Tan Soo Khoon and Ms Deborah Lee Siew Yin. The AC has full authority to investigate matters relating to the Group and any matters within its terms of reference.

The Board is satisfied that the AC members, collectively, have relevant accounting and related financial management expertise and experience to discharge their duties and responsibilities.

None of the AC members are former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC'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 Auditor and Internal Auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls;
(vii) making recommendations to the Board of Directors on the appointment, re-appointment and removal of the External Auditor and Internal Auditors, and approving the remuneration and terms of engagement of the External Auditor and Internal Auditors; and
(viii) reviewing whistle blowing and fraud investigations within the Group and ensuring appropriate follow up action, if required.

Updates on changes in accounting standards and treatment are prepared by the External Auditor and circulated to members of the AC periodically for information.

The AC has been given full access and obtained the co-operation from the Management of the Company. The AC has the explicit authority to investigate any matter within its terms of reference. It also has full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

# CORPORATE GOVERNANCE

The AC 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 Auditor and reviewed by the AC in respect of FY2021:

| Significant matters | How the Audit Committee addressed these issues |
|---|---|
| Valuation of investment property | The AC considered the appropriateness of the approach and methodology applied to the valuation model in assessing the valuation of the investment property, as well as the independence, objectivity and competence of the external appraiser appointed to perform the valuation.<br><br>The AC also considered the reasonableness of the basis and the inputs used in the valuation model, in light of a heightened level of estimation uncertainty arising from uncertain market and economic conditions as a result of the ongoing COVID-19 pandemic.<br><br>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 FY2021 on page 81 of the Annual Report. |
| Accounting of interests in associates and joint ventures | The AC 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.<br><br>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.<br><br>The AC 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 their respective markets. The AC also considered the risk of downward valuation of the investment properties and development projects in light of the prevailing conditions.<br><br>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 FY2021 on pages 81 and 82 of the Annual Report. |

### Provision 10.4 – internal audit function

As mentioned in Provision 9.1, the Group outsources its internal audit function to KPMG who reports directly to the AC. The Internal Auditors plans its internal audit schedules in consultation with Management and its plans are submitted to the AC for approval. The AC reviews and approves the internal audit plans and resources and also ensures that KPMG has the necessary resources to adequately perform its functions and is adequately staffed with persons with the relevant qualifications and experience.

The Internal Auditors has unfettered access to all the Company's documents, records, properties and personnel including the AC.

### Rule 1207(10C) of the Listing Manual of SGX-ST

The AC has also reviewed and believed that the Internal Auditors is independent and has the appropriate standing and adequately resourced to perform its functions effectively.

The AC 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.

# CORPORATE GOVERNANCE

### Provision 10.5 – Meeting with External Auditor and Internal Auditors without presence of Management

The AC has met with the External Auditor and Internal Auditors separately without the presence of Management for the year in review.

### Rule 1207(6)(b) of the Listing Manual of SGX-ST

The AC 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 2021, is of the view that the independence of the External Auditor of the Company has not been compromised.

### Rule 712 of the Listing Manual of SGX-ST

The AC has also reviewed and confirmed that EY is a suitable audit firm to meet the Company's audit obligations, after taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA and 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 AC recommended to the Board the re-appointment of EY as External Auditor of the Group for the year ending 31 March 2022. Therefore, the Company complies with Rule 712 of the Listing Manual.

### Rule 715 of the Listing Manual of SGX-ST

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 three 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 Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The AC meets quarterly to review the quarter and full year results, including any interested person transactions prior to their submission to the Board.

The AC 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.

When whistle-blower complaints are received, the AC will ensure independent and thorough investigation and adequate follow up. The Company has maintained a whistle-blowing register to record all the whistle-blowing incidents. The contents including "nil" returns in the register are reviewed by the AC at its quarterly meetings.

# CORPORATE GOVERNANCE

## SHAREHOLDER RIGHTS AND ENGAGEMENT

## SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

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

### Provision 11.1 – Providing opportunity for shareholders to participate and vote at general meetings

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.

In FY2020, due to the COVID-19 pandemic crisis and in line with the initiatives implemented by the regulatory bodies (i.e. the Joint Guidance issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the SGX-ST), the Company conducted a virtual annual general meeting ("**2020 AGM**"). The virtual 2020 AGM was conducted on 11 September 2020 in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debentures Holders) Order 2020 issued by the Ministry of Law (the "**Meeting Order**"). A "live" webcast of the virtual 2020 AGM was made available to participating shareholders who had registered and were assigned a unique link to access the live audio-visual webcast or live audio-only stream. The 2020 AGM results of the poll votes on each resolution tabled at the AGM (including the total number of votes cast for or against each resolution) were announced at the virtual AGM and via SGXNet thereafter.

### Provisions 11.2 and 11.4 – Separate resolutions at general meeting and absentia voting at general meetings

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.

### Provision 11.3 – Attendees at general meetings

The Directors, Management and the External Auditor are present and available at the general meetings to address any queries or concerns on matters relating to the Group and its operations.

The entire Board was present at the virtual 2020 AGM with some of the Board members who attended the AGM remotely. All key executives (or executives of equivalent rank) and the External Auditor attended the AGM remotely as well.

# CORPORATE GOVERNANCE

### Provision 11.5 – Minutes of general meetings

The Company does not publish minutes of general meetings or shareholders on its corporate website. There are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting) including disclosure of sensitive information to the Group's competitors. Further, shareholders, including those who did not attend the relevant general meeting, have a right to be furnished copies of minutes of general meeting pursuant to Section 189 of the Companies Act, Chapter 50. Accordingly, the Company is of the view that its position is consistent with the intent of Principle 11 of the 2018 Code as shareholders are treated fairly and equitably by the Company.

However, in line with the Meeting Order, the minutes of the 2020 AGM were announced via SGXNet and posted on the Company's corporate website within the prescribed timeframe, i.e. within one month from the date of AGM.

### Provision 11.6 – 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.

## ENGAGEMENT WITH SHAREHOLDERS

**Principle 12 – The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

### Provision 12.1 – Avenue of communication between the Board and shareholders

In line with the continuous disclosure obligations under the requirements of the SGX-ST Listing Manual and requirements of the Companies Act, Chapter 50, the Board informs the shareholders promptly of all major developments that may have a material impact on the Group.

In addition, the Company communicates (at least once annually at the AGM) with its shareholders and facilitates the participation of shareholders during general meetings and (where applicable) other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

### Provisions 12.2 and 12.3 – Investor relations policy

The Company has engaged an external professional investor relation ("**IR**") firm, Citigate Dewe Rogerson Singapore Pte Ltd as its IR with the aim to better communicate with its shareholders and analyst on a regular basis and to gather views or inputs and take any of their queries or concerns. The IR firm also manages the dissemination of information to the media, public, institutional investors and public shareholders, and act as liaison with these parties. Shareholders can contact or provide their views directly to the IR firm.

# CORPORATE GOVERNANCE

## MANAGING STAKEHOLDERS RELATIONSHIPS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

### Provisions 13.1, 13.2 and 13.3 – Engagement with material stakeholder groups

The Company values input from all of its stakeholder groups and uses a variety of channels and platforms to engage with them as well as receive their feedback. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Company consider material.

More details on the Company's strategy and key areas of focus in relation to the management of stakeholders' relationships will be disclosed in the standalone Sustainability Report for FY2021 which will be issued not later than 5 months after the end of the financial year.

The Company has a corporate website to communicate and engage with all stakeholders. The Company's corporate website is https://www.metroholdings.com.sg.

## OTHER CORPORATE GOVERNANCE MATTERS

## 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 periods beginning one month until the date of announcement of the Company's first half financial results (both dates inclusive) and the Company's full year financial results (both dates inclusive);

In addition, Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Directors and employees are also discouraged from dealing in the Company's securities on short-term consideration.

Directors and employees are required to report securities dealings to the Company Secretaries who will assist to make the necessary announcements.

The guidelines on share buyback under the Share Buyback Mandate, to be renewed at the Company's forthcoming AGM also provides that the Company will not effect any purchases of shares on the SGX-ST during the period of one month immediately preceding the announcement of the Company's half year and full year financial statements.

## DIRECTORS' INTERESTS IN CONTRACTS ENTERED WITH THE GROUP

There was an interested person transaction ("**IPT**") by the Company with Mr Gerald Ong Chong Keng, a director of the Company and the value of the IPT was less than S$11,000 during FY2021.

Save as disclosed, there was no other transaction by the directors or with firms/companies in which they are members and/or have a substantial financial interest during FY2021.

## INTERESTED PERSON TRANSACTIONS

Please refer to the interested person transaction as disclosed above.

# DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

# 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 2021.

## 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 2021 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
Fang Ai Lian (Mrs)
Tan Soo Khoon
Deborah Lee Siew Yin
Yip Hoong Mun (Group Chief Executive Officer)
Ng Ee Peng (Appointed on 13 April 2021)

## 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.

## 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as stated below:

| | Shareholdings in which the director is deemed to have an interest | | |
|---|---|---|---|
| **Name of director** | **As at 1.4.2020** | **As at 31.3.2021** | **As at 21.4.2021** |
| **Ordinary shares** | | | |
| 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, 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

2 July 2021

# INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF METRO HOLDINGS LIMITED
For the financial year ended 31 March 2021

## 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 2021, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows 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 2021 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.

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 2021

**Key audit matters** (cont'd)

### 1. Valuation of investment property

As at 31 March 2021, the carrying value of the Group's investment property amounted to S$111.7 million. The Group measures its investment property at fair value based on valuation performed by the independent professional valuer ("External Appraiser") that was engaged by management. Management reviews the valuation carried out by the External Appraiser and adopts the valuation as 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 and the External Appraiser. As disclosed and explained in more detail in Note 3.2(i) – *Key sources of estimation uncertainty*, there was also a heightened level of estimation uncertainty arising from uncertain market and economic conditions as a result of the ongoing COVID-19 pandemic.

As part of our audit procedures, 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 read the external valuation report, inquired with the External Appraiser and obtained explanations to support the selection of valuation method and the key assumptions adopted such as rental income and capitalisation rate, including how the impact of COVID-19 has been considered. We also reviewed the reasonableness of the key assumptions used in the projected cash flows by comparing to supporting leases and available industry data.

We also reviewed the adequacy of the Group's disclosures in Note 12, 32(d) and 3.2(i) of the financial statements relating to Investment property, Fair value of assets or liabilities, level 3 fair value measurements and Key sources of estimation uncertainty which are fundamental to users understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the fair value, including information that the fair value of the investment property recorded in the Group's balance sheet as at 31 March 2021 was estimated based on conditions prevailing on that date.

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

### 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 2021, the carrying value of the interests in associates and joint ventures amounted to S$1,141.2 million, representing 82.0% of non-current assets and 48.6% of total assets of the Group. For the financial year ended 31 March 2021, the Group's share of associates and joint ventures results was S$43.6 million, representing 91.7% of the Group's profit 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.

# INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF METRO HOLDINGS LIMITED
For the financial year ended 31 March 2021

### Key audit matters (cont'd)

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

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 valuation and impairment assessment involve significant management judgement. In addition, as disclosed and explained in more detail in Note 3.2(ii) – *Key sources of estimation uncertainty*, there was also a heightened level of estimation uncertainty in determining the valuation of investment properties and the success of development projects as at 31 March 2021 arising from uncertain market and economic conditions as a result of the ongoing COVID-19 pandemic.

In assessing the recoverability of the Group's interest in associates and joint ventures, we discussed with management and auditors of the associates and joint ventures about the future market conditions, the status and the impact of COVID-19 pandemic on the development projects and properties. We assessed the reasonableness of revenue recognised during the financial year and performance 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 read the valuation reports, inquired with the external valuers and/or management and obtained explanations to support the selection of valuation methods and the key assumptions adopted such as rental income and capitalisation rates, including how the impact of COVID-19 has been considered. For certain investment properties, we obtained the support of our valuation specialists, we reviewed the reasonableness of the key assumptions including the rental income and capitalisation rates used in the projected cash flows by comparing to supporting leases and available industry data.

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.

We also reviewed the adequacy of the Group's disclosures in Note 15, 16 and 3.2(ii) to the financial statements relating to Associates, Joint Ventures and Key sources of estimation uncertainty which are fundamental to users understanding of this matter.

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

### 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.

# INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF METRO HOLDINGS LIMITED
For the financial year ended 31 March 2021

### 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.

### 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.

# INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF METRO HOLDINGS LIMITED
For the financial year ended 31 March 2021

### Auditor's responsibilities for the audit of the financial statements (cont'd)

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.

### 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
2 July 2021

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2021

(In Singapore dollars)

| | Note | 2021<br>$'000 | 2020<br>$'000 |
|---|---|---|---|
| **Revenue** | 4 | 97,323 | 210,254 |
| Cost of revenue | 5 | (81,833) | (190,097) |
| **Gross profit** | | 15,490 | 20,157 |
| Other net income | 6 | 31,537 | 36,141 |
| Fair value gain/(loss) on an investment property | 12 | 533 | (2,452) |
| Impairment on right-of-use assets | 27 | (4,578) | – |
| General and administrative expenses | | (19,642) | (22,115) |
| Finance costs | 7 | (19,373) | (18,970) |
| Share of results of associates, net of tax | 15 | (20,559) | (28,965) |
| Share of results of joint ventures, net of tax | 16 | 64,154 | 55,935 |
| **Profit from operations before taxation** | 8 | 47,562 | 39,731 |
| Taxation | 9 | (10,567) | (6,651) |
| **Profit net of taxation** | | 36,995 | 33,080 |
| | | | |
| **Attributable to:** | | | |
| Owners of the Company | | 36,752 | 32,248 |
| Non-controlling interests | | 243 | 832 |
| | | 36,995 | 33,080 |
| | | **Cents** | **Cents** |
| **Earnings per share** | | | |
| Basic | 10 | 4.4 | 3.9 |
| Diluted | 10 | 4.4 | 3.9 |

*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 2021

(In Singapore dollars)

| | 2021<br>$'000 | 2020<br>$'000 |
|---|---|---|
| **Profit net of taxation** | 36,995 | 33,080 |
| **Other comprehensive income:** | | |
| ***Items that may be reclassified subsequently to profit or loss*** | | |
| Currency translation adjustments on foreign subsidiaries, associates and joint ventures | (909) | 1,075 |
| Share of other comprehensive income/(expense) of associates and joint ventures | 18,680 | (7,259) |
| **Other comprehensive income/(expense) for the financial year** | 17,771 | (6,184) |
| **Total comprehensive income for the financial year** | 54,766 | 26,896 |
| **Total comprehensive income/(expense) attributable to:** | | |
| Owners of the Company | 53,041 | 28,387 |
| Non-controlling interests | 1,725 | (1,491) |
| | 54,766 | 26,896 |

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

# BALANCE SHEETS

As at 31 March 2021

(In Singapore dollars)

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2021 $'000 | 2020 $'000 | 2021 $'000 | 2020 $'000 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Plant and equipment | 11 | 2,710 | 1,465 | 334 | 22 |
| Right-of-use assets | 27 | 46,960 | 62,590 | 3,292 | 3,840 |
| Investment property | 12 | 111,725 | 109,022 | – | – |
| Subsidiaries | 13 | – | – | 17,790 | 17,790 |
| Amounts due from subsidiaries | 14 | – | – | 502,030 | 542,055 |
| Associates | 15 | 773,271 | 795,642 | 500 | 500 |
| Joint ventures | 16 | 367,948 | 337,269 | – | – |
| Long term investments | | | | | |
| – Fair value through profit or loss | 17 | 88,534 | 99,873 | – | – |
| Deferred tax assets | 9 | – | 1,121 | – | – |
| | | 1,391,148 | 1,406,982 | 523,946 | 564,207 |
| **Current assets** | | | | | |
| Development properties | 18 | 163,405 | 166,735 | – | – |
| Inventories | 19 | 9,022 | 10,159 | – | – |
| Prepayments | | 616 | 1,499 | – | – |
| Accounts and other receivables | 20 | 81,813 | 94,030 | 181 | 415 |
| Amounts due from subsidiaries | 14 | – | – | 430,138 | 290,970 |
| Amounts due from associates | 15 | 136,696 | 8,321 | – | – |
| Amounts due from joint ventures | 16 | 123,072 | 188,258 | 4,021 | 4,296 |
| Short term investments | 17 | 15,932 | 10,988 | – | – |
| Cash and cash equivalents | 21 | 425,669 | 349,367 | 2,490 | 63,703 |
| | | 956,225 | 829,357 | 436,830 | 359,384 |
| **Total assets** | | 2,347,373 | 2,236,339 | 960,776 | 923,591 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Borrowings | 22 | 324,957 | 145,165 | 218,349 | 18,789 |
| Accounts and other payables | 23 | 48,679 | 48,006 | 7,928 | 6,280 |
| Amounts due to subsidiaries | 23 | – | – | 176,339 | 192,886 |
| Lease liabilities | 27 | 9,651 | 10,573 | 539 | 523 |
| Provision for taxation | | 7,079 | 4,875 | – | 111 |
| | | 390,366 | 208,619 | 403,155 | 218,589 |
| **Net current assets** | | 565,859 | 620,738 | 33,675 | 140,795 |
| **Non-current liabilities** | | | | | |
| Borrowings | 22 | 199,128 | 348,348 | 199,128 | 348,348 |
| Amounts due to joint ventures | 16 | 124,639 | 73,813 | – | – |
| Lease liabilities | 27 | 43,058 | 53,871 | 2,944 | 3,483 |
| Deferred income | 23 | 1,912 | 2,100 | – | – |
| Deferred tax liabilities | 9 | 22,774 | 20,891 | 3 | 7 |
| | | 391,511 | 499,023 | 202,075 | 351,838 |
| **Total liabilities** | | 781,877 | 707,642 | 605,230 | 570,427 |
| **Net assets** | | 1,565,496 | 1,528,697 | 355,546 | 353,164 |
| **Equity attributable to owners of the Company** | | | | | |
| Share capital | 24 | 169,717 | 169,717 | 169,717 | 169,717 |
| Treasury shares | 24 | (1,768) | (1,768) | (1,768) | (1,768) |
| Reserves | 25 | 1,368,700 | 1,332,130 | 187,597 | 185,215 |
| | | 1,536,649 | 1,500,079 | 355,546 | 353,164 |
| **Non-controlling interests** | | 28,847 | 28,618 | – | – |
| **Total equity** | | 1,565,496 | 1,528,697 | 355,546 | 353,164 |
| **Total equity and liabilities** | | 2,347,373 | 2,236,339 | 960,776 | 923,591 |

