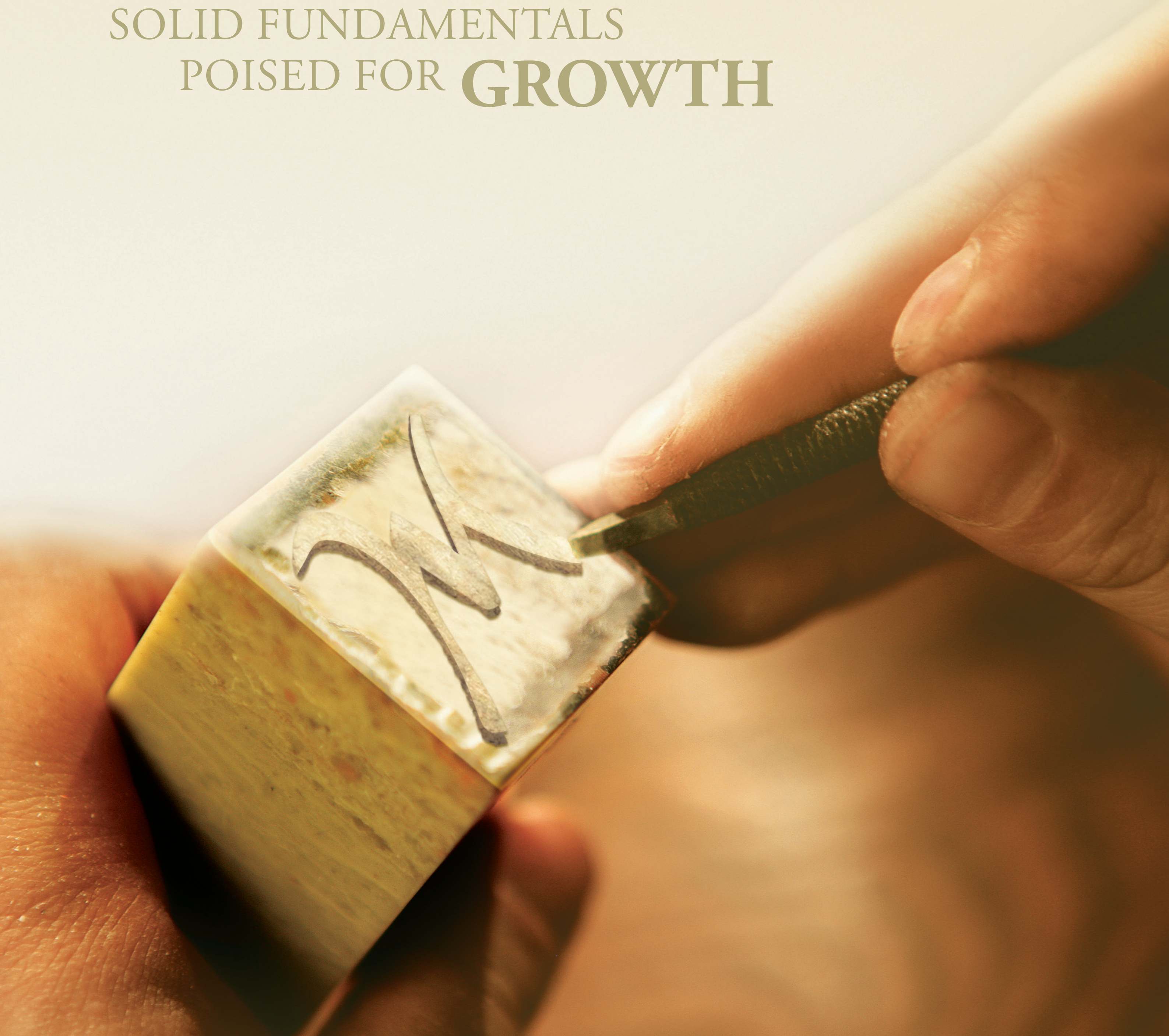
美羅 METRO

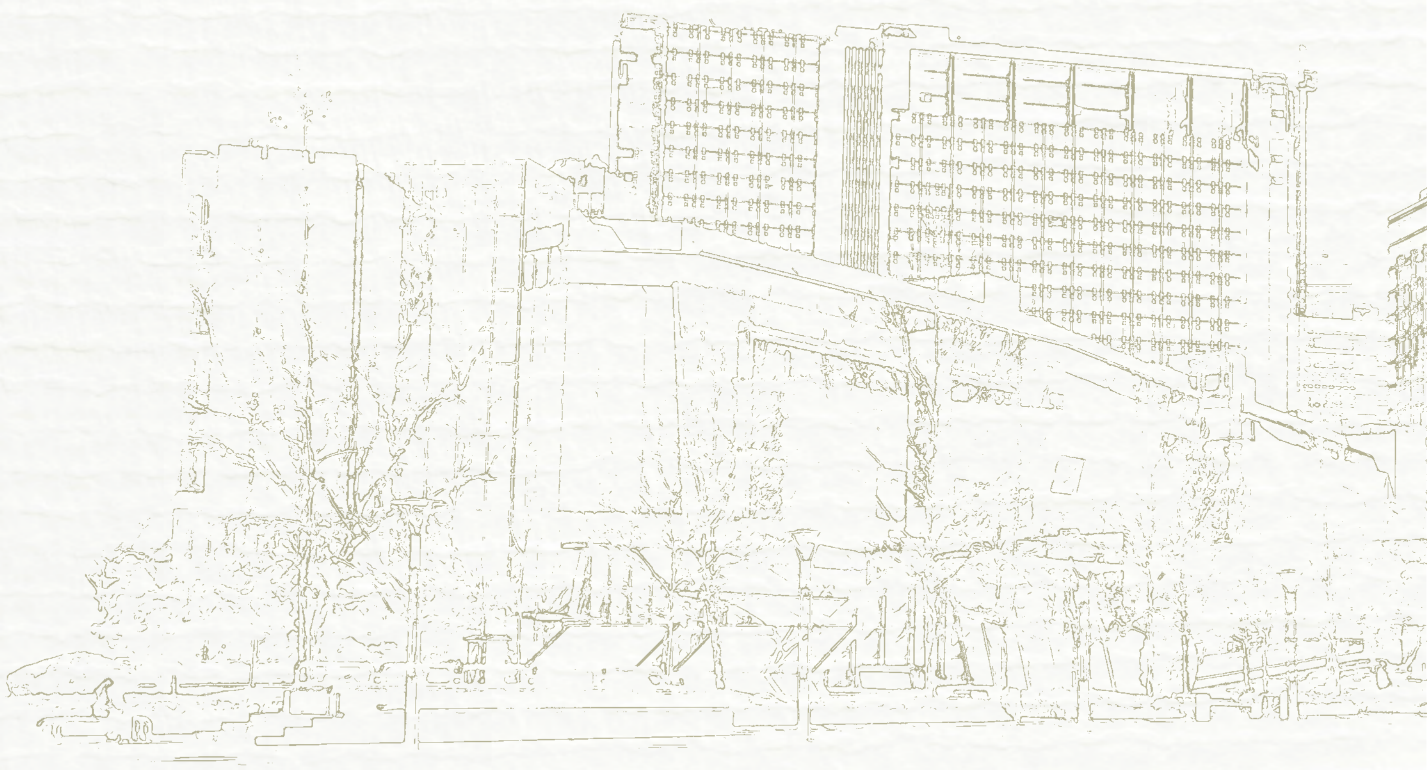
Metro Holdings Limited Annual Report 2012