*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 2021

(In Singapore dollars)

| Group | Note | Share capital $'000 | Treasury shares $'000 | Foreign currency translation reserve $'000 | Statutory reserve $'000 | Other reserve $'000 | Revenue reserve $'000 | Total $'000 | Non-controlling interests $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| At 1 April 2020 | | 169,717 | (1,768) | (10,296) | 4,734 | 434 | 1,337,258 | 1,500,079 | 28,618 | 1,528,697 |
| Profit for the year | | – | – | – | – | – | 36,752 | 36,752 | 243 | 36,995 |
| Other comprehensive income | | | | | | | | | | |
| Currency translation adjustments on foreign subsidiaries, associates and joint ventures | | – | – | (2,391) | – | – | – | (2,391) | 1,482 | (909) |
| Share of other comprehensive income of associates and joint ventures | | – | – | 18,267 | – | 413 | – | 18,680 | – | 18,680 |
| Other comprehensive income for the financial year, net of tax | | – | – | 15,876 | – | 413 | – | 16,289 | 1,482 | 17,771 |
| Total comprehensive income for the financial year | | – | – | 15,876 | – | 413 | 36,752 | 53,041 | 1,725 | 54,766 |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends paid | 26 | – | – | – | – | – | (16,561) | (16,561) | – | (16,561) |
| Dividends unclaimed | | – | – | – | – | – | 90 | 90 | – | 90 |
| Total contributions by and distributions to owners | | – | – | – | – | – | (16,471) | (16,471) | – | (16,471) |
| Changes in ownership interests in a subsidiary | | | | | | | | | | |
| Interest in a subsidiary | | – | – | – | – | – | – | – | (1,496) | (1,496) |
| Total changes in ownership interests in a subsidiary | | – | – | – | – | – | – | – | (1,496) | (1,496) |
| Others | | | | | | | | | | |
| Transfer to statutory reserve fund | | – | – | – | 450 | – | (450) | – | – | – |
| Total others | | – | – | – | 450 | – | (450) | – | – | – |
| At 31 March 2021 | | 169,717 | (1,768) | 5,580 | 5,184 | 847 | 1,357,089 | 1,536,649 | 28,847 | 1,565,496 |

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2021

(In Singapore dollars)

| Group | Note | Share capital $'000 | Treasury shares $'000 | Foreign currency translation reserve $'000 | Statutory reserve $'000 | Other reserve $'000 | Revenue reserve $'000 | Total $'000 | Non-controlling interests $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| At 1 April 2019 | | 169,717 | (1,768) | (7,007) | 4,321 | 1,006 | 1,342,685 | 1,508,954 | 23,856 | 1,532,810 |
| Profit for the year | | – | – | – | – | – | 32,248 | 32,248 | 832 | 33,080 |
| Other comprehensive income | | | | | | | | | | |
| Currency translation adjustments on foreign subsidiaries, associates and joint ventures | | – | – | 3,398 | – | – | – | 3,398 | (2,323) | 1,075 |
| Share of other comprehensive expense of associates and joint ventures | | – | – | (6,687) | – | (572) | – | (7,259) | – | (7,259) |
| Other comprehensive expense for the financial year, net of tax | | – | – | (3,289) | – | (572) | – | (3,861) | (2,323) | (6,184) |
| Total comprehensive (expense)/income for the financial year | | – | – | (3,289) | – | (572) | 32,248 | 28,387 | (1,491) | 26,896 |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends paid | 26 | – | – | – | – | – | (37,262) | (37,262) | – | (37,262) |
| Total contributions by and distributions to owners | | – | – | – | – | – | (37,262) | (37,262) | – | (37,262) |
| Changes in ownership interests in a subsidiary | | | | | | | | | | |
| Interest in a subsidiary | | – | – | – | – | – | – | – | 6,253 | 6,253 |
| Total changes in ownership interests in a subsidiary | | – | – | – | – | – | – | – | 6,253 | 6,253 |
| Others | | | | | | | | | | |
| Transfer to statutory reserve fund | | – | – | – | 413 | – | (413) | – | – | – |
| Total others | | – | – | – | 413 | – | (413) | – | – | – |
| At 31 March 2020 | | 169,717 | (1,768) | (10,296) | 4,734 | 434 | 1,337,258 | 1,500,079 | 28,618 | 1,528,697 |

*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 2021

(In Singapore dollars)

| Company | Note | Share capital $'000 | Treasury shares $'000 | Revenue reserve $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| At 1 April 2020 | | 169,717 | (1,768) | 185,215 | 353,164 |
| Profit for the year, representing total comprehensive income for the financial year | | – | – | 18,853 | 18,853 |
| Contributions by and distributions to owners | | | | | |
| Dividends paid | 26 | – | – | (16,561) | (16,561) |
| Dividends unclaimed | | – | – | 90 | 90 |
| At 31 March 2021 | | 169,717 | (1,768) | 187,597 | 355,546 |
| At 1 April 2019 | | 169,717 | (1,768) | 194,191 | 362,140 |
| Profit for the year, representing total comprehensive income for the financial year | | – | – | 28,286 | 28,286 |
| Contributions by and distributions to owners | | | | | |
| Dividends paid | 26 | – | – | (37,262) | (37,262) |
| At 31 March 2020 | | 169,717 | (1,768) | 185,215 | 353,164 |

*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 2021

(In Singapore dollars)

| | Note | 2021 $'000 | 2020 $'000 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| **Operating cash flows before changes in working capital** | | | |
| Operating profit before reinvestment in working capital | (a) | 7,250 | 15,045 |
| Decrease/(increase) in development properties | | 14,027 | (16,701) |
| Decrease in inventories | | 1,522 | 3,149 |
| Decrease/(increase) in accounts and other receivables | | 19,048 | (46,422) |
| Increase/(decrease) in accounts and other payables | | 783 | (20,426) |
| Cash flows from/(used in) operations | | 42,630 | (65,355) |
| Interest expense paid | | (17,770) | (17,762) |
| Interest income received | | 25,742 | 41,232 |
| Income taxes paid | | (5,665) | (5,737) |
| Net cash flows from/(used in) operating activities | | 44,937 | (47,622) |
| **Cash flows from investing activities:** | | | |
| Purchase of plant and equipment | 11 | (2,555) | (724) |
| Decrease in long term investments | | 3,113 | 2,658 |
| Proceeds from disposal of plant and equipment | | 1 | 7 |
| Proceeds from disposal of short term investments | | – | 14,053 |
| Proceeds from disposal of an associate | | – | 23,750 |
| Investment in associates | | (23,781) | (93,429) |
| Investment in joint ventures | | – | (40,758) |
| Increase in amounts due to joint ventures | | 48,713 | 30,915 |
| Increase in amounts due from associates | | (103,840) | (16,372) |
| Decrease/(increase) in amounts due from joint ventures | | 102,864 | (11,789) |
| Dividends received from associates | | 8,275 | 16,892 |
| Dividends received from joint ventures | | 2,108 | – |
| Dividends received from long term investments | 6 | 6,296 | 4,348 |
| Dividends received from short term investments | 6 | 673 | 1,805 |
| Changes in pledged fixed bank deposits | | – | 37,242 |
| Net cash flows from/(used in) investing activities | | 41,867 | (31,402) |
| **Cash flows from financing activities:** | | | |
| Drawdown of borrowings | 22 | 12,276 | 290,414 |
| Repayment of borrowings | 22 | (2) | (23,400) |
| Payment of lease liabilities | 27(b) | (8,185) | (12,465) |
| Dividends paid | 26 | (16,561) | (37,262) |
| Advances from non-controlling interests | | – | 7,481 |
| (Repayment to)/contributions from non-controlling interests | | (1,496) | 6,253 |
| Net cash flows (used in)/from financing activities | | (13,968) | 231,021 |
| **Net increase in cash and cash equivalents** | | 72,836 | 151,997 |
| Effect of exchange rate changes in cash and cash equivalents | | 3,466 | 2,054 |
| **Cash and cash equivalents at 1 April** | | 349,367 | 195,316 |
| **Cash and cash equivalents at 31 March** | 21 | 425,669 | 349,367 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

(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 | 2021 $'000 | 2020 $'000 |
|---|---|---|---|
| Profit from operations before taxation | | 47,562 | 39,731 |
| Adjustments for: | | | |
| Fair value (gain)/loss on an investment property | 12 | (533) | 2,452 |
| Finance costs | 7 | 19,373 | 18,970 |
| Depreciation of plant and equipment | 11 | 1,171 | 1,387 |
| Depreciation of right-of-use assets | 27 | 5,751 | 11,513 |
| Share of results of associates, net of tax | | 20,559 | 28,965 |
| Dilution loss on interest in associates | | – | 55 |
| Share of results of joint ventures, net of tax | | (64,154) | (55,935) |
| Interest income | 6 | (19,946) | (22,708) |
| Dividends from long term investments | 6 | (6,296) | (4,348) |
| Dividends from short term investments | 6 | (673) | (1,805) |
| Inventories written down | 8 | 160 | 738 |
| Allowance for doubtful debts | 8 | 18 | – |
| Impairment on plant and equipment | 8 | 138 | – |
| Impairment on right-of-use assets | 27 | 4,578 | – |
| Plant and equipment written off | 8 | 2 | – |
| Write-back of allowance for obsolete inventories | 8 | (545) | (351) |
| Net change in fair value of investments at fair value through profit or loss | 6 | 2,514 | 7,898 |
| Gain on disposal of plant and equipment | 8 | (1) | (7) |
| Gain on disposal of an associate | 6 | – | (10,592) |
| Gain on disposal of short term investments | 6 | – | (896) |
| Unrealised foreign exchange adjustments | | (2,428) | (22) |
| Operating gain before reinvestment in working capital | | 7,250 | 15,045 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 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)").

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 *Adoption of new and amended standards and interpretations*

On 1 April 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Save as mentioned below, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions**

The Group has early adopted *COVID-19-Related Rent Concessions – amendment to SFRS(I) 16 Leases*. The amendment provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16, if the change were not a lease modification.

The Group has applied this practical expedient to all rent concessions occurring as a direct consequence of the COVID-19 pandemic. As a result of applying the practical expedient, rent concessions of $5,301,000 (Note 8) was recognised in the profit or loss during the year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 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:

| *Description* | *Effective for annual periods beginning on or after* |
|---|---|
| Amendments to SFRS(I) 3: *Reference to the Conceptual Framework* | 1 January 2022 |
| Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use* | 1 January 2022 |
| Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract* | 1 January 2022 |
| Annual Improvements to SFRS(I)s 2018-2020 | 1 January 2022 |
| Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current* | 1 January 2023 |
| Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* | 1 January 2023 |
| Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates* | 1 January 2023 |
| Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | Date to be determined |

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the year of initial application.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

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

(a) *Basis of consolidation (cont'd)*

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).

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.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

## 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)*

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.

Net investment in foreign operations

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations and financial liabilities designated as hedges of net investment in a foreign operation to the extent that such hedges are effective, 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 2.6 *Foreign currency (cont'd)*

(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 property*

Investment property is property that is either owned by the Group or leased under a finance lease that is 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 property comprises completed investment property and property that is being constructed or developed for future use as investment property. Property held under operating leases is classified as an investment property when the definition of an investment property is met.

Investment property is initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair values of investment property is included in the profit or loss in the year in which it arises.

Investment property is derecognised when either it has 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

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

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

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

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

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

*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 2021

## 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.

(c) *Hedges of a net investment*

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

The Group uses loans as a hedge of its exposure to foreign exchange risk on its investments in foreign associates. Refer to Note 31(b) for more details.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 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.

### 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 are presented as a credit in profit or loss, either separately or under a general heading such as “Other income”. Alternatively, they may be deducted in reporting the related expenses. The presentation approach is applied consistently to all similar grants.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 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.

(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*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold building – 2 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 2.24 *Leases* (cont'd)

(a) *As lessee (cont'd)*

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Short term leases and leases of low-value assets*

The Group applies the short term lease recognition exemption to its short term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Group has applied the amendment to SFRS(I) 16 *Leases: Covid-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 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.

(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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 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:

– 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 2.26 *Taxes (cont'd)*

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

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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 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 and Company's 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 and Company'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 exercises 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 2021

## 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 and other 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 2021 are $7,079,000 (2020: $4,875,000) and $22,774,000 (2020: $20,891,000) respectively.

(iii) *Impairment of investment in subsidiaries (Company-level)*

The Company assesses, at each reporting date, whether there are indicators that its investment in subsidiaries are impaired. Factor such as deteriorating financial conditions of the subsidiaries are objective evidence of impairment. The Company also considers whether there is observable data indicating that there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the subsidiaries operates in.

The carrying amount of the Company's investment in subsidiaries recognised at the end of the reporting period is disclosed in Note 13 to the financial statements.

### 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 and the Company 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 and the Company. 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. Management reviews the valuation carried out by the External Appraiser and adopts the valuation as 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 and the External Appraiser. Arising from the uncertain market and economic conditions brought on by the ongoing COVID-19 pandemic, there was a heightened level of estimation uncertainty in determining the valuation of the investment property as at 31 March 2021.

Accordingly, values and incomes may change more rapidly than during standard market conditions and it is recommended that the valuation of the property is kept under frequent review. This being the case, the independent valuer has drawn the users' attention that the value of investment property determined by reference to fair value at 31 March 2021 is estimated based upon conditions prevailing on that date.

The carrying amount and key assumptions used to determine the fair value of the investment property are further explained in Note 32(d).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

### 3.2 *Key sources of estimation uncertainty (cont'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. There was a heightened level of estimation uncertainty in determining the valuation of investment properties and the success of development projects as at 31 March 2021 arising from the uncertain market and economic conditions brought on by the ongoing COVID-19 pandemic.

Accordingly, values and incomes may change more rapidly than during standard market conditions and it is recommended that the valuation of the investment properties and development projects are kept under frequent review. This being the case, the independent valuers of the underlying investment properties has drawn the users' attention that the value of investment property determined by reference to fair value at 31 March 2021 is estimated based upon conditions prevailing on that date.

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.

(iii) *Impairment assessment of plant and equipment and right-of-use assets (Retail)*

The Group assesses, at each reporting date, whether there are any indicators of impairment for its plant and equipment and right-of-use assets. In assessing whether there are any indications that an asset may be impaired, the Group considers both external and internal sources of information. Significant judgment is involved in determining whether indicators of impairment exists.

Operating losses in the Group's retail segment in the current financial year is an indicator of impairment of plant and equipment and right-of-use assets.

For the purpose of impairment testing, recoverable amount of plant and equipment and right-of-use assets have been determined based on the Value-in-Use ("VIU"). The VIU calculation requires an estimation of the cash flow projections, suitable discount rate and other assumptions.

In the current financial year, impairment loss of $138,000 and $4,578,000 (2020: $Nil) was recorded to reduce the carrying values of plant and equipment and right-of-use assets to the respective estimated recoverable amounts, obtained based on the VIU method.

The carrying amounts of the Group's plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Note 11 and 27 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 4. REVENUE

| | Note | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|---|
| Revenue from contracts with customers | (a) | 90,695 | 204,019 |
| Rental income from an investment property | 12 | 6,628 | 6,235 |
| | | 97,323 | 210,254 |

(a) Disaggregation of revenue:

| Segments | Retail 2021 $'000 | Retail 2020 $'000 | Property 2021 $'000 | Property 2020 $'000 | Total revenue 2021 $'000 | Total revenue 2020 $'000 |
|---|---|---|---|---|---|---|
| **Primary geographical markets** | | | | | | |
| Singapore | 72,771 | 108,858 | – | – | 72,771 | 108,858 |
| Indonesia | – | – | 17,924 | 95,161 | 17,924 | 95,161 |
| Total revenue from contracts with customers | 72,771 | 108,858 | 17,924 | 95,161 | 90,695 | 204,019 |
| **Major revenue streams** | | | | | | |
| Sales of goods | 54,615 | 76,200 | – | – | 54,615 | 76,200 |
| Net commission from concessionaires | 18,156 | 32,658 | – | – | 18,156 | 32,658 |
| Sales of property rights | – | – | 17,924 | 95,161 | 17,924 | 95,161 |
| Total revenue from contracts with customers | 72,771 | 108,858 | 17,924 | 95,161 | 90,695 | 204,019 |

Revenue from contracts with customers are recognised at a point in time.

The gross revenue from concessionaire sales is analysed as follows:

| | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|
| Gross revenue from concessionaire sales | 66,814 | 116,941 |

## 5. COST OF REVENUE

| | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|
| Retail | 64,281 | 104,019 |
| Property | | |
| – Cost of property rights sold | 16,292 | 85,348 |
| – Rental | 1,260 | 730 |
| | 81,833 | 190,097 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 6. OTHER NET INCOME

| | Note | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|---|
| Interest income from: | | | |
| – Financial instruments at amortised cost | | 19,946 | 22,708 |
| Dividends, gross from: | | | |
| – Long term investments | | 6,296 | 4,348 |
| – Short term investments | | 673 | 1,805 |
| | | 6,969 | 6,153 |
| Net change in fair value of investments at fair value through profit or loss: | | | |
| – Long term investments | | (7,458) | (644) |
| – Short term investments | | 4,944 | (7,254) |
| | | (2,514) | (7,898) |
| Management fee income from associate | | – | 292 |
| Foreign exchange gain | | 2,925 | 117 |
| Other rental income | | 6 | 944 |
| Gain on disposal of: | | | |
| – Short term investments | | – | 896 |
| – An associate | (a) | – | 10,592 |
| Sundry income | | 4,205 | 2,337 |
| | | 31,537 | 36,141 |

(a) In the previous financial year ended 31 March 2020, the Group disposed of its associate, PT Metropolitan Retailmart for a consideration of $25,000,000 which resulted in a gain on disposal of $10,592,000.