SOLID FUNDAMENTALS POISED FOR GROWTH



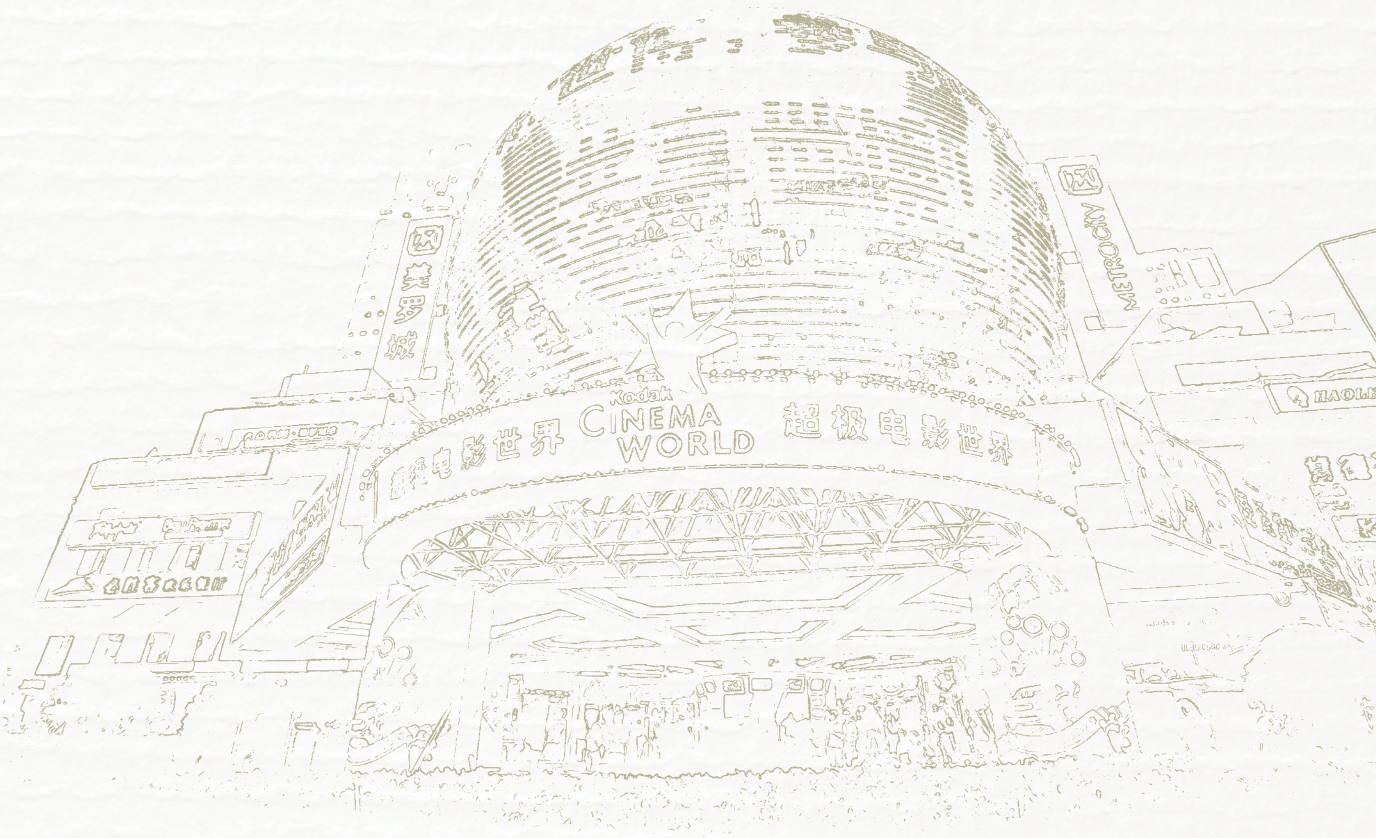
our vision

Building on the synergies of our rich retail experience, strong foothold in the People's Republic of China, and our strategic partnerships, Metro aims to be a leading property development and investment group in the region.



Over the years we have been nurturing a strong asset portfolio of quality commercial and retail developments across the region to underpin our initiatives in tapping into new growth opportunities.

Employing a robust set of strategies focused on portfolio expansion and asset enhancement, complementing our disciplined investment initiatives, we are fully focused and poised to seize more prospects for long-term growth.



at a glance

corporate profile

Listed on the Mainboard of the SGX-ST in 1973, Metro Holdings was founded in 1957 by its former chairman, Mr Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Metro has grown over the years to become a property development and investment group, backed by an established retail track record, with a turnover of S$187.0 million and net assets of S$1.1 billion as at 31 March 2012.

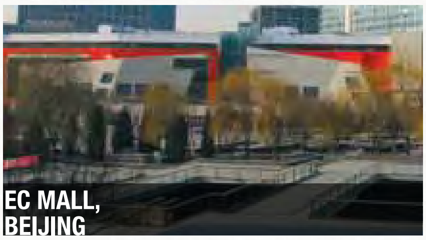
Today, the Group operates two core business segments – property development and investment, and retail – and is focused on key markets in the region such as the People's Republic of China ("the PRC"), Indonesia and Singapore.

our properties

PROPERTY DEVELOPMENT AND INVESTMENT

The Group's property arm has interests in almost 143,000 sqm of prime retail and office properties in first-tier cities in the PRC, such as Beijing, Shanghai and Guangzhou, and also holds significant investments in certain property businesses in the PRC.

GIE TOWER, GUANGZHOU



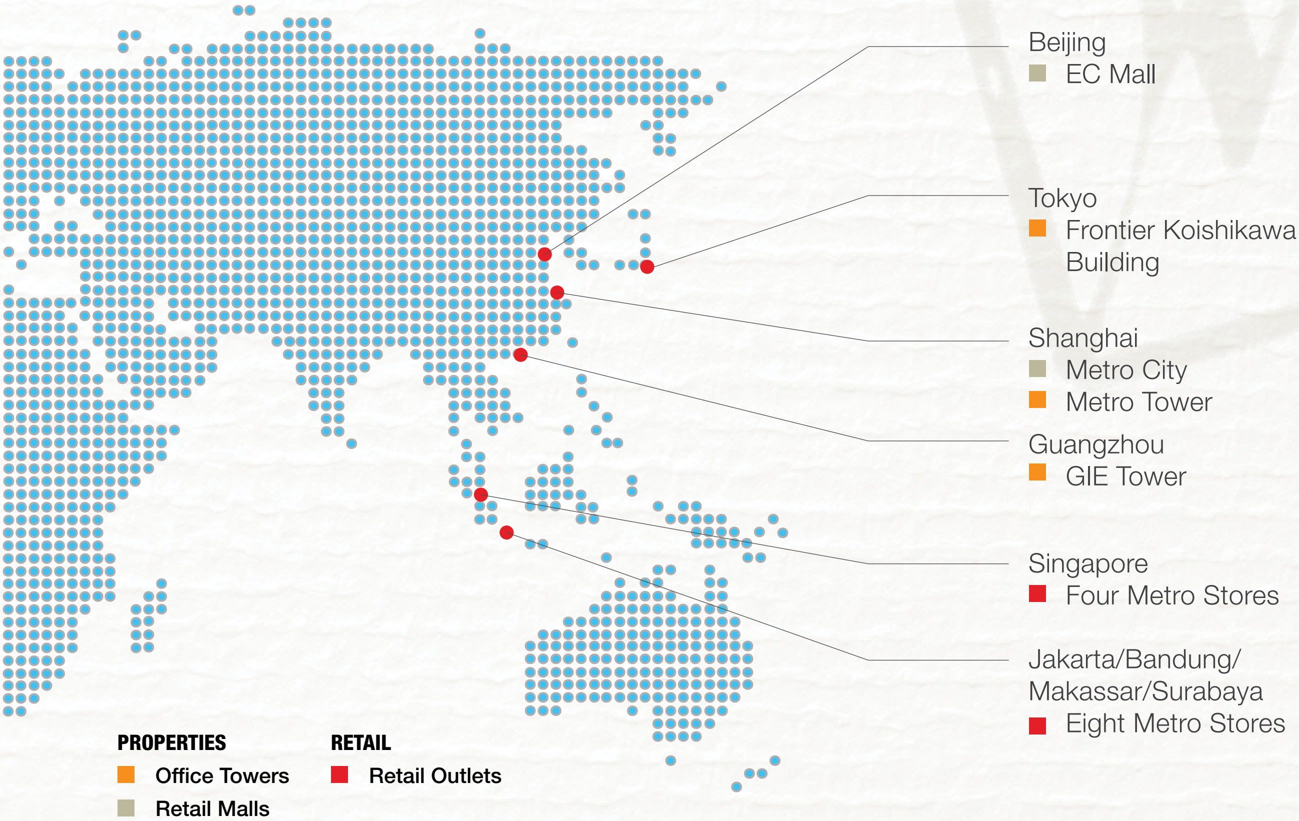
EC MALL, BEIJING

METRO TOWER, SHANGHAI

METRO CITY, SHANGHAI

FRONTIER KOISHIKAWA BUILDING, TOKYO

our presence



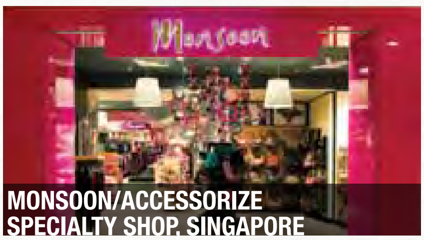
RETAIL

Metro's retail arm serves customers through a chain of four Metro department stores and eight Monsoon/ Accessorize/M.2 specialty shops in Singapore, and another eight department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 1,323,000 sq ft of downtown and suburban retail space in both Singapore and Indonesia.


METRO STORE, MAKASSAR, INDONESIA

METRO STORE, SINGAPORE


METRO STORE, BANDUNG, INDONESIA



MONSOON/ACCESSORIZE SPECIALTY SHOP, SINGAPORE


METRO STORE, JAKARTA, INDONESIA

Quality Assets
Strong Partnerships
Prudent Investment Strategy

capitalising on our strengths

We have made steady progress in growing our real estate business, underpinned by quality assets and strategic investments. By streamlining our portfolio and, at the same time, enhancing our existing assets, we are strengthening our position for further growth.

NET PROFIT OF S$91.9 MILLION FOR FY2012

Net profit climbed 11.9%, backed by a comparatively higher divestment gain from the sale of Metro City, Beijing, offset by higher mark-to-market losses (net) on our investment portfolio and lower fair value adjustments on investment properties.