## 7. FINANCE COSTS

| | Note | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|---|
| Interest on borrowings carried at amortised cost | | 1,894 | 1,755 |
| Interest on notes carried at amortised cost | | 15,223 | 15,231 |
| Lease liabilities | 27 | 1,751 | 1,460 |
| Others | | 505 | 524 |
| | | 19,373 | 18,970 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 8. PROFIT FROM OPERATIONS BEFORE TAXATION

Profit from operations before taxation is stated after charging/(crediting):

| | Note | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|---|
| Staff costs, including Directors' emoluments, are as follows: | | | |
| Salaries, bonuses and other related costs[1] | | 14,201 | 19,006 |
| Contributions to CPF | | 1,456 | 1,926 |
| Provision for long-service benefits | | 153 | 472 |
| | | 15,810 | 21,404 |
| Directors' emoluments included in staff costs are as follows: | | | |
| Directors of the Company | | | |
| – Other emoluments | | 2,217 | 1,714 |
| – Fees payable | | 936 | 955 |
| | | 3,153 | 2,669 |
| Rental expense | | 3,550 | 10,652 |
| Depreciation of plant and equipment | 11 | 1,171 | 1,387 |
| Depreciation of right-of-use assets[2] | 27 | 5,751 | 11,513 |
| Inventories written down | 19 | 160 | 738 |
| Write-back of allowance for obsolete inventories | 19 | (545) | (351) |
| Audit fees: | | | |
| – Auditor of the Company | | 401 | 420 |
| – Other auditors | | 143 | 147 |
| Non-audit fees: | | | |
| – Auditor of the Company | | 72 | 147 |
| – Other auditors | | 115 | 98 |
| Allowance for doubtful debts | 20 | 18 | – |
| Impairment on plant and equipment | 11 | 138 | – |
| Plant and equipment written off | | 2 | – |
| Gain on disposal of plant and equipment | | (1) | (7) |

(1) These are presented net of government grants of $3,884,000 (2020: Nil) comprising mainly those from the Jobs Support Scheme during the financial year.

(2) These are presented net of rental and property tax rebate of $5,301,000 during the financial year.

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2021 amounting to $433,000 (2020: $3,698,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 9. TAXATION

### (a) *Major components of income tax expense*

The major components of income tax expense for the financial years ended 31 March are:

**Consolidated income statement**

| | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|
| Current taxation | | |
| – Current income taxation | 4,430 | 9,118 |
| – Under provision in respect of prior financial years | 3,427 | 23 |
| | 7,857 | 9,141 |
| Deferred taxation | | |
| – Origination and reversal of temporary differences | 2,646 | (2,729) |
| – Under provision in respect of prior financial years | 1 | 239 |
| | 2,647 | (2,490) |
| Withholding tax | 63 | – |
| Income tax expense recognised in the consolidated income statement | 10,567 | 6,651 |

### (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:

| | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|
| Profit from operations before taxation | 47,562 | 39,731 |
| Less: Share of results of equity-accounted associates* | 20,559 | 28,965 |
| Less: Share of results of equity-accounted joint ventures* | (64,154) | (55,935) |
| | 3,967 | 12,761 |
| Taxation calculated at Singapore statutory income tax rate of 17% (2020: 17%) | 674 | 2,169 |
| Expenses not deductible for tax purposes | 6,041 | 5,060 |
| Difference arising from tax rates applicable to foreign entities | 1,679 | (298) |
| Income not subject to tax | (2,703) | (2,756) |
| Unremitted foreign sourced income | 2,212 | 2,145 |
| Under provision in respect of prior financial years | 3,428 | 262 |
| Withholding tax | 63 | – |
| Others | (827) | 69 |
| Taxation expense recognised in the consolidated income statement | 10,567 | 6,651 |

* These are presented net of tax in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

## 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 | |
|---|---|---|
| | 2021 | 2020 |
| China | 25% | 25% |
| Hong Kong | 16.5% | 16.5% |
| Indonesia | 22% | 25% |
| Mauritius | 15% | 15% |

### (c) *Deferred taxation*

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| Balance at beginning of financial year | 19,770 | 22,321 | 7 | 26 |
| Charged/(credited) to income statement | 2,647 | (2,490) | (4) | (19) |
| Foreign exchange adjustments | 357 | (61) | – | – |
| Balance at end of financial year | 22,774 | 19,770 | 3 | 7 |

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| Deferred tax assets | – | (1,121) | – | – |
| Deferred tax liabilities | 22,774 | 20,891 | 3 | 7 |
| Balance at end of financial year | 22,774 | 19,770 | 3 | 7 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 9. TAXATION (cont'd)

### (c) *Deferred taxation (cont'd)*

Deferred taxation (prior to offsetting of balances within the same tax jurisdiction) as at 31 March relates to the following:

| | Consolidated balance sheet | | Consolidated income statement | | Company balance sheet | |
|---|---|---|---|---|---|---|
| | 2021 $'000 | 2020 $'000 | 2021 $'000 | 2020 $'000 | 2021 $'000 | 2020 $'000 |
| **Deferred tax liabilities** | | | | | | |
| Differences in depreciation | 15,969 | 15,068 | 601 | 590 | – | – |
| Fair value changes | – | – | – | (363) | – | – |
| Undistributed profits of subsidiaries, associates and joint ventures | 6,240 | 5,714 | 416 | 454 | – | – |
| Unremitted foreign sourced interest income | 1,187 | 1,280 | (47) | (2,262) | 3 | 7 |
| Others | 480 | – | 480 | – | – | – |
| | 23,876 | 22,062 | | | 3 | 7 |
| **Deferred tax assets** | | | | | | |
| Fair value loss on investment properties | (998) | (1,109) | 133 | (613) | – | – |
| Fair value changes | – | (1,121) | 1,121 | (1,121) | – | – |
| Deferred income and other deferred tax assets | (104) | (62) | (57) | 825 | – | – |
| | 22,774 | 19,770 | | | 3 | 7 |
| Deferred tax expense/(credit) | | | 2,647 | (2,490) | | |

*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 $14,365,000 and $27,000 (2020: $15,130,000 and $27,000) respectively, available for offset against future taxable profits of certain subsidiaries of which $14,166,000 (2020: $14,931,000) 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 (2020: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 10. EARNINGS PER SHARE

Basic earnings per share is 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 is 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 | |
|---|---|---|
| | 2021 Cents | 2020 Cents |
| Basic | 4.4 | 3.9 |
| Diluted | 4.4 | 3.9 |

| | Group | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| Profit net of taxation attributable to owners of the Company, used in the computation of basic and diluted earnings per share | 36,752 | 32,248 |
| | 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 2021, there are no dilutive potential ordinary shares (2020: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 11. PLANT AND EQUIPMENT

| | Plant, equipment, furniture and fittings $'000 |
|---|---|
| ***Group*** | |
| **Cost** | |
| At 1 April 2019 | 34,858 |
| Additions | 724 |
| Disposals | (81) |
| Write-offs | (13,263) |
| Exchange adjustment | (3) |
| At 31 March 2020 | 22,235 |
| Additions | 2,555 |
| Disposals | (95) |
| Write-offs | (3,662) |
| Exchange adjustment | 1 |
| At 31 March 2021 | 21,034 |
| **Accumulated depreciation and impairment loss** | |
| At 1 April 2019 | 32,730 |
| Charge for 2020 | 1,387 |
| Disposals | (81) |
| Write-offs | (13,263) |
| Exchange adjustment | (3) |
| At 31 March 2020 | 20,770 |
| Charge for 2021 | 1,171 |
| Impairment for 2021 | 138 |
| Disposals | (95) |
| Write-offs | (3,660) |
| At 31 March 2021 | 18,324 |
| **Net book value** | |
| At 31 March 2020 | 1,465 |
| At 31 March 2021 | 2,710 |

Impairment of plant and equipment

During the financial year, in view of the adverse impact on retail outlet's performance arising from COVID-19 pandemic, the Group carried out a review of the recoverable amount of the plant and equipment in the retail segment. As a result of the assessment, impairment loss of $138,000 was recognised in "General and administrative expenses" line item of profit or loss for the financial year ended 31 March 2021.

The recoverable amount was assessed based on Value-in-Use ("VIU") determined by discounted cash flow model and the discount rate used as at 31 March 2021 was 7.8% per annum. The growth rates and other significant assumptions applied in the VIU computations are based on management's cash flow projections.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 11. PLANT AND EQUIPMENT (cont'd)

| | Plant, equipment, furniture and fittings $'000 |
|---|---|
| ***Company*** | |
| **Cost** | |
| At 1 April 2019 | 1,806 |
| Additions | 12 |
| At 31 March 2020 | 1,818 |
| Additions | 368 |
| Disposals | (71) |
| At 31 March 2021 | 2,115 |
| **Accumulated depreciation** | |
| At 1 April 2019 | 1,776 |
| Charge for 2020 | 20 |
| At 31 March 2020 | 1,796 |
| Charge for 2021 | 56 |
| Disposals | (71) |
| At 31 March 2021 | 1,781 |
| **Net book value** | |
| At 31 March 2020 | 22 |
| At 31 March 2021 | 334 |

## 12. INVESTMENT PROPERTY

| | Note | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|---|
| **Balance sheet:** | | | |
| Balance at 1 April | | 109,022 | 112,029 |
| Adjustments to fair value | | 533 | (2,452) |
| Foreign exchange adjustments | | 2,170 | (555) |
| Balance at 31 March | | 111,725 | 109,022 |
| **Consolidated income statement:** | | | |
| Rental income from an investment property | 4 | 6,628 | 6,235 |
| Direct operating expenses (including repairs, maintenance and refurbishment) arising from a rental generating property | | (1,260) | (730) |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 12. INVESTMENT PROPERTY (cont'd)

The Group's investment property as at 31 March is as follows:

| Name of building | Description | Tenure of land | Name of valuer | Valuation method | Fair value 2021 $'000 | Fair value 2020 $'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 (23 years remaining) | Cushman & Wakefield Limited | Average of direct capitalisation and direct comparison method | 111,725 | 109,022 |

***Valuation of investment property***

Investment property is stated at fair value, which has been determined based on valuation at the end of the reporting period. Valuation is performed by accredited independent valuer with recent experience in the location and category of the property being valued.

Details of valuation techniques and inputs used are disclosed in Note 32(d).

**Impact of the Coronavirus (COVID-19) outbreak**

Further as disclosed in Note 3.2(i), the accounting for the investment property was based on market conditions prevailing as at 31 March 2021.

## 13. SUBSIDIARIES

| | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|
| Unquoted equity shares, at cost | 21,828 | 21,828 |
| Impairment losses | (4,038) | (4,038) |
| Carrying amount of investments | 17,790 | 17,790 |

Movement in impairment loss is as follows:

| | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|
| Balance at beginning and end of financial year | 4,038 | 4,038 |

Details of subsidiaries are shown in Note 34.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 14. AMOUNTS DUE FROM SUBSIDIARIES

| | Note | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|---|
| Non-current | | | |
| Amounts due from subsidiaries | (a) | 504,957 | 544,982 |
| Impairment losses | | (2,927) | (2,927) |
| | | 502,030 | 542,055 |
| Current | | | |
| Amounts due from subsidiaries | (b) | 430,138 | 290,970 |

Movement in impairment loss is as follows:

| | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|
| Balance at beginning and end of financial year | 2,927 | 2,927 |

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 $153,627,000 (2020: $184,691,000), which bear interest of 4.2% to 5.1% (2020: 2.3% to 5.1%) per annum. The total amounts are not expected to be repaid within the next financial year, of which $348,403,000 (2020: $357,364,000) 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, repayable on demand and interest-free, except for $68,534,000 (2020: $13,163,000) which bear interest ranging from 1.1% to 2.7% (2020: 2.3% to 2.9%) per annum.

## 15. ASSOCIATES

| | Note | Group 2021 $'000 | Group 2020 $'000 | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|---|---|---|
| Non-current | | | | | |
| Investment in associates | (a) | 373,658 | 376,116 | 500 | 500 |
| Add: | | | | | |
| Amounts due from associates | (b) | 399,613 | 419,526 | – | – |
| | | 773,271 | 795,642 | 500 | 500 |
| Current | | | | | |
| Amounts due from associates | (c) | 136,696 | 8,321 | – | – |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 15. ASSOCIATES (cont'd)

### (a) *Investment in associates*

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 $'000 | 2020 $'000 | 2021 $'000 | 2020 $'000 |
| Quoted equity shares, at cost | 117,700 | 117,700 | – | – |
| Share of post-acquisition reserves | 126,973 | 137,328 | – | – |
| Foreign currency translation reserve | 8,804 | 6,306 | – | – |
| Other reserves | 1,843 | 1,843 | – | – |
| | 255,320 | 263,177 | – | – |
| Unquoted equity shares, at cost | 176,845 | 156,156 | 500 | 500 |
| Share of post-acquisition reserves | (69,126) | (40,988) | – | – |
| Foreign currency translation reserve | 10,619 | (2,229) | – | – |
| | 118,338 | 112,939 | 500 | 500 |
| | 373,658 | 376,116 | 500 | 500 |
| Market value of quoted shares | 48,204 | 37,821 | – | – |

### (b) *Amounts due from associates – Non-current*

Included in the non-current amounts due from associates of $399,613,000 (2020: $419,526,000), $105,667,000 (2020: $103,603,000) are interest-free and $293,946,000 (2020: $315,923,000) are interest-bearing with interest rates that range between 2.8% and 15.0% (31 March 2020: 2.8% and 16.8%) per annum. Out of the interest-bearing amounts of $293,946,000, comprised an amount of $61,360,000 (2020: Nil) of 7.0 per cent Notes due issued by an associate, Boustead Industrial Fund.

The total amounts are not expected to be repaid within the next financial year, of which $116,934,000 (2020: $114,006,000) form part of the Company's net investment in the associates.

The amounts are unsecured except for $135,460,000 (2020: $271,399,000), 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, except for $116,429,000 (2020: Nil), whereby the 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 and bear interest ranging from 11.1% to 16.8% per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 15. ASSOCIATES (cont'd)

Amounts due from associates denominated in foreign currencies are as follows:

| | Group | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| Amounts due from associates: | | |
| – Sterling Pound | 11,267 | 10,403 |
| – Chinese Renminbi | 207,449 | 146,187 |
| – United States Dollar | 116,429 | 135,040 |
| – Australian Dollar | 4,151 | – |

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:

| | Group | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| Operating results | (22,036) | (12,949) |
| Fair value adjustments on investment properties | 4,130 | (6,675) |
| Taxation | (3,901) | (6,873) |
| Others | 1,248 | (2,468) |
| | (20,559) | (28,965) |

As at 31 March 2021, the Group's share of the carrying value of the sales consideration to be received by TSI amounted to $25,600,000 (2020: $31,600,000). 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:

| | Group | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| Loss net of taxation | (13,811) | (10,677) |
| Other comprehensive income | 642 | (836) |
| Total comprehensive income | (13,169) | (11,513) |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 15. ASSOCIATES (cont'd)

The summarised balance sheet in respect of material investment in associates, based on their HKFRS financial statements for the financial year ended 31 December 2020 (2020: 31 December 2019) (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:

| | Top Spring International Holdings Limited | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| ***Summarised balance sheet*** | | |
| Current assets | 3,021,209 | 3,021,026 |
| Non-current assets | 1,681,256 | 1,581,848 |
| Total assets | 4,702,465 | 4,602,874 |
| Current bank and other borrowings (excluding bonds) | (1,032,240) | (726,369) |
| Other current liabilities | (894,252) | (911,492) |
| Non-current bank and other borrowings (excluding bonds) | (777,748) | (942,009) |
| Other non-current liabilities | (241,541) | (212,412) |
| Total liabilities | (2,945,781) | (2,792,282) |
| Net assets | 1,756,684 | 1,810,592 |
| Non-controlling interests | (13,721) | (28,691) |
| Net assets excluding non-controlling interests | 1,742,963 | 1,781,901 |
| Net assets excluding non-controlling interests | 1,742,963 | 1,781,901 |
| Proportion of the Group's ownership | 14.9% | 14.9% |
| Group's share of net assets | 260,224 | 266,038 |
| Other adjustments[1] | (4,904) | (2,861) |
| Carrying amount of the investment | 255,320 | 263,177 |

[1] 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 15. ASSOCIATES (cont'd)

The summarised statement of comprehensive income in respect of material investment in associates, based on their HKFRS financial statements for the financial year ended 31 December 2020 (2020: 31 December 2019) (not adjusted for the percentage of ownership held by the Group) is as follows:

| | Top Spring International Holdings Limited | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| ***Summarised statement of comprehensive income*** | | |
| Revenue | 99,484 | 132,341 |
| Loss net of taxation | (63,584) | (97,507) |
| Other comprehensive income | 124,426 | (44,718) |
| Total comprehensive income | 60,842 | (142,225) |
| ***Other summarised information*** | | |
| Dividends received/receivable | 819 | 2,353 |

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 2021, the Group has an effective indirect equity stake of approximately 16.2% voting rights and 14.9% ownership interest in TSI.

The financial year-end of TSI is 31 December. Due to the timing of availability of the financial information of TSI and as TSI is unable to provide financial information to the Group without providing equivalent information to all its other investors, the Group equity accounts for TSI for the period from 1 January 2020 to 31 December 2020 (2020: 1 January 2019 to 31 December 2019) and adjusts for any significant transactions and events that occur between 1 January 2021 and 31 March 2021. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group's share of results from its associates and the recoverability of these interests are dependent on the performance of their underlying investment properties and property development projects.