Revenue
S$187.0M
+6.7%

Profit before tax
S$115.3M
+9.2%

Net Asset Value
S$1,114.3M
+10.1%

Earnings per share
11.3 cents
+6.6%

Visionary Leadership

Long-term Growth Prospects

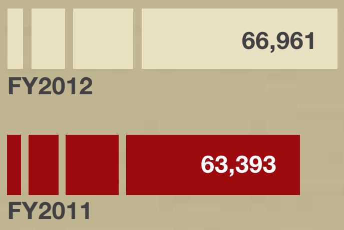
Capacity for Further Expansion

eyeing new opportunities

Always on the lookout for more growth prospects, we continue to leverage on the market insight and expertise we gained from both our Retail and Property fronts to identify, evaluate and optimise investment opportunities that translate to healthy returns and expansion.

key facts

PROPERTY REVENUE
(S$'000)



+5.6%

RETAIL REVENUE
(S$'000)

+7.3%

PROPERTY SEGMENT

Property revenue rose 5.6% on the back of higher rental income from Metro City and Metro Tower, Shanghai; and EC Mall in Beijing. These 3 properties had enjoyed comparatively higher occupancy rates during FY2012.

Recent Developments

- Divested 50% owned Metro City Beijing in March 2012
- 10.7% held Tesco Lifespace malls in Fuzhou and Xiamen officially opened in May 2011 and May 2012 respectively

RETAIL SEGMENT

Retail revenue rose 7.3% in FY2012, benefitting from the broad-based sales improvement and improved consumer demand which continued from the previous year. All of our Singapore stores recorded revenue growth in FY2012, in particular Metro Woodlands which was recently refurbished.

Recent Developments

- Metro Ciputra World Surabaya, Indonesia, opened in December 2011
- Re-site of the Moonsoon/Accessorize shop in Changi Airport Terminal 3, Singapore

PROFIT BEFORE TAX
(S$'000)

+9.2%

FY2012's profit before tax was boosted by the divestment gain on the disposal of Metro City Beijing, which was higher than the previous year's divestment gain on the disposal of 1 Financial Street in Beijing. However, profit growth was affected by lower fair value adjustments on investment properties and higher mark-to-market losses on its investment portfolio in FY2012.

chairman's statement

Dear valued shareholders,

On behalf of the Board of Metro Holdings Limited ("Metro"), I am pleased to report our portfolio of Grade-A properties in Tier-1 cities in the People's Republic of China ("PRC") continue to reap rewards for the Group. This year, Metro shareholders are benefiting from the S$98.7 million gain on disposal arising from the divestment of Metro City, Beijing.

We are delighted to recommend a special dividend of 4.0 cents and an ordinary final dividend of 2.0 cents, totalling 6.0 Singapore cents per share, translating to a total payout ratio of 54.1% of the Group's net profit attributable to shareholders for the financial year ended 31 March 2012 ("FY2012").

On the retail front, Metro continues to expand prudently with the opening of Metro Ciputra World Surabaya ("Metro Surabaya") in the third quarter of FY2012. This brings the number of Metro stores in Indonesia to eight and a total retail floor space of over 1 million square feet.

SOLID FUNDAMENTALS, POISED FOR GROWTH

Building upon our solid foothold and partnerships in the PRC, and on the synergies of our rich retail experience, the Group reported a 12.2% increase to S$91.9 million in net profit attributable to shareholders, on the back of a 6.7% rise in revenue to S$187.0 million for FY2012.

For our core Property Division, higher rental income from the Group's three main properties contributed to topline revenue improvement, with turnover from this division up 5.6% from S$63.4 million in FY2011 to S$67.0 million in FY2012. These included Metro City, Shanghai following the completion of an asset enhancement exercise as well as higher occupancies at Metro Tower, Shanghai and EC Mall, Beijing. The higher rental income achieved helped offset a marginal 1% decrease in turnover arising from the decline in value of the Renminbi against the Singapore dollar.

In line with improved consumer sentiments, sales for the Group's Retail division grew 7.3% to S$120.0 million for the year. In Singapore, revenue growth was particularly strong at the recently refurbished Metro Woodlands. In Indonesia, sales grew with contribution from Metro Gandaria City, which opened in January 2011, and Metro Surabaya, which opened in December 2011.

As at 31 March 2012, the Group maintained a healthy cash position of S$579.6 million, compared to S$407.8 million as at 31 March 2011. Shareholders' equity further increased from S$1.0 billion to S$1.1 billion over the same period. With our strong balance sheet, we are well-positioned to pursue future growth opportunities in our two business segments.

PROPERTY DEVELOPMENT AND INVESTMENT

The Group divested one property – Metro City, Beijing – in the fourth quarter of FY2012 but our remaining assets in China – Metro City, Shanghai, Metro Tower, City, Shanghai, Metro Tower,

chairman's statement

Shanghai, GIE Tower, Guangzhou, and EC Mall, Beijing – continue to perform well with occupancy rates of 95% and above. In Japan, the Group's office property in Tokyo, Frontier Koishikawa Building's occupancy remains affected by a weak office market.

Nonetheless, occupancy rates improved across our five investment properties, averaging 92.5%. Notably, both Metro Tower, Shanghai and EC Mall, Beijing recorded almost full occupancy as at 31 March 2012. Supported by a strong multi-national tenant base, office property Metro Tower, Shanghai, recorded an occupancy rate of 99.7%. The two-and-a-half year old retail development, EC Mall, Beijing, located in the capital's 'Silicon Valley', registered 98.6% in occupancy level on increased shopper traffic. Collectively, our five properties have a total lettable area of approximately 142,493 square metres.

In terms of partnerships, following our first collaboration with Tesco plc, we furthered the relationship through an investment of approximately US$10.5 million for a 10.7% effective interest in another three Tesco projects in the PRC – Tesco Lifespace, Fuzhou, Tesco Lifespace, Xiamen, and Tesco Lifespace, Shenyang. The three development projects are located in China's third-tier cities and signify our commitment to deepen our foothold in the PRC. Together, these three projects provide a total lettable area of over 90,000 square metres. The Tesco Lifespace stores in Fuzhou and Xiamen opened their doors in May 2011 and May 2012 respectively, with the Shenyang store expected to commence operations in 2013.

The Group continues to hold a 5.0% interest in Top Spring International Holdings Limited and 1.1% of Shui On Land Ltd – two leading property developers in the PRC listed on the Hong Kong Stock Exchange. We remain optimistic in both companies' long-term investment prospects; giving Metro potential access to quality property projects in Chinese cities.

RETAIL

Improved consumer sentiments and broad-based sales improvement in FY2012 buoyed the Group's Retail division's sales performance.

There are currently four Metro stores in Singapore, and eight in Jakarta, Bandung, Makassar and Surabaya in Indonesia. In FY2012, Metro Surabaya was added to our Indonesian portfolio. Given the nation's growing middle class and ongoing lifestyle shift by Indonesia's young, continued robust domestic consumption is expected to support our Indonesian retail business.

Synonymous with quality, the 'Metro' brand is an established household name in the retail industry, offering a wide range of merchandise over 1,323,000 square feet of downtown and suburban retail space in Singapore and Indonesia.

Also under our retail portfolio in Singapore are popular UK high street brands Monsoon / Accessorize. Currently, we have seven Monsoon / Accessorize specialty shops spread across the island.

We continue to offer a variety of quality merchandise through close collaborations with international and local business partners, and look to be ever more customer-centric in meeting their lifestyle needs.

Going forward, we will be looking into new specialty shops and additional Metro stores both in Singapore and Indonesia. Now that we have amassed a substantial following on both Facebook and Twitter, we are excited to explore and adopt new marketing platforms that will enable us to reach out to a wider customer base.

CORPORATE SOCIAL RESPONSIBILITY

Metro's success puts us in the fortuitous position to be able to give back to society – namely in the growth and development of underprivileged children.

In partnership with the Singapore International Foundation ("SIF") and Pioneer Junior College ("PJC"), the "Metro for Children" charity programme has been running since 2001, helping to raise funds for Asian communities in need.

Last year, "Metro for Children" successfully completed the building of "Merlion Friendship Hall", a multi-purpose hall for the Sekolah Menengah Atas Negeri 11 ("SMAN 11") school in Bandung, Indonesia. This was the culmination of Metro's Corporate Social Responsibility ("CSR") Staff Volunteerism programme, where seven Metro staff had first participated in a five-day community outreach programme at SMAN 11 the year before, in August 2010. The team had helped refurbished two laboratories and conducted English language workshops for the Indonesian students.

Besides the construction of the school hall, funds raised also went towards providing student bursaries to needy SMAN 11 students, as well as supporting SIF Singaporean skilled volunteers and PJC students in their work with underprivileged children in Indonesia.

In December 2011, we extended our CSR footprint to Chiang Mai in Thailand, raising a total of S$90,166 for the construction of a library for the Children's Shelter Foundation ("CSF") – home to

chairman's statement

orphans and underprivileged children with special needs and disabilities, many of whom come from the rural villages of Northern Thailand. The project aims to provide a nurturing environment for these children, giving them access to Thai and English books, with the hope of inculcating in them a love for reading and thereby, life-long learning and a level of literacy.

In addition to in-store fundraising efforts and awareness activities, we also deployed digital platforms to engage a wider audience. We launched the "Metro for Children" microsite, which enabled donors and interested parties to make monetary donations online or pledge their commitment to help via an online page where they were able to share their hopes and dreams, as well as words of encouragement for the disadvantaged children. These pages were then compiled to produce the library's first book.

Funds raised also enabled a team of Singapore student volunteers from PJC to visit the CSF quarters – where they conducted a series of community outreach programmes including English and computer classes, reading programmes, the production of audio & visual learning aids, as well as the painting of wall murals for the library.

Metro remains firmly committed to worthy causes and will continue to seek regional opportunities where we can engage and assist future generations.

LOOKING AHEAD

China's economic outlook remains broadly favourable with GDP growth projected at 7.5% for 2012, albeit 1.7 percentage points down from 9.2% recorded for 2011[1]. While recent property reports maintain that the office and retail property market in Shanghai, Guangzhou and Beijing continue to record positive growth in the first quarter of 2012, the real estate sector is expected to become more difficult going forward, amidst moderating economic growth in the PRC.

Rental income from the Group's investment properties is expected to decline following the disposal of Metro City, Beijing. However, minimal impact is expected on our operating income as this joint venture development was incurring a marginal operating loss prior to the disposal.

The innate prudence and ability to recycle capital rewardingly for shareholders has been a hallmark of Metro's experienced management team. Going forward, leveraging on our long track record and established network in China, we will continue to rebalance our asset portfolio – with a view to divest poorer-performing properties and enter into viable new investments. With this strategic intent in mind, we will work towards broadening our revenue stream to achieve sustained profitability and improved yield.

Projections of slower economic growth in Singapore this year have led retailers to hold a 'cautiously optimistic' outlook, as they look forward to higher tourist arrivals and improving consumer sentiment[2]. Meanwhile, retail sales in Indonesia have been projected to grow from IDR1.55 trillion in 2012 to IDR1.76 trillion in 2013[3]. Broadly, consumer spending is expected to remain stable through 2012 in both the markets we operate in, subject to any significant deterioration in the global economic environment. Notwithstanding a more competitive retail environment, as well as new players entering the market in the region, we will continue to enhance our merchandise offering and identify new and viable sites to expand our retail stores.

APPRECIATION

On behalf of the Board of Directors, I would like to express our deepest appreciation and gratitude towards our business partners, associates, customers, tenants and shareholders for your long-standing support.

I would like to extend my sincere thanks to fellow Board members for your invaluable guidance and counsel in the last year. I would also like to credit our management and staff for making Metro a continued success – thank you for your steadfast commitment and important contributions year after year.

Against the backdrop of a continuing volatile world economy, and an increasingly competitive and fast changing retail operating space, your enduring support is vital to us in overcoming future challenges and embracing new opportunities ahead.