**Impact of the Coronavirus (COVID-19) outbreak**

Further as disclosed in Note 3.2(ii), the accounting for the interests in associates was based on market conditions prevailing as at 31 March 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 16. JOINT VENTURES

| | Note | Group 2021 $'000 | Group 2020 $'000 | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|---|---|---|
| Non-current | | | | | |
| Investment in joint ventures | (a) | 301,614 | 271,090 | – | – |
| Add: | | | | | |
| Amounts due from joint ventures | (b) | 66,334 | 66,179 | – | – |
| | | 367,948 | 337,269 | – | – |
| Amounts due to joint ventures | (c) | 124,639 | 73,813 | – | – |
| Current | | | | | |
| Amounts due from joint ventures | (d) | 123,072 | 188,258 | 4,021 | 4,296 |

### (a) *Investment in joint ventures*

| | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|
| Unquoted equity shares, at cost | 96,312 | 96,312 |
| Share of post-acquisition reserves | 203,860 | 179,332 |
| Foreign currency translation reserve | 2,438 | (3,145) |
| Other reserve | (996) | (1,409) |
| | 301,614 | 271,090 |

### (b) *Amounts due from joint ventures – Non-current*

The non-current amounts due from joint ventures are unsecured and interest-free, except for $15,384,000 (2020: $15,229,000) which bear interest ranging from 6.0% to 6.2% (2020: 6.3% to 6.7%) per annum. The total amounts are not expected to be repaid within the next financial year, of which $50,950,000 (2020: $50,950,000) form part of the Company's net investment in the joint ventures.

### (c) *Amounts due to joint ventures – Non-current*

The non-current amounts due to joint ventures bear interest ranging from 1.2% to 2.0% (2020: 2.0% to 2.5%), are 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 $32,519,000 (2020: $133,811,000) which bear interest ranging from 1.7% to 3.0% (2020: 3.0% to 4.1%) per annum, unsecured and expected to be repaid within the next financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 16. JOINT VENTURES (cont'd)

Amounts due from joint ventures denominated in foreign currencies are as follows:

| | Group | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| Sterling Pound | 15,385 | 15,230 |
| United States Dollar | 4,021 | 4,296 |
| Chinese Renminbi | 90,552 | 54,447 |

Details of the joint ventures are shown in Note 34.

The summarised financial information of the joint ventures, adjusted for the proportion of ownership interest by the Group, is as follows:

| | Group | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| Operating results | 71,851 | 72,181 |
| Fair value adjustments on investment properties | 6,572 | 127 |
| Taxation | (14,269) | (16,373) |
| | 64,154 | 55,935 |

Aggregate information about the Group's investment in joint ventures that are not individually material are as follows:

| | Group | |
|---|---|---|
| | 2021 $'000 | 2020 $'000 |
| Profit net of taxation, representing total comprehensive income | 34,606 | 23,738 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 16. JOINT VENTURES (cont'd)

The summarised financial information in respect of material investment in joint ventures, based on their IFRS 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:

| | Shanghai Metro City Commercial Management Co. Ltd | | Shanghai Huimei Property Co Ltd | |
|---|---|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| ***Summarised balance sheet*** | | | | |
| Cash and cash equivalents | 73,582 | 73,320 | 24,347 | 31,351 |
| Current assets (other than cash and cash equivalents) | 23,228 | 22,014 | 3,471 | 2,169 |
| Non-current assets | 212,820 | 207,821 | 235,261 | 227,764 |
| Total assets | 309,630 | 303,155 | 263,079 | 261,284 |
| Current liabilities | (82,795) | (70,054) | (21,879) | (20,942) |
| Non-current liabilities | (31,235) | (32,442) | (52,089) | (52,430) |
| Total liabilities | (114,030) | (102,496) | (73,968) | (73,372) |
| Net assets | 195,600 | 200,659 | 189,111 | 187,912 |
| Net assets | 195,600 | 200,659 | 189,111 | 187,912 |
| Proportion of the Group's ownership | 60.0% | 60.0% | 60.0% | 60.0% |
| Carrying amount of the investment | 117,360 | 120,395 | 113,467 | 112,747 |
| ***Summarised statement of comprehensive income*** | | | | |
| Revenue | 76,090 | 74,080 | 22,073 | 22,046 |
| Interest income | 2,899 | 3,819 | 836 | 1,031 |
| Interest expenses | – | – | (84) | (154) |
| Depreciation expenses | (52) | (56) | (69) | (58) |
| Profit before tax | 54,166 | 73,330 | 10,834 | 16,234 |
| Taxation | (13,546) | (19,727) | (2,790) | (4,009) |
| Profit after tax | 40,620 | 53,603 | 8,044 | 12,225 |
| Other comprehensive income | – | – | – | – |
| Total comprehensive income | 40,620 | 53,603 | 8,044 | 12,225 |
| Profit after tax | | | | |
| – Lease income | 46,275 | 63,966 | 11,984 | 17,401 |
| – Fair value adjustments | (5,655) | (10,363) | (3,940) | (5,176) |
| | 40,620 | 53,603 | 8,044 | 12,225 |
| ***Other summarised information*** | | | | |
| Dividends receivable | 27,543 | 25,122 | 6,069 | 6,854 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 16. JOINT VENTURES (cont'd)

The Group's share of results from its joint ventures and the recoverability of these interests are dependent on the performance of their underlying investment properties and property development projects.

**Impact of the Coronavirus (COVID-19) outbreak**

Further as disclosed in Note 3.2(ii), the accounting for the interests in joint ventures was based on market conditions prevailing as at 31 March 2021.

## 17. INVESTMENTS

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| ***Current:*** | | |
| *Financial assets at fair value through profit or loss* | | |
| Equity securities (quoted) | 15,932 | 10,988 |
| ***Non-current:*** | | |
| *Financial assets at fair value through profit or loss* | | |
| Equity securities (unquoted), at fair value | 82,880 | 93,248 |
| Equity securities (quoted) | 5,654 | 6,625 |
| | 88,534 | 99,873 |

## 18. DEVELOPMENT PROPERTIES

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| Development properties (at cost or net realisable value) | 163,405 | 166,735 |

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 | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| ***Balance Sheet:*** | | |
| Inventories held for resale (at cost or net realisable value) | 8,859 | 10,019 |
| Raw materials (at cost) | 163 | 140 |
| Total inventories at lower of cost and net realisable value | 9,022 | 10,159 |
| Inventories are stated after deducting allowance for obsolete inventories of | 946 | 1,491 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 19. INVENTORIES (cont'd)

| | Note | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|---|
| Balance at 1 April | | 1,491 | 1,842 |
| Write-back to the consolidated income statement | 8 | (545) | (351) |
| Balance at 31 March | | 946 | 1,491 |
| ***Consolidated Income Statement:*** | | | |
| Inventories recognised as an expense in cost of sales | | 43,608 | 61,691 |
| Inventories recognised as an expense in cost of sales is inclusive of the following charge/(credit): | | | |
| – Inventories written down | 8 | 160 | 738 |
| – Write-back of allowance for obsolete inventories | 8 | (545) | (351) |

## 20. ACCOUNTS AND OTHER RECEIVABLES

| | Note | Group 2021 $'000 | Group 2020 $'000 | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|---|---|---|
| *Current* | | | | | |
| Trade receivables | | 63,873 | 72,481 | – | – |
| Deposits | | 1,516 | 4,745 | 181 | 181 |
| Other receivables | | | | | |
| – Recoverables and sundry debtors | | 16,424 | 16,804 | – | 234 |
| | | 81,813 | 94,030 | 181 | 415 |
| Amounts due from subsidiaries | 14 | – | – | 430,138 | 290,970 |
| Amounts due from associates | 15 | 136,696 | 8,321 | – | – |
| Amounts due from joint ventures | 16 | 123,072 | 188,258 | 4,021 | 4,296 |
| *Non-current* | | | | | |
| Amounts due from subsidiaries | 14 | – | – | 153,627 | 184,691 |
| Amounts due from associates | 15 | 282,679 | 305,520 | – | – |
| Amounts due from joint ventures | 16 | 15,384 | 15,229 | – | – |
| Total receivables (current and non-current) | | 639,644 | 611,358 | 587,967 | 480,372 |
| Add: | | | | | |
| Cash and cash equivalents | 21 | 425,669 | 349,367 | 2,490 | 63,703 |
| Total financial assets carried at amortised cost | | 1,065,313 | 960,725 | 590,457 | 544,075 |

Trade receivables are non-interest bearing and 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 2021

## 20. ACCOUNTS AND OTHER RECEIVABLES (cont'd)

(a) *Expected credit losses*

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

| | Note | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|---|
| Trade receivables – nominal amounts | | 55 | 37 |
| Less: Allowance for impairment | | (55) | (37) |
| Balance at 31 March | | – | – |
| | | | |
| Movement in allowance account: | | | |
| Balance at 1 April | | 37 | 37 |
| Charge for the year | 8 | 18 | – |
| Balance at 31 March | | 55 | 37 |

(b) *Current receivables denominated in foreign currencies are as follows:*

| | Group 2021 $'000 | Group 2020 $'000 |
|---|---|---|
| Chinese Renminbi | 298 | 374 |
| Indonesian Rupiah | 75,956 | 85,514 |

## 21. CASH AND CASH EQUIVALENTS

Cash and bank balances and fixed deposits placed with financial institutions are as follows:

| | Group 2021 $'000 | Group 2020 $'000 | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|---|---|
| Fixed deposits | 362,290 | 303,751 | – | 61,002 |
| Cash on hand and at bank | 63,379 | 45,616 | 2,490 | 2,701 |
| Cash and cash equivalents | 425,669 | 349,367 | 2,490 | 63,703 |

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 0.1% to 6.5% (2020: 0.1% to 7.3%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.2% to 3.0% (2020: 0.1% to 4.0%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 21. CASH AND CASH EQUIVALENTS (cont'd)

Cash and cash equivalents denominated in foreign currencies are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| United States Dollar | 19,403 | 6,722 | 189 | 765 |
| Chinese Renminbi | 19,039 | 10,788 | 1 | 1 |
| Indonesian Rupiah | 32,282 | 16,046 | – | – |
| Sterling Pound | 4,331 | 27,315 | 4 | 4 |

## 22. BORROWINGS

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| ***Current*** | | | | | |
| Bank borrowings | | | | | |
| – Unsecured | (a) | 175,142 | 145,165 | 68,534 | 18,789 |
| Unsecured borrowings under the multicurrency debt issuance programme | | | | | |
| – 4.00% p.a. fixed rate SGD notes (repayable in October 2021) | (b) | 149,815 | – | 149,815 | – |
| | | 324,957 | 145,165 | 218,349 | 18,789 |
| ***Non-current*** | | | | | |
| Unsecured borrowings under the multicurrency debt issuance programme | | | | | |
| – 4.00% p.a. fixed rate SGD notes (repayable in October 2021) | (b) | – | 149,492 | – | 149,492 |
| – 4.30% p.a. fixed rate SGD notes (repayable in April 2024) | (c) | 199,128 | 198,856 | 199,128 | 198,856 |
| | | 199,128 | 348,348 | 199,128 | 348,348 |
| ***Maturity of borrowings*** | | | | | |
| Repayable: | | | | | |
| Within 1 year | | 324,957 | 145,165 | 218,349 | 18,789 |
| Within 2 to 5 years | | 199,128 | 348,348 | 199,128 | 348,348 |
| | | 524,085 | 493,513 | 417,477 | 367,137 |

(a) The Group's borrowings are denominated mainly in Sterling pound and Australian dollars. The revolving credit facilities bear interest at rates ranging from 0.9% to 2.2% (2020: 1.6% to 3.5%) per annum.

(b) On 25 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.

(c) On 2 April 2019, the Company issued $200 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 April 2024 and bear an interest of 4.30% per annum payable semi-annually in arrears.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 22. BORROWINGS (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

| | | Cash flows | | Non-cash changes | | | |
|---|---|---|---|---|---|---|---|
| | 31.3.2020 $'000 | Drawdown $'000 | Repayment $'000 | Foreign exchange movement $'000 | Reclass $'000 | Others $'000 | 31.3.2021 $'000 |
| Borrowings | | | | | | | |
| – Current | 145,165 | 12,276 | (2) | 17,675 | 149,815 | 28 | 324,957 |
| – Non-current | 348,348 | – | – | – | (149,815) | 595 | 199,128 |
| | 493,513 | 12,276 | (2) | 17,675 | – | 623 | 524,085 |

| | | Cash flows | | Non-cash changes | | |
|---|---|---|---|---|---|---|
| | 31.3.2019 $'000 | Drawdown $'000 | Repayment $'000 | Foreign exchange movement $'000 | Others $'000 | 31.3.2020 $'000 |
| Borrowings | | | | | | |
| – Current | 80,484 | 91,846 | (23,400) | (3,765) | – | 145,165 |
| – Non-current | 149,187 | 198,568 | – | – | 593 | 348,348 |
| | 229,671 | 290,414 | (23,400) | (3,765) | 593 | 493,513 |

## 23. ACCOUNTS AND OTHER PAYABLES

| | Note | Group 2021 $'000 | Group 2020 $'000 | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|---|---|---|
| ***Financial liabilities*** | | | | | |
| *Current* | | | | | |
| Trade payables | | 15,735 | 16,711 | – | – |
| Other payables | | | | | |
| – Sundry creditors | | 14,449 | 14,128 | 749 | 482 |
| – Accruals | | 16,197 | 15,134 | 7,179 | 5,798 |
| – Refundable deposits | | 2,298 | 2,033 | – | – |
| | | 48,679 | 48,006 | 7,928 | 6,280 |
| Amounts due to subsidiaries | | – | – | 176,339 | 192,886 |
| *Non-current* | | | | | |
| Amounts due to joint ventures | 16 | 124,639 | 73,813 | – | – |
| Total accounts and other payables (current and non-current) | | 173,318 | 121,819 | 184,267 | 199,166 |
| Add: Total borrowings | 22 | 524,085 | 493,513 | 417,477 | 367,137 |
| Total financial liabilities carried at amortised cost | | 697,403 | 615,332 | 601,744 | 566,303 |
| ***Non-financial liability*** | | | | | |
| *Non-current* | | | | | |
| Deferred income | | 1,912 | 2,100 | – | – |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 23. ACCOUNTS AND OTHER PAYABLES (cont'd)

### *Trade payables*

Trade payables are non-interest bearing and are normally settled on 7 to 90 day terms.

### *Other payables*

The amounts due to subsidiaries (current) are non-trade related, unsecured, repayable on demand and interest-free, except for $44,227,000 which bore interest ranging from 2.3% to 3.0% in the previous year.

Current payables denominated in foreign currencies are as follows:

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| Indonesian Rupiah | 11,842 | 12,514 |
| Chinese Renminbi | 3,317 | 2,608 |
| Sterling Pound | 160 | 98 |
| United States Dollar | 352 | 247 |

## 24. SHARE CAPITAL AND TREASURY SHARES

### (a) *Share capital*

| | Group and Company | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | No. of shares<br>'000 | $'000 | No. of shares<br>'000 | $'000 |
| Issued and fully paid: | | | | |
| *Ordinary shares* | | | | |
| Balance at beginning and end of the financial year | 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 | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | No. of shares<br>'000 | $'000 | No. of shares<br>'000 | $'000 |
| Balance at beginning and end of the financial year | 3,513 | 1,768 | 3,513 | 1,768 |

Treasury shares relate to ordinary shares of the Company that are held by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 25. RESERVES

| | Note | Group 2021 $'000 | Group 2020 $'000 | Company 2021 $'000 | Company 2020 $'000 |
|---|---|---|---|---|---|
| Revenue reserve | | 1,357,089 | 1,337,258 | 187,597 | 185,215 |
| Foreign currency translation reserve | (a) | 5,580 | (10,296) | – | – |
| Statutory reserve | (b) | 5,184 | 4,734 | – | – |
| Other reserve | (c) | 847 | 434 | – | – |
| | | 1,368,700 | 1,332,130 | 187,597 | 185,215 |

(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 as well as from the translation of foreign currency loans used to hedge the Group's net investment in foreign entities.

(b) ***Statutory reserve***

Statutory reserve represents the fund set aside on the appropriation of net profit by a subsidiary and joint ventures, which is restricted in use as required by the relevant laws and regulations of the People's Republic of China.

(c) ***Other reserve***

Other reserve comprises the share of other reserves of certain associates.

## 26. DIVIDENDS

| | Group and Company 2021 $'000 | Group and Company 2020 $'000 |
|---|---|---|
| Dividends paid during the financial year: | | |
| Final exempt (one-tier) dividend for 2020 of 2.0 cents (2019: 2.0 cents) per ordinary share | 16,561 | 16,561 |
| Final special exempt (one-tier) dividend for 2019 of 2.5 cents per ordinary share | – | 20,701 |
| | 16,561 | 37,262 |
| 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 2021 of 2.0 cents (2020: 2.0 cents) per ordinary share | 16,561 | 16,561 |
| Final special exempt (one-tier) dividend for 2021 of 0.25 cents per ordinary share | 2,070 | – |
| | 18,631 | 16,561 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 27. LEASES

### As lessee

The Group has commercial lease contracts for department stores and office spaces. The Group's obligations under these leases are secured by the lessor's title to the leased assets or leased assets pledged as security. The leases generally have lease terms between 2 and 4 years with renewal option of 2 to 5 years. The Group is restricted from assigning and subleasing the leased properties to third parties.

The Group also has leases with lease terms of 12 months or less and leases of certain office equipment that are considered low value. The Group applies the 'short term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) ***Carrying amounts of right-of-use assets***

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the financial year:

| | Leasehold buildings | |
|---|---|---|
| | Group $'000 | Company $'000 |
| **Cost** | | |
| At 1 April 2019 | 66,146 | 5,486 |
| Additions | 29,553 | – |
| Disposals | (3,569) | – |
| At 31 March 2020 and 31 March 2021 | 92,130 | 5,486 |
| **Accumulated depreciation and impairment** | | |
| At 1 April 2019 | 19,937 | 1,097 |
| Depreciation charge | 11,513 | 549 |
| Disposal | (1,910) | – |
| At 31 March 2020 | 29,540 | 1,646 |
| Depreciation charge | 11,052 | 548 |
| Impairment | 4,578 | – |
| At 31 March 2021 | 45,170 | 2,194 |
| **Net carrying amount** | | |
| At 31 March 2020 | 62,590 | 3,840 |
| At 31 March 2021 | 46,960 | 3,292 |

<u>Impairment of right-of-use assets</u>

During the financial year, in view of the adverse impact on retail outlet's performance arising from COVID-19 pandemic, the Group carried out a review of the recoverable amount of the right-of-use assets in the retail segment. As a result of the assessment, impairment loss of $4,578,000 was recognised in profit or loss for the financial year ended 31 March 2021.

The recoverable amount was assessed based on Value-in-Use ("VIU") determined by discounted cash flow model and the discount rate used as at 31 March 2021 was 7.8% per annum. The growth rates and other significant assumptions applied in the VIU computations are based on management's cash flow projections.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

## 27. LEASES (cont'd)

### As lessee (cont'd)

(b) ***Lease liabilities***

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| Current | 9,651 | 10,573 | 539 | 523 |
| Non-current | 43,058 | 53,871 | 2,944 | 3,483 |
| | 52,709 | 64,444 | 3,483 | 4,006 |

**Reconciliation of liabilities arising from financing activities**

A reconciliation of liabilities arising from financing activities is as follows:

| | | | Non-cash items | | |
|---|---|---|---|---|---|
| | 1.4.2020<br>$'000 | Cash flows<br>$'000 | Accretion of interest<br>$'000 | Rental and property tax rebate<br>$'000 | 31.3.2021<br>$'000 |
| Lease liabilities | 64,444 | (8,185) | 1,751 | (5,301) | 52,709 |

| | | | Non-cash items | | | | |
|---|---|---|---|---|---|---|---|
| | 1.4.2019<br>$'000 | Cash flows<br>$'000 | Accretion of interest<br>$'000 | Adoption of SFRS(I) 16<br>$'000 | Additions<br>$'000 | Discontinued<br>$'000 | 31.3.2020<br>$'000 |
| Lease liabilities | – | (12,465) | 1,460 | 47,554 | 29,554 | (1,659) | 64,444 |

(c) ***Amounts recognised in consolidated income statement***

| | 2021<br>$'000 | 2020<br>$'000 |
|---|---|---|
| Impairment on right-of-use assets (Note 27(a)) | 4,578 | – |
| Depreciation of right-of-use assets (Note 8) | 5,751 | 11,513 |
| Interest expense on lease liabilities (Note 7) | 1,751 | 1,460 |
| Lease expense not capitalised in lease liabilities: | | |
| Expenses relating to short term leases | 19 | 1,041 |
| Expenses relating to leases of low value assets | 32 | 153 |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | 433 | 3,602 |
| Advertising, promotion and service charges | 3,066 | 5,856 |

(d) ***Extension options***

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

## 27. LEASES (cont'd)

### 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 5 years (2020: 1 and 6 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:

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| Not later than one year | 6,062 | 5,793 |
| Later than one year but not later than five years | 8,505 | 8,965 |
| Later than five years | – | 12 |
| | 14,567 | 14,770 |

## 28. CONTINGENT LIABILITIES

| | Company | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| Financial support given to certain subsidiaries having: | | |
| – deficiencies in shareholders' funds | 12,476 | 108 |
| – current liabilities in excess of current assets | 13,005 | 12,129 |

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 2020 and 31 March 2021.

## 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 | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| Interest income from associates | (16,481) | (17,933) |
| Interest income from joint ventures | (33) | (63) |
| Management fee received from an associate | – | (292) |
| Service fee received from a joint venture | (198) | (165) |
| Interest expense paid to joint ventures | 505 | 526 |

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

## 29. RELATED PARTY DISCLOSURES (cont'd)

### (b) *Compensation of key management personnel*

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| Salary, bonus and other benefits | 5,710 | 5,065 |
| Contributions to CPF | 79 | 90 |
| Total compensation paid to key management personnel | 5,789 | 5,155 |
| Comprise amounts paid to: | | |
| Directors of the Company | 2,301 | 1,815 |
| Other key management personnel | 3,488 | 3,340 |
| | 5,789 | 5,155 |

## 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 30. SEGMENT INFORMATION (cont'd)

### *Business segments*

| | Property $'000 | Retail $'000 | Total $'000 |
|---|---|---|---|
| **2021** | | | |
| Segment revenue | | | |
| – Sales of goods and net commission from concessionaires | – | 72,771 | 72,771 |
| – Sales of property rights | 17,924 | – | 17,924 |
| – Rental income | 6,628 | – | 6,628 |
| | 24,552 | 72,771 | 97,323 |
| Segment results* | 23,224 | (417) | 22,807 |
| Fair value gain on an investment property | 533 | – | 533 |
| Finance costs | (17,733) | (1,640) | (19,373) |
| Share of associates' results, net of tax | (20,559) | – | (20,559) |
| Share of joint ventures' results, net of tax | 64,154 | – | 64,154 |
| Segment profit from operations before taxation | 49,619 | (2,057) | 47,562 |
| Taxation | (11,356) | 789 | (10,567) |
| Profit net of taxation | 38,263 | (1,268) | 36,995 |

* Included impairment on right-of-use assets from the retail segment.

| | Property $'000 | Retail $'000 | Total $'000 |
|---|---|---|---|
| **2020** | | | |
| Segment revenue | | | |
| – Sales of goods and net commission from concessionaires | – | 108,858 | 108,858 |
| – Sales of property rights | 95,161 | – | 95,161 |
| – Rental income | 6,235 | – | 6,235 |
| | 101,396 | 108,858 | 210,254 |
| Segment results | 23,823 | 10,360 | 34,183 |
| Fair value loss on an investment property | (2,452) | – | (2,452) |
| Finance costs | (17,636) | (1,334) | (18,970) |
| Share of associates' results, net of tax | (29,695) | 730 | (28,965) |
| Share of joint ventures' results, net of tax | 55,935 | – | 55,935 |
| Segment profit from operations before taxation | 29,975 | 9,756 | 39,731 |
| Taxation | (5,860) | (791) | (6,651) |
| Profit net of taxation | 24,115 | 8,965 | 33,080 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 30. SEGMENT INFORMATION (cont'd)

### *Business segments (cont'd)*

| | Property $'000 | Retail $'000 | Total $'000 |
|---|---|---|---|
| **2021** | | | |
| ***Assets and liabilities*** | | | |
| Segment assets | 867,178 | 79,208 | 946,386 |
| Associates | 909,967 | – | 909,967 |
| Joint ventures | 491,020 | – | 491,020 |
| Total assets | 2,268,165 | 79,208 | 2,347,373 |
| | | | |
| Segment liabilities | 678,248 | 73,776 | 752,024 |
| Provision for taxation | 6,789 | 290 | 7,079 |
| Deferred tax liabilities | 22,774 | – | 22,774 |
| Total liabilities | 707,811 | 74,066 | 781,877 |
| | | | |
| ***Other segment information*** | | | |
| Additions to non-current assets | | | |
| – Plant and equipment | 377 | 2,178 | 2,555 |
| Finance costs | 17,733 | 1,640 | 19,373 |
| Interest income | (19,930) | (16) | (19,946) |
| Depreciation of plant and equipment | 57 | 1,114 | 1,171 |
| Depreciation of right-of-use assets | 496 | 5,255 | 5,751 |
| | | | |
| ***Other material non-cash items*** | | | |
| Inventories written down | – | 160 | 160 |
| Net loss in fair value of investments at fair value through profit or loss (unrealised) | 2,514 | – | 2,514 |
| Fair value gain on an investment property | (533) | – | (533) |
| Write-back of allowance for obsolete inventories | – | (545) | (545) |
| Impairment on plant and equipment | – | 138 | 138 |
| Impairment on right-of-use assets | – | 4,578 | 4,578 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 30. SEGMENT INFORMATION (cont'd)

### *Business segments (cont'd)*

| | Property $'000 | Retail $'000 | Total $'000 |
|---|---|---|---|
| **2020** | | | |
| ***Assets and liabilities*** | | | |
| Segment assets | 813,098 | 92,630 | 905,728 |
| Associates | 803,963 | – | 803,963 |
| Joint ventures | 525,527 | – | 525,527 |
| Deferred tax assets | 1,121 | – | 1,121 |
| Total assets | 2,143,709 | 92,630 | 2,236,339 |
| | | | |
| Segment liabilities | 595,709 | 86,167 | 681,876 |
| Provision for taxation | 4,585 | 290 | 4,875 |
| Deferred tax liabilities | 20,891 | – | 20,891 |
| Total liabilities | 621,185 | 86,457 | 707,642 |
| | | | |
| ***Other segment information*** | | | |
| Additions to non-current assets | | | |
| – Plant and equipment | 11 | 713 | 724 |
| Finance costs | 17,636 | 1,334 | 18,970 |
| Interest income | (22,432) | (276) | (22,708) |
| Depreciation of plant and equipment | 21 | 1,366 | 1,387 |
| Depreciation of right-of-use assets | 549 | 10,964 | 11,513 |
| | | | |
| ***Other material non-cash items*** | | | |
| Inventories written down | – | 738 | 738 |
| Net loss in fair value of investments at fair value through profit or loss (unrealised) | 7,898 | – | 7,898 |
| Fair value loss on an investment property | 2,452 | – | 2,452 |
| Write-back of allowance for obsolete inventories | – | (351) | (351) |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 30. SEGMENT INFORMATION (cont'd)

### *Geographical information*

Revenue, 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[(1)] $'000 | Group $'000 |
|---|---|---|---|---|
| **2021** | | | | |
| Segment revenue from external customers | 90,695 | 6,628 | – | 97,323 |
| Profit from operations before taxation | 13,235 | 27,888 | 6,439 | 47,562 |
| Non-current assets | | | | |
| – Plant and equipment | 2,700 | 10 | – | 2,710 |
| – Right-of-use assets | 46,960 | – | – | 46,960 |
| – Investment property | – | 111,725 | – | 111,725 |
| – Associates | 76,837 | 563,629 | 132,805 | 773,271 |
| – Joint ventures | 57,390 | 276,393 | 34,165 | 367,948 |
| – Financial assets at fair value through profit or loss | – | 15,237 | 73,297 | 88,534 |
| | 183,887 | 966,994 | 240,267 | 1,391,148 |
| **2020** | | | | |
| Segment revenue from external customers | 204,019 | 6,235 | – | 210,254 |
| Profit from operations before taxation | 18,908 | 20,781 | 42 | 39,731 |
| Non-current assets | | | | |
| – Plant and equipment | 1,463 | 2 | – | 1,465 |
| – Right-of-use assets | 62,590 | – | – | 62,590 |
| – Investment property | – | 109,022 | – | 109,022 |
| – Associates | 602 | 690,922 | 104,118 | 795,642 |
| – Joint ventures | 34,167 | 269,092 | 34,010 | 337,269 |
| – Financial assets at fair value through profit or loss | – | 17,108 | 82,765 | 99,873 |
| – Deferred tax assets | 1,121 | – | – | 1,121 |
| | 99,943 | 1,086,146 | 220,893 | 1,406,982 |

(1) Others include investment properties and projects mainly in the United Kingdom and Australia.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 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 and liabilities 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 (2020: 1 to 3 months) from the end of the reporting period.

*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 | 2021 $'000 | 2020 $'000 |
|---|---|---|---|
| **Group** | | | |
| – Sterling pound | +100 | (721) | (568) |
| – Sterling pound | -100 | 721 | 568 |
| – Australian dollar | +100 | (1,031) | (884) |
| – Australian dollar | -100 | 1,031 | 884 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (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), Australian dollar (AUD) 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.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including United Kingdom and Australia. The Group's investment in certain United Kingdom and Australia associates and a joint venture are hedged by GBP and AUD denominated bank loans, which mitigates structural currency exposure arising from the associates' and joint venture's net assets. Gains or losses on the translation of the borrowings are transferred to other comprehensive income to offset any gains or losses on translation of the net investments in the foreign operations.

*Impact of hedging on equity*

Set out below is the reconciliation of foreign currency translation reserve and the analysis of other comprehensive income:

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| As at 1 April | (10,296) | (7,007) |
| Foreign currency revaluation of the foreign currency denominated borrowings | (15,118) | 3,487 |
| Foreign currency revaluation of the net foreign operations | 12,727 | (89) |
| Share of other comprehensive income/(expense) | 18,267 | (6,687) |
| As at 31 March | 5,580 | (10,296) |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (b) *Foreign currency risk (cont'd)*

*Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity to a reasonably possible change in the RMB, USD, HKD, GBP, IDR and AUD exchange rates (against SGD), with all other variables held constant, on the Group's profit before tax and equity.

| | | 2021 | | 2020 | |
|---|---|---|---|---|---|
| | | Profit before tax $'000 | Equity $'000 | Profit before tax $'000 | Equity $'000 |
| RMB | – strengthened 5% (2020: 5%) | 5,081 | 4,388 | 2,124 | 4,649 |
| | – weakened 5% (2020: 5%) | (5,081) | (4,388) | (2,124) | (4,649) |
| USD | – strengthened 5% (2020: 5%) | 3,490 | 6,022 | 3,432 | 6,967 |
| | – weakened 5% (2020: 5%) | (3,490) | (6,022) | (3,432) | (6,967) |
| HKD | – strengthened 5% (2020: 5%) | 282 | 13 | 332 | 13 |
| | – weakened 5% (2020: 5%) | (282) | (13) | (332) | (13) |
| GBP | – strengthened 5% (2020: 5%) | 497 | 630 | 1,652 | 615 |
| | – weakened 5% (2020: 5%) | (497) | (630) | (1,652) | (615) |
| IDR | – strengthened 5% (2020: 5%) | 4,820 | – | 4,452 | – |
| | – weakened 5% (2020: 5%) | (4,820) | – | (4,452) | – |
| AUD | – strengthened 5% (2020: 5%) | 54 | – | 1 | – |
| | – weakened 5% (2020: 5%) | (54) | – | (1) | – |

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (c) *Credit risk (cont'd)*

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.

*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 |
|---|---|---|---|---|---|
| **By country:** | | | | | |
| **2021** | | | | | |
| Amounts due from associates | | | | | |
| – Non-current | 15 | 61,360 | 221,319 | – | 282,679 |
| – Current | 15 | 341 | 132,204 | 4,151 | 136,696 |
| Amounts due from joint ventures | | | | | |
| – Non-current | 16 | – | – | 15,384 | 15,384 |
| – Current | 16 | 28,498 | 94,574 | – | 123,072 |
| Accounts and other receivables | 20 | 79,320 | 2,115 | 378 | 81,813 |
| Total | | 169,519 | 450,212 | 19,913 | 639,644 |
| **2020** | | | | | |
| Amounts due from associates | | | | | |
| – Non-current | 15 | – | 305,520 | – | 305,520 |
| – Current | 15 | – | 8,321 | – | 8,321 |
| Amounts due from joint ventures | | | | | |
| – Non-current | 16 | – | – | 15,229 | 15,229 |
| – Current | 16 | 129,515 | 58,743 | – | 188,258 |
| Accounts and other receivables | 20 | 92,023 | 2,007 | – | 94,030 |
| Total | | 221,538 | 374,591 | 15,229 | 611,358 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (c) *Credit risk (cont'd)*

Of the total financial assets of $639,644,000 (2020: $611,358,000) disclosed above, 99.5% (2020: 99.1%) 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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (d) *Liquidity risk (cont'd)*

*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 | Over 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **2021** | | | | |
| **Financial assets:** | | | | |
| Accounts and other receivables | 81,813 | – | – | 81,813 |
| Amounts due from associates | 169,892 | 251,275 | 82,495 | 503,662 |
| Amounts due from joint ventures | 123,152 | 17,098 | – | 140,250 |
| Short term investments | 15,932 | – | – | 15,932 |
| Cash and cash equivalents | 425,946 | – | – | 425,946 |
| Total undiscounted financial assets | 816,735 | 268,373 | 82,495 | 1,167,603 |
| **Financial liabilities:** | | | | |
| Borrowings | 332,772 | 220,640 | – | 553,412 |
| Accounts and other payables | 48,679 | – | – | 48,679 |
| Amounts due to joint ventures | 3,109 | 129,279 | – | 132,388 |
| Total undiscounted financial liabilities | 384,560 | 349,919 | – | 734,479 |
| Total net undiscounted financial assets/(liabilities) | 432,175 | (81,546) | 82,495 | 433,124 |

| | 1 year or less $'000 | 1 to 5 years $'000 | Total $'000 |
|---|---|---|---|
| **Group** | | | |
| **2020** | | | |
| **Financial assets:** | | | |
| Accounts and other receivables | 94,030 | – | 94,030 |
| Amounts due from associates | 40,337 | 327,166 | 367,503 |
| Amounts due from joint ventures | 188,401 | 17,721 | 206,122 |
| Short term investments | 10,988 | – | 10,988 |
| Cash and cash equivalents | 349,750 | – | 349,750 |
| Total undiscounted financial assets | 683,506 | 344,887 | 1,028,393 |
| **Financial liabilities:** | | | |
| Borrowings | 153,016 | 384,461 | 537,477 |
| Accounts and other payables | 48,006 | – | 48,006 |
| Amounts due to joint ventures | 1,839 | 75,038 | 76,877 |
| Total undiscounted financial liabilities | 202,861 | 459,499 | 662,360 |
| Total net undiscounted financial assets/(liabilities) | 480,645 | (114,612) | 366,033 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (d) *Liquidity risk (cont'd)*

| | 1 year or less $'000 | Over 5 years $'000 | Total $'000 |
|---|---|---|---|
| **Company** | | | |
| **2021** | | | |
| **Financial assets:** | | | |
| Accounts and other receivables | 181 | – | 181 |
| Amounts due from subsidiaries | 436,737 | 159,288 | 596,025 |
| Amount due from a joint venture | 4,101 | – | 4,101 |
| Cash and cash equivalents | 2,490 | – | 2,490 |
| Total undiscounted financial assets | 443,509 | 159,288 | 602,797 |
| **Financial liabilities:** | | | |
| Borrowings | 226,126 | 220,640 | 446,766 |
| Trade and other payables | 7,928 | – | 7,928 |
| Amounts due to subsidiaries | 176,339 | – | 176,339 |
| Total undiscounted financial liabilities | 410,393 | 220,640 | 631,033 |
| Total net undiscounted financial assets/(liabilities) | 33,116 | (61,352) | (28,236) |
| **2020** | | | |
| **Financial assets:** | | | |
| Accounts and other receivables | 415 | – | 415 |
| Amounts due from subsidiaries | 297,585 | 190,351 | 487,936 |
| Amount due from a joint venture | 4,439 | – | 4,439 |
| Cash and cash equivalents | 63,735 | – | 63,735 |
| Total undiscounted financial assets | 366,174 | 190,351 | 556,525 |
| **Financial liabilities:** | | | |
| Borrowings | 26,538 | 384,461 | 410,999 |
| Trade and other payables | 6,280 | – | 6,280 |
| Amounts due to subsidiaries | 192,921 | – | 192,921 |
| Total undiscounted financial liabilities | 225,739 | 384,461 | 610,200 |
| Total net undiscounted financial assets/(liabilities) | 140,435 | (194,110) | (53,675) |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (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.