Lt-Gen (Retd) Winston Choo
Chairman

19 June 2012

[1] *National Bureau of Statistics of China, 13 April 2012*

[2] *Retail Outlook 2012, Retail Asia Online, January 2012*

[3] *Indonesia Retail Report Q2 2012, Business Monitor International, 10 February 2012*

主席致词

尊敬的各位股东:

我谨代表美罗控股（简称“美罗”）董事会荣幸地公布，集团投资于中国一线城市的甲级房地产项目继续为集团带来回报。今年，美罗股东都将从集团出售美罗城-北京所产生的9,870万新元的出售资产收益中获利。

集团董事会高兴地做出提议，派发每股0.04新元的特别股息和每股0.02新元的末期普通股息来回报各位股东。截至2012年3月31日（简称“2012财政年度”），每股年度总股息为0.06新元。这相当于股东应占净盈利54.1%的派息率。

在零售业务方面，集团继续在印尼零售业市场寻求谨慎的发展，并且在2012财政年度的第三季度开设了一家新的美罗百货商店名为Metro Ciputra World Surabaya（简称 “Metro Surabaya”）。这使集团在印尼的美罗百货商店增加到八家，零售总面积超过 100万平方英尺。

坚实的基础，稳健的增长

凭借集团在中国已建立的稳固基础和良好的商务合作伙伴关系，以及在零售行业拥有的丰富协力优势及运营经验，集团的股东应占净盈利增长到9,190万新元，同比增幅为12.2%。2012财政年度总收益则同比增长6.7%达到1.87亿新元。

我们核心的房地产业务总收益上升了5.6%，从2011财政年度的6,340万新元升至2012财政年度的6,700万新元。这需归功于集团在中国三个主要房地产项目高增长租金收入给总收益带来的贡献。这包括已经完成物业翻新的上海的美罗城，呈现高出租率的上海的美罗大厦以及北京的欧美汇购物中心。这些项目的高租金收入帮助集团抵消了由于人民币对新元汇率降低而造成约1%的少量收益下滑。

随着消费者信心的逐步改善，集团的零售业务在2012财政年度取得了1.2亿新元的销售总额，同比增长了7.3%。在新加坡，近期刚完成翻新的美罗兀兰百货商店所带来的收益增长尤其显著。在印尼，于2011年1月新开张的Metro Gandaria City 以及在2011年12月新开张的Metro Surabaya也为集团的零售收益总额带来了增长。

截至2012年3月31日，集团拥有5.796亿新元的良好现金状况，同比2011年3月31日，集团当时持有4.078亿新元的现金。集团的股东权益得到进一步增长，从同时期的10亿新元增加到现有的11亿新元。依靠强劲的资金资产实力，集团已经做好准备，在恰当的时机进一步扩展我们在房地产和零售两个方面的业务。

房地产开发和投资

集团在2012财政年度的第四季度售出了一个房地产项目，即北京美罗城。集团仍然在中国一线城市持有其它房地产项目 – 即上海的美罗城和上海的美罗大厦，广州的广州国际电子大厦以及北京的欧美汇购物中心，而这些房产均运作良好且达到95%或以上的良好出租率。在日本，集团位于东京的办公楼Frontier Koishikawa大厦的出租率仍受当地办公楼市场疲软的影响。

主席致词

尽管如此，集团的五个投资性房地产项目平均出租率持续升高达到92.5%。特别值得一提的是，截至2012年3月31日，上海的美罗大厦和北京的欧美汇购物中心出租率接近100%。由于上海的美罗大厦吸引了许多跨国公司入驻，出租率达到99.7%。北京的欧美汇购物中心位于北京俗称“硅谷”的地段，虽然其零售商业开发仅运营两年半的时间，其出租率已达到98.6%，且商场的人潮持续增加。集团的五个房地产项目共有约142,493平方米的可租赁面积。

在商务合作方面，随着集团与乐购（Tesco plc）首批项目的合作，集团继续投资了约1,050万美元在中国开发另外三个乐购项目并持有其10.7%的有效股权 – 这些项目分别是在福州的乐都汇购物广场、在厦门的乐都汇购物广场和在沈阳的乐都汇购物广场。这三个新开发的项目均位于中国的三线城市，充分表明了集团致力于在中国巩固其投资定位的承诺。物业可租赁面积达到超过9万平方米。福州和厦门的乐都汇购物广场已分别在2011年5 月和2012年5 月开业，而沈阳的乐都汇购物广场则计划于2013年开业。

集团继续持有莱蒙国际集团有限公司5.0% 的股份，以及瑞安房地产有限公司1.1% 的股份。这两个房地产企业均在香港股票交易所上市，并且是中国的龙头房地产开发企业。我们对在这两个企业中的长期投资前景深表乐观，因其可以向美罗提供在中国众多城市中具有优质投资潜能的项目和机遇。

零售业的营运

消费者信心的改善以及整体销售平台的普遍扩展使集团的零售业务在2012财政年度取得了骄人的成绩。

目前在新加坡，集团共有四家百货商店，在印尼的雅加达、万隆、望加锡和泗水共拥有八家百货商店。在2012财政年度，新开张的Metro Surabaya加入了集团在印尼的零售百货业务组合。随着印尼中产阶级人数的增加和年轻一代生活方式的改变以及国内消费需求持续增长，这些都将给集团在印尼的零售百货业务带来收益的支持。

作为优质的代名词，“美罗”已经成为零售业家喻户晓的品牌。至今为止，集团在新加坡和印尼的市中心及郊区共经营超过1,323,000平方英尺的零售面积并提供优质且多样化的商品。

集团在新加坡零售业务的组合中，现拥有七家在美罗零售旗下运营并遍布全岛的英国知名品牌“Monsoon / Accessorize”专卖店。我们将继续与国际知名品牌商店和新加坡当地的商业伙伴合作，向消费者提供品种丰富的商品，以消费者为中心并提供适合消费者生活方式的购物体验。