*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.

| | 2021<br>$'000 | 2020<br>$'000 |
|---|---|---|
| HSI | | |
| – 10% higher | 565 | 663 |
| – 10% lower | (565) | (663) |
| STI | | |
| – 10% higher | 1,593 | 1,099 |
| – 10% lower | (1,593) | (1,099) |

## 32. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) *Fair value hierarchies*

The Group categories 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 2021

## 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:

| | 2021 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 | Total $'000 |
| **Group** | | | | |
| **Recurring fair value measurements** | | | | |
| ***Financial assets:*** | | | | |
| Financial assets at fair value through profit or loss (Note 17) | | | | |
| Current | | | | |
| – Quoted equity instruments | 15,932 | – | – | 15,932 |
| Non-current | | | | |
| – Quoted equity instruments | 5,654 | – | – | 5,654 |
| – Unquoted equity instruments | – | – | 82,880 | 82,880 |
| Total long term financial assets | 5,654 | – | 82,880 | 88,534 |
| **Financial assets as at 31 March 2021** | 21,586 | – | 82,880 | 104,466 |
| ***Non-financial asset:*** | | | | |
| Investment property (Note 12) | – | – | 111,725 | 111,725 |
| **Non-financial asset as at 31 March 2021** | – | – | 111,725 | 111,725 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (b) *Assets measured at fair value (cont'd)*

| | 2020 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 | Total $'000 |
| **Group** | | | | |
| **Recurring fair value measurements** | | | | |
| ***Financial assets:*** | | | | |
| Financial assets at fair value through profit or loss (Note 17) | | | | |
| Current | | | | |
| – Quoted equity instruments | 10,988 | – | – | 10,988 |
| Non-current | | | | |
| – Quoted equity instruments | 6,625 | – | – | 6,625 |
| – Unquoted equity instruments | – | – | 93,248 | 93,248 |
| Total long term financial assets | 6,625 | – | 93,248 | 99,873 |
| **Financial assets as at 31 March 2020** | 17,613 | – | 93,248 | 110,861 |
| ***Non-financial asset:*** | | | | |
| Investment property (Note 12) | – | – | 109,022 | 109,022 |
| **Non-financial asset as at 31 March 2020** | – | – | 109,022 | 109,022 |

There have been no transfers between Level 1, Level 2 and Level 3 during 2021 and 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (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.

### (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 2021 $'000 | Valuation techniques | Key unobservable inputs | Range |
|---|---|---|---|---|
| **Recurring fair value measurements** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| – Unquoted equity instruments | 82,880 | Net asset value(1) | Not applicable | Not applicable |
| Investment property | 111,725 | Average of direct capitalisation method and direct comparison method(2) | – Capitalisation rate(3) | 6.00% per annum |
| | | | – Rental rate(4) | RMB 116 to RMB 143 per square meter per month |
| | | | – Comparable price(5) | Retail and office: RMB 18,788 to RMB 22,404 per square meter<br>Carpark space: RMB 300,000 per carpark lot |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 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 2020 $'000 | Valuation techniques | Key unobservable inputs | Range |
|---|---|---|---|---|
| **Recurring fair value measurements** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| – Unquoted equity instruments | 93,248 | Net asset value[1] | Not applicable | Not applicable |
| Investment property | 109,022 | Average of direct capitalisation method and direct comparison method[2] | – Capitalisation rate[3] | 6.00% per annum |
| | | | – Rental rate[4] | RMB 114 to RMB 141 per square meter per month |
| | | | – Comparable price[5] | Retail and office: RMB 18,347 to RMB 21,826 per square meter |
| | | | | Carpark space: RMB 300,000 per carpark lot |

[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 property.

[4] An increase/(decrease) in the rental rate would result in an increase/(decrease) in the fair value of the investment property.

[5] An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the investment property.

The valuation of the investment property is 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 2021

## 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):

| | 2021 | | |
|---|---|---|---|
| | Financial assets at fair value through profit or loss (Unquoted equity instruments) $'000 | Investment property $'000 | Total $'000 |
| **Group** | | | |
| Opening balance | 93,248 | 109,022 | 202,270 |
| Total gains or losses for the financial year | | | |
| – Fair value (loss)/gain recognised in profit or loss | (5,424) | 533 | (4,891) |
| Additions | 556 | – | 556 |
| Redemptions | (3,669) | – | (3,669) |
| Foreign exchange differences | (1,831) | 2,170 | 339 |
| Closing balance | 82,880 | 111,725 | 194,605 |

| | 2020 | | |
|---|---|---|---|
| | Financial assets at fair value through profit or loss (Unquoted equity instruments) $'000 | Investment property $'000 | Total $'000 |
| **Group** | | | |
| Opening balance | 91,948 | 112,029 | 203,977 |
| Total gains or losses for the financial year | | | |
| – Fair value gain/(loss) recognised in profit or loss | 2,264 | (2,452) | (188) |
| Additions | 5,299 | – | 5,299 |
| Redemptions | (7,956) | – | (7,956) |
| Foreign exchange differences | 1,693 | (555) | 1,138 |
| Closing balance | 93,248 | 109,022 | 202,270 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

### (d) *Level 3 fair value measurements (cont'd)*

(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 in light of the prevailing conditions at 31 March 2021. Please refer to Note 12 for more details.

### (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:

| | Group | | | |
|---|---|---|---|---|
| | Carrying amount | | Fair value | |
| | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| **Financial assets:** | | | | |
| Amounts due from associates (non-current) | | | | |
| – Fixed rate[1] | 282,679 | 305,520 | 313,117 | 334,008 |

| | Company | | | |
|---|---|---|---|---|
| | Carrying amount | | Fair value | |
| | 2021<br>$'000 | 2020<br>$'000 | 2021<br>$'000 | 2020<br>$'000 |
| **Financial assets:** | | | | |
| Amounts due from subsidiaries (non-current)[2] | | | | |
| – Fixed rate[1] | 153,627 | 153,627 | 156,321 | 154,087 |

[1] The fixed rate amounts due from associates and subsidiaries are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

[2] The interest-bearing amounts due from subsidiaries have been excluded as they are charged at floating interest rates and their carrying amounts approximate their fair values.

(i) The amounts due to subsidiaries 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 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 2020 and 31 March 2021.

As disclosed in Note 25(b), a subsidiary and joint ventures 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 and joint ventures for the financial years ended 31 March 2020 and 31 March 2021.

The Group monitors capital using a debt-equity ratio, which is net debt divided by shareholders' funds. 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.

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in the unquoted equity interests in subsidiaries at cost at 31 March are:

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| **Name of company** | | |
| Metro (Private) Limited | 8,914 | 8,914 |
| Orchard Square Development Corporation Pte Ltd | 7,576 | 7,576 |
| Metrobilt Pte Ltd | 4,038 | 4,038 |
| Metro Australia Holdings Pte Ltd | 1,000 | 1,000 |
| Meren Pte Ltd | 300 | 300 |
| Metro China Holdings Pte Ltd | * | * |
| Sun Capital Assets Pte Ltd | * | * |
| Metro Holdings (Japan) Pte Ltd | * | * |
| Metro Investments Holdings Pte Ltd | * | * |
| | 21,828 | 21,828 |

* Cost is less than $1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 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 | |
|---|---|---|---|
| | | 2021 % | 2020 % |
| ***Held by the Company*** | | | |
| **Retailers and department store operators** | | | |
| Metro (Private) Limited (Singapore) | Singapore | 100.0 | 100.0 |
| **Property** | | | |
| Orchard Square Development Corporation Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| **Investment holding** | | | |
| Metrobilt Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| Metro China Holdings Pte Ltd (Singapore) | People's Republic of China | 100.0 | 100.0 |
| Metro Australia Holdings Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| Sun Capital Assets Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| Metro Holdings (Japan) Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| Metro Investments Holdings Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| **Investment trading** | | | |
| Meren Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| ***Held by subsidiaries*** | | | |
| **Retailers and department store operators** | | | |
| The Marketing Co Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

| | Subsidiaries (cont'd) (Country of incorporation) | Place of business | Percentage of equity held by the Group 2021 % | 2020 % |
|---|---|---|---|---|
| | ***Held by subsidiaries** (cont'd)* | | | |
| | **Property** | | | |
| + | Guangzhou International Electronics Building Co Ltd (People's Republic of China) | People's Republic of China | 100.0 | 100.0 |
| | **Investment holding** | | | |
| | Metro Xinjiang Investments Pte Ltd (Singapore) | People's Republic of China | 100.0 | 100.0 |
| | Metro Properties (Shanghai) Pte Ltd (Singapore) | People's Republic of China | 100.0 | 100.0 |
| | Metro Leisure (Shanghai) Pte Ltd (Singapore) | People's Republic of China | 100.0 | 100.0 |
| | Metro Shanghai HQ Pte Ltd (Singapore) | People's Republic of China | 100.0 | 100.0 |
| + | Metrobilt South China Ltd (Hong Kong) | Hong Kong | 100.0 | 100.0 |
| + | Metrobilt Enterprise Ltd (Hong Kong) | People's Republic of China | 100.0 | 100.0 |
| + | MetroProp (China) (Mauritius) | People's Republic of China | 94.0 | 94.0 |
| | Metro City (Beijing) Pte Ltd (Singapore) | People's Republic of China | 100.0 | 100.0 |
| + | Crown Investments Ltd (Mauritius) | People's Republic of China | 100.0 | 100.0 |
| Ω | Firewave Management Limited (British Virgin Islands) | People's Republic of China | 100.0 | 100.0 |
| | Metro Prop Singapore Pte Ltd (Singapore) | Singapore | 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 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

| | Subsidiaries (cont'd) (Country of incorporation) | Place of business | Percentage of equity held by the Group 2021 % | 2020 % |
|---|---|---|---|---|
| | ***Held by subsidiaries** (cont'd)* | | | |
| | **Investment holding** (cont'd) | | | |
| | 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 (Indonesia) | Indonesia | 90.0 | 90.0 |
| | Shanghai Xing Chu Business Consulting Co. Ltd (People's Republic of China) | People's Republic of China | 100.0 | 100.0 |
| Ω | Sunshine (BVI) Ltd (British Virgin Islands) | People's Republic of China | 100.0 | 100.0 |
| (1) | Metro Prop Investments Ltd (Mauritius) | People's Republic of China | 100.0 | 100.0 |
| Ω | Metro Property (BVI) Limited (British Virgin Islands) | People's Republic of China | 100.0 | 100.0 |
| Ω | Metro-LKT (BVI) Limited (British Virgin Islands) | People's Republic of China | 79.2 | 79.2 |
| | Shanghai Xing Guang Business Consulting Co. Ltd (People's Republic of China) | People's Republic of China | 100.0 | 100.0 |
| | Metro SL Australia Investment Pte. Ltd. (Singapore) | Singapore | 100.0 | 100.0 |
| | Metro (Aus) Property Trust Pte. Ltd. (Singapore) | Singapore | 100.0 | 100.0 |
| | Metro Property Trust (A) Pte. Ltd. (Singapore) | Singapore | 100.0 | 100.0 |
| | Metro Property Trust II (A) Pte. Ltd. (Singapore) | Singapore | 100.0 | 100.0 |
| | **Management service consultants** | | | |
| | Metrobilt Construction Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |
| | **Dormant companies** | | | |
| | Idea Shoppe Pte Ltd (Singapore) | Singapore | 100.0 | 100.0 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

| | Associates (Country of incorporation) | Place of business | Percentage of equity held by the Group 2021 % | 2020 % |
|---|---|---|---|---|
| | **Property** | | | |
| & | Etika Cekap Sdn Bhd (Malaysia) | Malaysia | 49.0 | 49.0 |
| & | Gurney Plaza Sdn Bhd (Malaysia) | Malaysia | 49.0 | 49.0 |
| * | Shanghai Yong Ling Property Development Co. Ltd (People's Republic of China) | People's Republic of China | 35.0 | 35.0 |
| (2) | Aristotle (RQ) Limited (United Kingdom) | United Kingdom | 30.0 | – |
| (2) | Basilides (DSW) Limited (United Kingdom) | United Kingdom | 30.0 | – |
| (2) | Boustead Industrial Fund (Singapore) | Singapore | 26.0 | – |
| | **Investment holding** | | | |
| & ^ | Gurney Investments Pte Ltd (Singapore) | Singapore | 50.0 | 50.0 |
| & | Shine Rise International Limited (British Virgin Islands) | People's Republic of China | 30.0 | 30.0 |
| # | Top Spring International Holdings Limited (Cayman Islands) | People's Republic of China | 14.9 | 14.9 |
| & | Fairbriar Real Estate Limited (England and Wales) | United Kingdom | 25.0 | 25.0 |
| & | BentallGreenOak China Real Estate Fund II (A), L.P. (formerly known as InfraRed NF China Real Estate Fund II (A), L.P.) (Guernsey) | People's Republic of China | 23.7 | 23.7 |
| & | South Bright Investment Limited (British Virgin Islands) | People's Republic of China | 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 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

| | Associates (cont'd) (Country of incorporation) | Place of business | Percentage of equity held by the Group 2021 % | 2020 % |
|---|---|---|---|---|
| | **Investment holding** (cont'd) | | | |
| & | 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 |
| * | Shanghai Yi Zhou Property Management Co., Ltd (People's Republic of China) | People's Republic of China | 35.0 | 35.0 |
| * | Shanghai Shang Min Business Consulting Co. Ltd (People's Republic of China) | People's Republic of China | 35.0 | 35.0 |
| & | Jovial Paradise Limited (British Virgin Islands) | People's Republic of China | 43.8 | 43.8 |
| & | Global Charm Ventures Limited (British Virgin Islands) | People's Republic of China | 42.6 | 42.6 |
| & | Joyful Star Enterprise Limited (British Virgin Islands) | People's Republic of China | 40.5 | 40.5 |
| & | Most Success Enterprise Limited (British Virgin Islands) | People's Republic of China | 27.7 | 27.7 |
| & | Profound Success Investment Limited (British Virgin Islands) | People's Republic of China | 27.7 | 27.7 |
| & | Starry New Limited (British Virgin Islands) | People's Republic of China | 47.3 | 47.3 |
| & | SLH Property Trust (Singapore) | Singapore | 20.0 | 20.0 |
| & | Sim Lian Property Trust (Singapore) | Singapore | 20.0 | 20.0 |
| & | Sim Lian Property Trust II (Singapore) | Singapore | 20.0 | 20.0 |
| & | SLH (Aus) Property Trust (Australia) | Australia | 20.0 | 20.0 |
| & | SLG Property Trust (Australia) | Australia | 20.0 | 20.0 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

| | Associates (cont'd) (Country of incorporation) | Place of business | Percentage of equity held by the Group | |
|---|---|---|---|---|
| | | | 2021 % | 2020 % |
| | **Investment holding** (cont'd) | | | |
| & | SLG Property Trust II (Australia) | Australia | 20.0 | 20.0 |
| (2) | Paideia Trustee Pte. Ltd. (Singapore) | Singapore | 33.3 | – |
| (2) | Paideia Capital UK Trust (Singapore) | Singapore | 30.0 | – |
| (2) | Paideia Capital Pte. Ltd. (Singapore) | Singapore | 30.0 | – |
| | **Asset and investment management** | | | |
| & | Sim Lian – Metro Capital Pte. Ltd. (Singapore) | Singapore | 20.0 | 20.0 |
| & | SLMC (Australia) Pty Ltd (Australia) | Australia | 20.0 | 20.0 |
| & | SLMC Property Australia Pty Ltd (Australia) | Australia | 20.0 | 20.0 |
| (2) | Paideia Partners Pte. Ltd. (Singapore) | Singapore | 33.3 | – |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

| | Joint ventures (Country of incorporation) | Place of business | Percentage of equity held by the Group 2021 % | 2020 % |
|---|---|---|---|---|
| | **Property** | | | |
| & | Wingcrown Investment Pte. Ltd. (Singapore) | Singapore | 40.0 | 40.0 |
| * @ | Shanghai Metro City Commercial Management Co. Ltd (People's Republic of China) | People's Republic of China | 60.0 | 60.0 |
| * @ | Shanghai Huimei Property Co Ltd (People's Republic of China) | People's Republic of China | 60.0 | 60.0 |
| & | Scarborough DC Limited (England and Wales) | United Kingdom | 50.0 | 50.0 |
| & | Lee Kim Tah – Metro Jersey Limited (Jersey) | United Kingdom | 50.0 | 50.0 |
| | T-Grande Property Holding Pte. Ltd. (Singapore) | Singapore | 50.0 | 50.0 |
| | **Investment holding** | | | |
| | Ascend TGrande Pte. Ltd. (Singapore) | Singapore | 50.0 | 50.0 |
| | T-Grande Investment Holding Pte. Ltd. (Singapore) | Singapore | 50.0 | 50.0 |
| & | Xiamen CICC Qihang Equity Investment Partnership (Limited Partnership) (People's Republic of China) | People's Republic of China | 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.

^ The Group has equity accounted for its interest in Gurney Investments Pte Ltd as an associate in view of the fact that the Group does not have control of the entity but only significant influence over the entity.

(1) Commenced liquidation during the financial year.

(2) Incorporated/acquired during the financial year.

Ω 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

## 34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

All companies are audited by Ernst & Young LLP, Singapore except for the following:

+ Audited by member firms of Ernst & Young Global in the respective countries.

* Audited for purpose of Group consolidation by member firms of Ernst & Young Global.

& 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.

# 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. COMMITMENTS

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

| | Group | |
|---|---|---|
| | 2021<br>$'000 | 2020<br>$'000 |
| Capital commitments in respect of investment in: | | |
| – Long term investments | 7,848 | 5,264 |
| – Associates | 27,213 | – |

## 36. SUBSEQUENT EVENTS

Subsequent to the financial year end, the Group has entered into a Subscription Agreement pursuant to which the Group has agreed to invest EUR10 million (approximately S$16 million) in an European Logistics Fund.

## 37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 2 July 2021.

# STATISTICS OF SHAREHOLDINGS

As at 15 June 2021

| | | |
|---|---|---|
| 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 |

* “**Subsidiary holdings**” is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

## TWENTY LARGEST SHAREHOLDERS

| No. | Shareholder’s Name | No. of Shares | % |
|---|---|---|---|
| 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 | 80,738,035 | 9.75 |
| 4 | Raffles Nominees (Pte.) Limited | 77,240,637 | 9.33 |
| 5 | Dynamic Holdings Pte Ltd | 48,293,203 | 5.83 |
| 6 | Maybank Kim Eng Securities Pte. Ltd. | 34,924,682 | 4.22 |
| 7 | DBS Nominees (Private) Limited | 21,000,429 | 2.54 |
| 8 | BPSS Nominees Singapore (Pte.) Ltd. | 15,896,700 | 1.92 |
| 9 | Lee Yuen Shih | 10,678,200 | 1.29 |
| 10 | UOB Kay Hian Private Limited | 8,723,016 | 1.05 |
| 11 | Morph Investments Ltd | 8,238,000 | 0.99 |
| 12 | United Overseas Bank Nominees (Private) Limited | 8,186,253 | 0.99 |
| 13 | Monconcept Investments Pte Ltd | 6,576,512 | 0.79 |
| 14 | Phillip Securities Pte Ltd | 6,489,130 | 0.78 |
| 15 | Teo Cheng Tuan Donald | 5,000,000 | 0.60 |
| 16 | OCBC Securities Private Limited | 4,930,360 | 0.60 |
| 17 | Como Holdings Inc | 4,804,800 | 0.58 |
| 18 | City Developments Realty Limited | 4,608,000 | 0.56 |
| 19 | Ong Sioe Hong | 4,211,182 | 0.51 |
| 20 | United Caoutchouc Trading Co. Pte. Ltd. | 3,560,000 | 0.43 |
| | **Total** | 628,609,830 | 75.91 |

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 – 99 | 115 | 2.17 | 4,200 | 0.00 |
| 100 – 1,000 | 372 | 7.03 | 202,094 | 0.02 |
| 1,001 – 10,000 | 2,093 | 39.55 | 12,577,383 | 1.52 |
| 10,001 – 1,000,000 | 2,669 | 50.44 | 146,389,954 | 17.68 |
| 1,000,001 and above | 43 | 0.81 | 668,862,243 | 80.78 |
| **Total** | 5,292 | 100.00 | 828,035,874 | 100.00 |

**Note:**

Percentage is computed based on 828,035,874 issued shares (excluding 3,512,800 shares held as treasury shares) as at 15 June 2021.

# SUBSTANTIAL SHAREHOLDERS

As at 15 June 2021

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

**Notes:**

(1) "%" is based on 828,035,874 issued shares (excluding treasury shares).

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

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

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

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

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

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

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

## 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 15 June 2021 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 15 June 2021, 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

**NOTICE IS HEREBY GIVEN** that the Forty-Eighth Annual General Meeting of the Company will be convened and held by way of electronic means on Thursday, 29 July 2021 at 11.00 a.m. (Singapore time) 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 2021. **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 2021. **Resolution 2**

3. To declare the payment of a special tax exempt (one-tier) dividend of 0.25 cent per ordinary share for the year ended 31 March 2021. **Resolution 3**

4. To re-elect Mr Gerald Ong Chong Keng, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (a)] **Resolution 4**

5. To re-elect Ms Deborah Lee Siew Yin, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (b)] **Resolution 5**

   To note that Mr Phua Bah Lee will be retiring pursuant to Article 94 of the Company's Constitution and he will not be seeking re-election at this Annual General Meeting.

6. To re-elect Mr Ng Ee Peng, 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 $915,500 (2020: $915,500) for the year ended 31 March 2021. **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

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 were issued and are outstanding or subsisting 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,

# NOTICE OF ANNUAL GENERAL MEETING

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**");

(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 during the relevant five-day period and the date of the market purchase by the Company;

"**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

11. **"Tier-1" approval for Lt-Gen (Retd) Winston Choo Wee Leong**

That for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 12 (relating to his "Tier-2" approval) by shareholders of the Company (excluding the Directors and the Chief Executive Officer of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST)):

(a) the continued appointment of Lt-Gen (Retd) Winston Choo Wee Leong as an independent Director be and is hereby approved; and

(b) such approval shall continue in force until (i) the retirement or resignation of Lt-Gen (Retd) Winston Choo Wee Leong as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier. [refer to explanatory note (f)] **Resolution 11**

12. **"Tier-2" approval for Lt-Gen (Retd) Winston Choo Wee Leong**

That for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 11 (relating to his "Tier-1" approval) by shareholders of the Company:

(a) the continued appointment of Lt-Gen (Retd) Winston Choo Wee Leong as an independent Director be and is hereby approved; and

(b) such approval shall continue in force until (i) the retirement or resignation of Lt-Gen (Retd) Winston Choo Wee Leong as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier. [refer to explanatory note (f)] **Resolution 12**

13. **"Tier-1" approval for Mrs Fang Ai Lian**

That for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 14 (relating to her "Tier-2" approval) by shareholders of the Company (excluding the Directors and the Chief Executive Officer of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST)):

(a) the continued appointment of Mrs Fang Ai Lian as an independent Director be and is hereby approved; and

(b) such approval shall continue in force until (i) the retirement or resignation of Mrs Fang Ai Lian as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier. [refer to explanatory note (f)] **Resolution 13**

14. **"Tier-2" approval for Mrs Fang Ai Lian**

That for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 13 (relating to her "Tier-1" approval) by shareholders of the Company:

(a) the continued appointment of Mrs Fang Ai Lian as an independent Director be and is hereby approved; and

(b) such approval shall continue in force until (i) the retirement or resignation of Mrs Fang Ai Lian as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier. [refer to explanatory note (f)] **Resolution 14**

# NOTICE OF ANNUAL GENERAL MEETING

15. **"Tier-1" approval for Mr Tan Soo Khoon**

That for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 16 (relating to his "Tier-2" approval) by shareholders of the Company (excluding the Directors and the Chief Executive Officer of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST)):

(a) the continued appointment of Mr Tan Soo Khoon as an independent Director be and is hereby approved; and

(b) such approval shall continue in force until (i) the retirement or resignation of Mr Tan Soo Khoon as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier. [refer to explanatory note (f)] **Resolution 15**

16. **"Tier-2" approval for Mr Tan Soo Khoon**

That for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 15 (relating to his "Tier-1" approval) by shareholders of the Company:

(a) the continued appointment of Mr Tan Soo Khoon as an independent Director be and is hereby approved; and

(b) such approval shall continue in force until (i) the retirement or resignation of Mr Tan Soo Khoon as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier. [refer to explanatory note (f)] **Resolution 16**

# NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF RECORD DATE

**NOTICE IS HEREBY GIVEN** that the Transfer Books and Register of Members of the Company will be closed on 4 August 2021 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 special tax exempt (one-tier) dividend of 0.25 cent per ordinary share for the financial year ended 31 March 2021 (the "**Proposed Dividends**").

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02, Singapore 068898 up to 5.00 p.m. on 3 August 2021 (the "**Record Date**") 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 the Record Date will rank for the Proposed Dividends.

The Proposed Dividends, if approved at the Forty-Eighth Annual General Meeting of the Company to be held on 29 July 2021, will be paid on 11 August 2021.

By Order of the Board
Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries

14 July 2021
Singapore

# NOTICE OF ANNUAL GENERAL MEETING

**Explanatory Notes:**

(a) Mr Gerald Ong Chong Keng, if re-elected, will continue to serve as a member of the Audit, Nominating and Investment Committees. 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 2021.

(b) Ms Deborah Lee Siew Yin, if re-elected, will continue to serve as a member of the Audit and Remuneration Committees. Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Ms Deborah Lee Siew Yin can be found in the "Information on Directors Seeking Re-election" section of the Company's Annual Report 2021.

(c) Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Ng Ee Peng can be found in the "Information on Directors Seeking Re-election" section of the Company's Annual Report 2021.

(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 15 June 2021, 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 15 June 2021, 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 2021 and certain assumptions, are set out in Paragraph 2.7 of the Company's Letter to Shareholders dated 14 July 2021.

(f) The proposed ordinary resolutions 11 and 12, 13 and 14, and 15 and 16, above, are to approve the continued appointment of each of Lt-Gen (Retd) Winston Choo Wee Leong ("**Lt-Gen (Retd) Winston Choo**"), Mrs Fang Ai Lian ("**Mrs Fang**") and Mr Tan Soo Khoon ("**Mr Tan**") respectively, as an independent Director for the purposes of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which will take effect from 1 January 2022. This Rule provides that a Director will not be independent if he/she has been a Director for an aggregate period of more than nine years and his/her continued appointment as an independent Director has not been sought and approved in separate resolutions by (i) all shareholders; and (ii) shareholders excluding the Directors and the Chief Executive Officer of the Company (being in the case of the latter, the Company's Group Chief Executive Officer and Executive Director), and their respective associates (as defined in the Listing Manual of the SGX-ST).

# NOTICE OF ANNUAL GENERAL MEETING

Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan are independent Directors who have each served for an aggregate of more than nine years on the Board. (Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan were appointed to the Board on 18 June 2007, 16 July 2008 and 9 December 2011, respectively). The Company is accordingly seeking the requisite approvals from shareholders for the continued appointment of each of Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan as an independent Director from 1 January 2022 via the two-tier voting process under Rule 210(5)(d)(iii)(A) and Rule 210(5)(d)(iii)(B). If obtained, the requisite approvals will remain in force until (I) in the case of Lt-Gen (Retd) Winston Choo, the earlier of (i) his retirement or resignation as a Director, or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of ordinary resolutions 11 and 12; (II) in the case of Mrs Fang, the earlier of (i) her retirement or resignation as a Director, or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of ordinary resolutions 13 and 14; and (III) in the case of Mr Tan, the earlier of (i) his retirement or resignation as a Director, or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of ordinary resolutions 15 and 16. Otherwise, Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan will be regarded as non-independent from 1 January 2022.

If ordinary resolutions 11 to 16 are not passed, and assuming that (i) each of the Directors seeking re-election at this Annual General Meeting (being Mr Gerald Ong Chong Keng, Ms Deborah Lee Siew Yin and Mr Ng Ee Peng) is re-elected, and (ii) there is no further change to the Board size and composition from the conclusion of this Annual General Meeting until 1 January 2022, the Board would comprise 2 independent and 5 non-independent Directors from 1 January 2022. In such event, the Company will re-constitute the Board to ensure that independent Directors continue to comprise at least one-third of the Board for the purposes of Rule 210(5)(c) of the Listing Manual of the SGX-ST, which will take effect from 1 January 2022.

In seeking the requisite approvals under Rule 210(5)(d)(iii) for each of Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan to continue as an independent Director, the Company seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. The Board believes that the Company will benefit from the continued appointment of Lt-Gen (Retd) Winston Choo, Mrs Fang, and Mr Tan as independent Directors given their deep knowledge of the Group's business and operations which are gained over the course of their tenure as Board members. The Nominating Committee and the Board have observed that Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan continue to demonstrate independence in conduct, character and judgment, and that their length of service on the Board neither interferes with their exercise of independent judgment nor hinders their ability to act in the best interests of the Company. After a rigorous review, the Nominating Committee and the Board have determined that Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan continue to be independent despite each having served for more than nine years on the Board. Each of Lt-Gen (Retd) Winston Choo, Mrs Fang and Mr Tan has recused himself/herself from all Nominating Committee (where applicable) and Board deliberations and decisions relating to his/her continued independence.

Under Rule 210(5)(d)(iii)(A), all shareholders may vote on ordinary resolutions 11, 13 and 15. In compliance with Rule 210(5)(d)(iii)(B), the Directors (including the Group Chief Executive Officer) of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST) will abstain from voting on ordinary resolutions 12, 14 and 16. The Company will disregard any votes cast by the Directors (including the Group Chief Executive Officer) of the Company, and their respective associates, in respect of their holdings of shares (if any) on ordinary resolutions 12, 14 and 16. The Chairman of the Meeting will accept appointment as proxy for any other shareholder to vote in respect of ordinary resolutions 12, 14 and 16, where such shareholder has given specific instructions in a validly completed and submitted proxy form as to voting, or abstention from voting, in respect of ordinary resolutions 12, 14 and 16.

If ordinary resolution 11 is not passed, ordinary resolution 12 will be withdrawn. If ordinary resolution 13 is not passed, ordinary resolution 14 will be withdrawn. If ordinary resolution 15 is not passed, ordinary resolution 16 will be withdrawn.

# NOTICE OF ANNUAL GENERAL MEETING

**Notes:**

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's corporate website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings. This Notice will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 14 July 2021. This announcement may be accessed at the Company's corporate website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be accessed at the Company's corporate website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 16 July 2021**.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.Metroproxy@sg.tricorglobal.com,

   in either case by 11.00 a.m. on 26 July 2021, being 72 hours before the time appointed for holding the Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.**

6. The Company's Annual Report 2021 and the Letter to Shareholders dated 14 July 2021 (in relation to the proposed renewal of share purchase mandate) have been published on the Company's corporate website and may be accessed as follows:

   (a) the Company's Annual Report 2021 may be accessed at the URL https://www.metroholdings.com.sg/investor_annual-report by clicking on the hyperlink for "Annual Report 2021"; and

   (b) the Letter to Shareholders dated 14 July 2021 may be accessed at the URL https://www.metroholdings.com.sg/investor_letter-to-shareholders by clicking on the hyperlink for "Letter to Shareholders in Relation to the Renewal of the Share Purchase Mandate".

   The above documents will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

7. Any reference to a time of day is made by reference to Singapore time.

**Personal Data Privacy:**

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company 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 the appointment of the Chairman of the Meeting as proxy 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.

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Gerald Ong Chong Keng, Ms Deborah Lee Siew Yin and Mr Ng Ee Peng are the Directors seeking re-election at the Annual General Meeting of Metro Holdings Limited ("**Company**") on 29 July 2021.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Gerald Ong Chong Keng, Ms Deborah Lee Siew Yin and Mr Ng Ee Peng, as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST is as follows:

| Name of Director | Gerald Ong Chong Keng | Deborah Lee Siew Yin | Ng Ee Peng |
|---|---|---|---|
| Date of Appointment | 18 June 2007 | 12 June 2018 | 13 April 2021 |
| Date of last re-election (if applicable) | 29 July 2019 | 27 July 2018 | Not applicable |
| Age | 59 | 63 | 65 |
| 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 Gerald Ong Chong Keng ("**Mr Gerald Ong**") 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. | Ms Deborah Lee Siew Yin ("**Ms Deborah Lee**") possesses the experience, expertise, knowledge and skills to contribute towards the core competency of the Board. She will continue to contribute her valuable experience and knowledge to the Board of the Company. | Mr Ng Ee Peng ("**Mr Ng**") 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. |
| Whether appointment is executive, and if so, the area of responsibility | The appointment is Non-Executive. | The appointment is Non-Executive. | The appointment is Non-Executive. |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Non-Executive Director. Member of the Audit, Nominating and Investment Committees. | Non-Executive and Independent Director. Member of the Audit and Remuneration Committees. | Non-Executive and Independent Director. |
| Professional qualifications | Mr Gerald Ong has been recognised as an IBF Distinguished Fellow and is a Council Member of the Singapore Institute of International Affairs. He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School. | Ms Deborah 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. | Mr Ng holds a Bachelor of Science (First Class Honors) from University of Manchester Institute of Science & Technology and a Master of Business Administration from Harvard University, USA. He also completed a Diploma (with Honors) from US Army Command & General Staff College. |

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director | Gerald Ong Chong Keng | Deborah Lee Siew Yin | Ng Ee Peng |
|---|---|---|---|
| Working experience and occupation(s) during the past 10 years | Mr Gerald Ong is currently the Deputy Chairman of the PrimePartners Corporate Finance Group. 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. He was the Chairman of Aseana Properties Ltd (listed on the London Stock Exchange Main List). During his time with these institutions, Mr Ong's duties encompassed the provision of a wide variety of corporate finance services from advisory, mergers and acquisitions activities and fund raising exercises incorporating various structures such as equity, debt, equity-linked and derivative-enhanced issues. | Ms Deborah Lee was previously the 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.<br><br>Before her consultancy work, Ms Deborah Lee was a 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 Wuthelam Group in the region. | Mr Ng is presently an Independent Director of Sinarmas Land Limited. Mr Ng is also the Founder and Chairman of Lunas Analytics.ai Pte. Ltd., a fintech Artificial Intelligence startup. From 2019 to February 2020, he was Executive Vice President and later, Senior Advisor, Chairman's Office, of PT Smartfren Tbk, Indonesia. Before that, from 2010 to 2019, he was President Director and Group Chief Executive Officer, PT Gunung Sewu Kencana, Indonesia. |
| Shareholding interest in the Company and its subsidiaries | No | 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 | Representative of Eng Kuan Company Private Limited, a substantial shareholder of the Company. | No | No |
| Conflict of interests (including any competing business) | No | No | No |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company | Yes | Yes | Yes |