展望未来，集团将考虑在新加坡和印尼增添新的专卖店和美罗百货商店。现在我们已经拥有大批顾客上网加盟并浏览美罗的面簿（Facebook）和微博（Twitter）网页。我们在感到十分兴奋的同时，将致力于探讨和应用这些新的营销平台以便吸引更多元化的顾客群体。

企业的社会责任

美罗的成功使得我们有足够的条件和能力回馈社会，特别是致力于帮助贫困儿童的成长和发展。

自2001年起，我们在印尼与新加坡国际基金会和先锋初级学院联合发起了“美罗为儿童”（Metro for Children）的慈善活动，以协助亚洲一些需要帮助的团体筹集资金。

去年，我们通过“美罗为儿童”的活动在印尼的万隆协助当地的一所高中（the Sekolah Menengah Atas Negeri 11），简称“SMAN 11”修建了“Merlion Friendship Hall”多功能礼堂。这是美罗企业社会责任义工活动的成果项目。2010 年八月，七位美罗员工首次参与了在SMAN 11学校的五天社团外展活动。该社团曾经协助为印尼的学生们翻新了两座实验室，并为那里的学生开设英语短期课程。

除了帮助该学校修建一所多功能礼堂，所筹集的款项也用于协助SMAN 11学校向经济贫困的同学发放助学金，并同时用于支持新加坡国际基金会的技工志愿者和先锋初级学院的高中学生到印尼参加帮助贫困儿童的活动。

在2011年12月，集团也将企业的社会责任义工活动的足迹延伸到泰国的清迈，成功地筹到90,166新元作为当地儿童庇护所基金，并用此基金建造了一个图书馆。该儿童庇护所是专为孤儿、贫困儿童和残障儿童所设立的，许多儿童来自泰国北部偏远的山区。该庇护所为这些

主席致词

儿童提供一个良好的环境，使他们能够阅读泰国语和英语书籍，希望能借助书本，培养这些儿童对于阅读的热爱，提高他们的识字水平并培养他们养成终生学习的习惯。

除了在美罗商场内的宣传和筹款活动，我们也应用数码科技的平台争取更多元化顾客群的支持。我们在网上设立了名为“美罗为儿童”的网站，捐款人和有兴趣支持我们做慈善的团体或个人可以直接在网上通过划账捐款，或在网页上承诺他们的帮助，或在网页上留言以分享他们的梦想和愿望，还有热心人士写下许多激励贫困儿童的文章。网页的这些内容随后被编辑为该图书馆的第一本书。

所筹得的款项也让一组先锋初级学院的新加坡学生志愿者前往以上提到的儿童庇护所。学生志愿者在那里举办了一系列的社团外展活动，包括开设英文，电脑和阅读课程，制作视听学习辅助教材，并在图书馆的墙壁上创作出彩色壁画。

美罗始终坚定地承诺积极参与具有社会意义和社会价值的活动，并将继续寻求本区域合适的新机会，为协助和参与培养年轻一代做出我们的贡献。

未来展望

中国的经济前景总体上保持良好的势头。虽然比较2011年经济增长率9.2%下滑了1.7%，2012年的经济增长率预测为7.5%[1]。同时根据近期的房地产行业报告中所述，上海、广州和北京的办公楼及零售物业市场在2012年第一季度已经取得了正面的增长，然而房地产行业在中国逐步放缓的经济增长中，将会面临更多的困难和挑战。

在房地产方面，由于北京美罗城的出售，我们预计集团在投资物业中的租金收入将有所下降。但此次出售对集团总体营运收入影响不大，因为该项目在出售之前已呈现出少量的营运亏损。

具有丰富经验的美罗管理团队，始终保持着谨慎的经营态度和以资本回馈股东的能力，在业界长期享有良好的声誉。展望未来，我们将继续凭借集团长期以来的优秀业绩和在中国广泛的合作关系网，合理地调整集团的投资性房产组合，力求售出其中营运状态欠佳的房产并开发具有活力的新投资项目。以此战略目标为目的，集团将致力于拓展扩大经营组合的收入来源，以保持集团利润率和回报率的可持续性。

新加坡今年的经济成长将放缓，但到访新加坡的游客人数有望会持续增加，且随着消费者信心的改善，新加坡零售业者仍保持“谨慎的乐观态度”[2]。同时，印尼的零售业销售额预计将从2012 年的1.55万亿印尼卢比增长到2013 年的1.76万亿印尼卢比[3]。总之，若国际经济环境没有出现明显的恶化，在集团拥有零售业务的新加坡和印尼的零售业市场，消费者的消费水平在2012 年仍可保持稳定。鉴于本区域零售业的激烈竞争将会持续下去，而新零售业者也陆续进入零售业市场，我们将继续扩充商品的种类，并寻找更多合适的商务地点以便扩展集团的零售网络。

致谢

我谨在此代表美罗董事会，衷心地感谢我们的商业合作伙伴、关联公司、广大的顾客、租户及各位股东给予我们长期支持。

同时，我要向美罗董事会所有董事在过去的一年里所提出的宝贵见解和指导表示诚挚的感谢。我也要把美罗持续获得的丰硕成果归功于集团的管理层及全体员工，感谢你们年复一年对集团坚持不懈的付出和重要的贡献。

面对持续变化的全球经济环境，竞争日益激烈的零售业市场以及零售业经营平台的快速变化，我们深感到各位的努力奉献甚为重要。依靠你们一贯的大力支持，我们一定能够克服未来的挑战并且寻获到新的商业发展机会。

谢谢各位！

朱维良中将
集团主席

2012年6月19日

[1] 摘自中华人民共和国国家统计局，2012年4月13日
[2] 摘自2012年零售展望，《亚洲零售网络》，2012年1月
[3] 摘自2012年第二季度印尼零售报告，《国际商业观察》，2012年2月10日

board of directors

From left to right (1st row)
1. Lt-Gen (Retd) Winston Choo Wee Leong, *2.* Jopie Ong Hie Koan *3.* Phua Bah Lee,

From left to right (2nd row)
4. Gerald Ong Chong Keng, *5.* Fang Ai Lian and *6.* Tan Soo Khoon.

board of directors

LT-GEN (RETD) WINSTON CHOO WEE LEONG

Chairman, Non-Executive and Independent

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

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

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

非执行独立主席

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

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

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

JOPIE ONG HIE KOAN

Group Managing Director, Executive

Mr Jopie Ong is the Group Managing Director of Metro, a position he has held since 1973. Mr Ong is also a member of the Nominating and Investment Committees.