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director | Gerald Ong Chong Keng | Deborah Lee Siew Yin | Ng Ee Peng |
|---|---|---|---|
| **Other principal commitments including directorships:** | | | |
| Past (for the last 5 years) | Director of<br>• Aseana Properties Limited<br>• Seal Asia Pte Ltd<br>• Tricor PrimePartners Corporate Services Pte Ltd<br>• Shangri-la Healthcare Investment Pte Ltd | Director of<br>• Ascendas Hospitality Trust | Director of<br>• PT Gunung Sewu Kencana |
| Present | Director of<br>• PrimePartners Corporate Finance Pte Ltd<br>• PrimePartners Corporate Finance Holdings Pte Ltd<br>• OEC Holdings Pte Ltd<br>• PrimePartners Group Pte Ltd<br>• Querencia Technologies Pte. Ltd.<br>• Rare Cask Holdings Pte Ltd<br>• North Ridge Partners Pty Limited<br>• Zebra Crossing Limited<br>• 1982 Brora Holdings Pte Ltd<br><br>Honorary Consul for Liechtenstein since 2020. | Director of<br>• Ascott Residence Trust Management Limited<br>• Ascott Business Trust Management Pte Ltd<br>• WTL Capital Pte Ltd<br>• Prime Ventures Holdings Ltd, BVI<br>• Assurity Trusted Solutions Pte Ltd (a GovTech subsidiary)<br>• Integrated Health Information Systems Pte Ltd<br><br>Member of<br>• MOH Holdings Audit Risk Committee | Director of<br>• Sinarmas Land Limited<br>• ERN Investments Pte Ltd<br>• Lunas Analytics.ai Pte Ltd |

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director | Gerald Ong Chong Keng | Deborah Lee Siew Yin | Ng Ee Peng |
|---|---|---|---|
| **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.** | | | |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No | No |
| (c) Whether there is any unsatisfied judgment against him? | No | No | No |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No | No |

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director | Gerald Ong Chong Keng | Deborah Lee Siew Yin | Ng Ee Peng |
|---|---|---|---|
| **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.** (cont'd) | | | |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No | No |
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: | | | |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No | Yes<br>Please refer to Appendix B for further details. |
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No | No |
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No | No |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,<br><br>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | Yes<br>Please refer to Appendix A for further details. | No | No |
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No | No |

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## APPENDIX A

In July 2013, PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") was given the opportunity by the Stock Exchange of Singapore ("**SGX**") to make its representations on why disciplinary actions should not be taken against PPCF, in its capacity as continuing sponsor to CCFH Ltd ("**CCFH**"), in connection with the discharge of its sponsors' obligations in relation to its query to CCFH on the unusual trading activity in CCFH shares in September 2012. No disciplinary action was taken by the SGX against PPCF after considering the representations made by PPCF. However, a warning was given (in September 2013) by the SGX to PPCF to properly train its officers in holding discussions with sponsored companies relating to queries on unusual trading activity and to ensure that they are familiar with sponsored companies obligations with the SGX's Corporate disclosure Policy. Mr Gerald Ong was the CEO of PPCF during the period. Mr Gerald Ong has been and is an Executive Director and substantial shareholder of PPCF.

PPCF and certain of its key officers (including Mr Gerald Ong) were summoned to appear before the Securities Industry Council ("**SIC**") for a hearing to (i) inquire into whether PPCF as the financial adviser to Best Grace Holdings Limited ("**Offeror**" or "**Best Grace**") in relation to its voluntary conditional cash offer for shares in the capital of Delong Holdings Limited ("**Delong**") announced on 27 September 2018 ("**VGO**"), failed in its responsibility to ensure that the Offeror complied with Rule 17.1 of the Singapore Code on Take-overs and Mergers (the "**Code**"); and (ii) determine the appropriate sanctions(s) if PPCF is found to have failed in its responsibility to ensure that the Offeror complied with Rule 17.1 of the Code ("**Hearing**"). The matter was in connection with the withdrawal of the VGO and the Hearing was held on 23 April 2019. Following the Hearing, the SIC ruled that there was a breach of Rule 17.1 of the Code and PPCF was censured by the SIC in its public statement issued on 29 July 2019. No regulatory action or censure was taken against Mr Gerald Ong. Mr Gerald Ong was the CEO of PPCF during the period. Mr Gerald Ong has been and is an Executive Director and substantial shareholder of PPCF.

In November 2020, PPCF was given the opportunity by the SGX to make its representations on why disciplinary actions should not be taken against PPCF, in its capacity as continuing sponsor to Healthway Medical Corporation Limited ("**HMC**"). This is in relationship to its sponsors' obligations of ensuring proper disclosures in HMC's 2019 annual report on the appointment/re-election of directors. Having considered PPCF's explanations and circumstances surrounding the matter, no disciplinary action was taken by the SGX against PPCF. A private reminder letter was issued (in March 2021) to PPCF on its obligations under the Catalist Listing Rules. No regulatory action was taken against Mr Gerald Ong directly. Mr Gerald Ong is the Deputy Chairman, Executive Director and substantial shareholder of PPCF.

In November 2005, PPCF was reprimanded by the MAS for executing two purchases of shares in CNA Group Ltd ("**CNA**") above the maximum price allowable under the price stabilisation regulations of the Securities & Futures Act of Singapore. The purchases were made for the purposes of price stabilisation in connection with the initial public offering of CNA on the Stock Exchange of Singapore in March 2005. The contravention of price stabilisation regulations were self discovered and self reported voluntarily to the MAS by PPCF. The reprimand was published by the MAS in February 2006 without naming PPCF.

## APPENDIX B

Mr Ng was an Independent Director of ACCS Ltd (now known as MDR Limited), a Singapore listed company, from 2004 to 2005. Its CEO was investigated by Commercial Affairs Department ("**CAD**") and the CEO subsequently pleaded guilty in Court in May 2005 for corruption, fraud and false financial reporting. Mr Ng was not the subject of any investigation and no action has ever been taken against Mr Ng by the CAD.

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

## ANNUAL GENERAL MEETING
# PROXY FORM

**IMPORTANT**

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting will not be sent to members. Instead, the Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings. The Notice of Annual General Meeting will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 14 July 2021. This announcement may be accessed on the Company's website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 16 July 2021**.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 July 2021.

I/We ______________________________ (Name), ______________ (NRIC/Passport No./Co. Regn. No.)

of ____________________________________________ (Address)

being a member/members of Metro Holdings Limited (the "**Company**") hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Forty-Eighth Annual General Meeting of the Company to be convened and held by way of electronic means on Thursday, 29 July 2021 at 11.00 a.m. (Singapore time) and at any adjournment thereof, in the following manner:

| No. | Resolutions | For | Against | Abstain |
|---|---|---|---|---|
| | **ORDINARY BUSINESS** | | | |
| 1. | To receive and 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 Gerald Ong Chong Keng, a Director retiring under Article 94 of the Company's Constitution | | | |
| 5. | To re-elect Ms Deborah Lee Siew Yin, a Director retiring under Article 94 of the Company's Constitution | | | |
| 6. | To re-elect Mr Ng Ee Peng, 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 | | | |
| | **SPECIAL BUSINESS** | | | |
| 9. | To approve the Share Issue Mandate | | | |
| 10. | To approve the Renewal of the Share Purchase Mandate | | | |
| 11. | "Tier-1" Approval for Lt-Gen (Retd) Winston Choo Wee Leong | | | |
| 12. | "Tier-2" Approval for Lt-Gen (Retd) Winston Choo Wee Leong | | | |
| 13. | "Tier-1" Approval for Mrs Fang Ai Lian | | | |
| 14. | "Tier-2" Approval for Mrs Fang Ai Lian | | | |
| 15. | "Tier-1" Approval for Mr Tan Soo Khoon | | | |
| 16. | "Tier-2" Approval for Mr Tan Soo Khoon | | | |

Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes For or Against a resolution, please indicate with a "✓" in the For or Against box provided in respect of that resolution. Alternatively, please indicate the number of votes For or Against in the For or Against box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a "✓" in the Abstain box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the Abstain box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this __________ day of ____________________ 2021

______________________________
Signature(s) of Member(s)/Common Seal

| Total Number of Shares Held | |
|---|---|

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

## NOTES:

1. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members, he/she/it 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.

2. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed on the Company's website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 July 2021.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.Metroproxy@sg.tricorglobal.com,

   in either case by 11.00 a.m. on 26 July 2021, being 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   **In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.**

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy 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. Where an instrument appointing the Chairman of the Meeting as proxy 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 with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

6. Any reference to a time of a day is made by reference to Singapore time.

7. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy 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 of proxy appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General 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

**Ng Ee Peng**
Director, Non-Executive and Independent

## 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**

**United Overseas Bank Ltd**

**The Hongkong and Shanghai Banking Corporation Ltd**

**Oversea-Chinese Banking Corporation Limited**

**Malayan Banking Berhad**

**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

## INVESTOR RELATIONS CONTACTS

**Citigate Dewe Rogerson Singapore Pte Ltd**
**Ms Dolores Phua / Ms Rita Ng**
105 Cecil Street
#09-01 The Octagon
Singapore 069534
Tel: (65) 6534 5122
Fax: (65) 6534 4171
AllCDRSGMetro@citigatedewerogerson.com

美羅 METRO

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**METRO HOLDINGS LIMITED**
391A Orchard Road #19-00 Tower A Ngee Ann City
Singapore 238873
Tel: (65) 6733 3000 | Fax: (65) 6735 3515

## LETTER TO SHAREHOLDERS

# METRO HOLDINGS LIMITED

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

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

14 July 2021

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-Eighth Annual General Meeting of Metro Holdings Limited (the "**Company**") to be held on 29 July 2021 ("**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.

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

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

## 2. THE RENEWAL OF THE SHARE PURCHASE MANDATE

**2.1** **Background.** Shareholders had approved the renewal of the Share Purchase Mandate at the Forty-Seventh Annual General Meeting of the Company held on 11 September 2020 ("**2020 AGM**"). The authority and limitations of the Share Purchase Mandate were set out in the Company's Letter to Shareholders dated 27 August 2020 and the ordinary resolution relating to the Share Purchase Mandate in the notice of the 2020 AGM. The Share Purchase Mandate approved at the 2020 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 2021, 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 15 June 2021 (the "**Latest Practicable Date**"), the Company had 3,512,800 treasury shares and no subsidiary holdings.

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

**(b) Duration of authority**

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

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

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

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

whichever is the earliest.

**(c) Manner of purchase or acquisition of Shares**

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

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

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

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

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

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

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

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

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

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

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

(A) the terms and conditions of the offer;

(B) the period and procedures for acceptances;

(C) the reasons for the proposed Share purchases;

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

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

(F) details of any Share purchases made by the Company in the previous

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

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

**(d) Purchase price**

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

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

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

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

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five market days on which the Shares were transacted on the SGX-ST or, as the case may be, such other stock exchange on which the Shares are listed or quoted, before the date of the Market Purchase by the Company, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase by the Company;

"**NTAV of a Share**" means the net tangible asset value of a Share taken from the latest announced consolidated financial statements of the Company preceding the date of the making of the offer pursuant to the Off-Market Purchase; and

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

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

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

**(a) Maximum holdings**

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

**(b) Voting and other rights**

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

**(c) Disposal and cancellation**

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

(i) sell the treasury shares for cash;

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

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

(iv) cancel the treasury shares; or

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

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

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

**2.7** **Financial effects.** The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. The financial effects on the Group and the Company based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2021 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, $67,898,941 based on $0.82 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, $154,014,672 based on $1.86 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 2021 released by the Company on 25 May 2021).

**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 2020;

(2) the purchase of Shares took place at the beginning of the financial year on 1 April 2020;

(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 2021 would have been as follows:

**MARKET PURCHASE** (1)

| As at 31 March 2021 | GROUP Before Share Purchase $'000 | GROUP After Share Purchase $'000 | COMPANY Before Share Purchase $'000 | COMPANY After Share Purchase $'000 |
|---|---|---|---|---|
| Share Capital | 169,717 | 169,717 | 169,717 | 169,717 |
| Treasury Shares | (1,768) | (69,667) | (1,768) | (69,667) |
| Foreign Currency Translation Reserve | 5,580 | 5,580 | - | - |
| Statutory Reserve | 5,184 | 5,184 | - | - |
| Revenue Reserve | 1,357,089 | 1,357,089 | 187,597 | 187,597 |
| Other Reserves | 847 | 847 | - | - |
| Equity Attributable to Owners of the Company | 1,536,649 | 1,468,750 | 355,546 | 287,647 |
| Non-Controlling Interests | 28,847 | 28,847 | - | - |
| Total Equity | 1,565,496 | 1,497,597 | 355,546 | 287,647 |
| Current Assets | 956,225 | 888,326 | 436,830 | 434,340 |
| Current Liabilities | 390,366 | 390,366 | 403,155 | 468,564 |
| Borrowings | 524,085 | 524,085 | 417,477 | 417,477 |
| Cash and Cash Equivalents | 425,669 | 357,770 | 2,490 | - |
| Net Tangible Assets (NTA) (2) | 1,536,649 | 1,468,750 | 355,546 | 287,647 |
| Net Profit After Tax | 36,995 | 36,995 | 2,382 | 2,382 |
| Profit Attributable to Owners of the Company | 36,752 | 36,752 | 2,382 | 2,382 |
| Number of Shares ('000) | 828,036 | 745,232 (3) | 828,036 | 745,232 (3) |
| **Financial Ratios** | | | | |
| NTA per Share ($) | 1.86 | 1.97 | 0.43 | 0.39 |
| Gearing (times) (4) (Net D/E) | 0.1 | 0.1 | 1.2 | 1.5 |
| Current Ratio (times) (5) | 2.4 | 2.3 | 1.1 | 0.9 |
| Earnings per Share (cents) (6) | 4.4 | 4.9 | 0.3 | 0.3 |

**OFF-MARKET PURCHASE** (1)

| As at 31 March 2021 | GROUP Before Share Purchase $'000 | GROUP After Share Purchase $'000 | COMPANY Before Share Purchase $'000 | COMPANY After Share Purchase $'000 |
|---|---|---|---|---|
| Share Capital | 169,717 | 169,717 | 169,717 | 169,717 |
| Treasury Shares | (1,768) | (155,783) | (1,768) | (155,783) |
| Foreign Currency Translation Reserve | 5,580 | 5,580 | - | - |
| Statutory Reserve | 5,184 | 5,184 | - | - |
| Revenue Reserve | 1,357,089 | 1,357,089 | 187,597 | 187,597 |
| Other Reserves | 847 | 847 | - | - |

| | | | | |
|---|---|---|---|---|
| Equity Attributable to Owners of the Company | 1,536,649 | 1,382,634 | 355,546 | 201,531 |
| Non-Controlling Interests | 28,847 | 28,847 | - | - |
| Total Equity | 1,565,496 | 1,411,481 | 355,546 | 201,531 |
| Current Assets | 956,225 | 802,210 | 436,830 | 434,340 |
| Current Liabilities | 390,366 | 390,366 | 403,155 | 554,680 |
| Borrowings | 524,085 | 524,085 | 417,477 | 417,477 |
| Cash and Cash Equivalents | 425,669 | 271,654 | 2,490 | - |
| Net Tangible Assets (NTA) (2) | 1,536,649 | 1,382,634 | 355,546 | 201,531 |
| Net Profit After Tax | 36,995 | 36,995 | 2,382 | 2,382 |
| Profit Attributable to Owners of the Company | 36,752 | 36,752 | 2,382 | 2,382 |
| Number of Shares ('000) | 828,036 | 745,232 (3) | 828,036 | 745,232 (3) |
| **Financial Ratios** | | | | |
| NTA per Share ($) | 1.86 | 1.86 | 0.43 | 0.27 |
| Gearing (times) (4) (Net D/E) | 0.1 | 0.2 | 1.2 | 2.1 |
| Current Ratio (times) (5) | 2.4 | 2.1 | 1.1 | 0.8 |
| Earnings per Share (cents) (6) | 4.4 | 4.9 | 0.3 | 0.3 |

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 2021 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 MAY NOT BE REPRESENTATIVE OF FUTURE PERFORMANCE.**

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

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

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

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

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

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

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

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

**(a) Obligation to make a take-over offer**

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

**(b) Persons acting in concert**

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

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

(i) the following companies:

(a) a company;

(b) the parent company of (a);

(c) the subsidiaries of (a);

(d) the fellow subsidiaries of (a);

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

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

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

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

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

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

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

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

**(d) The Relevant Director and his concert parties**

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

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

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

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

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

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

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

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

**The Relevant Director and persons acting in concert with him will be exempted from the requirement to make a general offer for the Company** under Rule 14, when read with Appendix 2 of the Take-over Code, following an increase in the aggregate percentage of total voting rights in the Company held by the Relevant Director and persons acting in concert with him by more than 1% in any 6-month period as a result of the Company purchasing its Shares under the Share Purchase Mandate, **subject to the following conditions**:

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

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

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

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

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

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

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

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

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

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

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

**(f) Advice to Shareholders**

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

**(g) Form 2 submission to the SIC**

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

**2.13 Particulars of Shares purchased in the past year.** As at the Latest Practicable Date, the Company has not purchased any Shares pursuant to the Share Purchase Mandate approved at the 2020 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. The Chairman of the AGM will accept appointment as proxy for any other Shareholder to vote in respect of Resolution 10, where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of Resolution 10.

## 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

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

Note:

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

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

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

Notes:

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

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

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

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

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

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

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

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

## 6. RESPONSIBILITY STATEMENT

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

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

Yours faithfully
**METRO HOLDINGS LIMITED**

Lt Gen (Retd) Winston Choo Wee Leong
Chairman

## FURTHER INFORMATION ON INTERESTS IN SHARES OF THE RELEVANT PARTIES

### 1. ONG FAMILY

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

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

Notes:

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

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

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

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

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

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

## 2. ONG COMPANIES

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

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

Notes:

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

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