He was previously the Chairman of Transmarco Limited as well as a Director of Metrojaya Berhad, a company listed on the Kuala Lumpur Stock Exchange. Mr Ong joined Metro in 1964 and is responsible for growing the retail division, introducing into Singapore key luxury brands such as Cartier and Piaget, and guiding Metro to its listing in 1973. His experience at board level covers the retail, property development, construction, hotel and leisure industries.

王晞權

集团执行董事经理

王晞權先生自1973年便担任美罗集团执行董事经理。王先生也是提名委员会和投资委员会的成员之一。

他曾经担任过淡锡马可有限公司的主席，以及在吉隆坡证券交易所上市的美罗百货的董事。王先生于1964年加入美罗负责零售部门的发展，并成功地将世界知名品牌，例如卡地亚和伯爵引进新加坡。同时，他也带领美罗集团在1973年成功上市。他丰富的董事会经验涉及零售、房地产开发、建筑、酒店以及时尚休闲等行业。

PHUA BAH LEE

Director, Non-Executive and Independent

Mr Phua Bah Lee joined the Board of Metro in 1993. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He is also a Director of GP Industries Ltd, Pan United Corporation Ltd, Singapura Finance Ltd and Wing Tai Holdings Ltd.

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

非执行独立董事

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审计和提名委员会的成员。他也是金山工业有限公司、泛联集团（新）有限公司、富雅金融有限公司以及永泰控股有限公司的董事会成员。

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

Director, Non-Executive

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

He is currently the Chief Executive Officer of PrimePartners Corporate Finance Group and is a Director of Aseana Properties Ltd. Mr Ong has more than 23 years of corporate finance related experience. He has held senior positions at various financial institutions including NM Rothschilds & Sons (Singapore) Ltd, the DBS Bank Group, Tokyo-Mitsubishi International (Singapore) Pte Ltd and Hong Leong (Malaysia) Group. During his time with these institutions, Mr Ong's duties encompassed the provision of a wide variety of Corporate Finance services from advisory, M&A activities and fund raising exercises incorporating various structures such as equity, debt, equity-linked and derivative-enhanced issues.

Gerald has been the Chairman of the Singapore Investment Banks Association Corporate Finance Committee since 2007 and has been granted the Financial Industry Certified Professional status. He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

board of directors

王宗庆先生

非执行董事

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，投资委员会和薪酬委员会的成员之一。

他现在是建力企业财务策划有限公司的执行总裁，同时也是Aseana Properties Ltd的董事。 王先生在金融领域拥有超过23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、星展集团、三菱东京国际（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。

王先生自2007年起一直担任新加坡投资银行协会企业融资委员会的主席，并荣获金融行业公认专业资格。王先生是新加坡国立大学、英属哥伦比亚大学及哈佛大学的校友会成员。

FANG AI LIAN (MRS)

Director, Non-Executive and Independent

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.

Mrs Fang has been the Chairman of Great Eastern Holdings Limited since 15 April 2008. She also serves as a Director in several companies, including Oversea-Chinese Banking Corporation Limited, Banyan Tree Holdings Limited, Singapore Telecommunications Limited and MediaCorp Pte Ltd. She is the chairman of the Board of Trustees of the Singapore Business Federation and a member of the Singapore University of Technology and Design's Board of Trustees. Mrs Fang was previously with Ernst & Young ("E&Y") for the past 37 years where she last held the position of Chairman of E&Y Singapore until her retirement on 31 March 2008.

Mrs Fang is a staunch supporter of charities and social concerns. She helms charity organisations such as the Charity Council.

She is also a Justice of the Peace and was awarded the Public Service Star in 2009.

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 Certified Public Accountants in Singapore.

方爱莲夫人

非执行独立董事

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。

方女士自2008年4月15日起受委为大东方控股的主席。她同时也在多家公司担任董事一职，譬如华侨银行有限公司，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。她是新加坡工商联合总会理事会的主席，也是新加坡科技设计大学理事会的成员。方夫人之前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。

方女士一向非常支持慈善活动，也很关心社会课题。她一直为不少的慈善机构，如慈善理事会作出贡献。

身为太平绅士，方夫人在2009年被授予公共服务星章。

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成员。方夫人也是新加坡会计师协会的成员。

TAN SOO KHOON

Director, Non-Executive and Independent

Mr Tan Soo Khoon was appointed a Director of Metro in December 2011. Mr Tan, a businessman, is also a Director of Parkson Retail Asia Limited, St James Holdings Ltd and several private companies. Since 1978, he has been the Managing Director of watch distribution companies, Crystal Time (S) Pte Ltd and Crystal Time (M) Sdn Bhd.

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

陈树群先生

非执行独立董事

陈树群先生于2011 年12 月加入美罗董事会担任董事。陈先生是一位商人，现任百盛零售亚洲有限公司，St James Holdings Ltd和多家私人公司的董事。自1978年以来，他一直担任Crystal Time (S) Pte Ltd和Crystal Time (M) Sdn Bhd的董事总经理。

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。

key management

JOPIE ONG HIE KOAN

Group Managing Director

Mr Jopie Ong has been the Group Managing Director of Metro since 1973. In this position, he has full executive responsibility over the business directions and operational affairs of the Metro Group.

Mr Ong joined Metro in 1964 and was responsible for growing the retail division, introducing into Singapore key luxury brands such as Cartier and Piaget. Under his guidance, Metro obtained its listed status in 1973. He was also instrumental in the setting up and listing of Transmarco Limited, a group that dealt in luxury brands, watches and computers and of which he assumed chairmanship. He also acted as Director of the listed Metrojaya Berhad, which operated the Metro retail arm in Malaysia, prior to its divestment. Mr Ong's experience at board level covers the retail, property development, construction, hotel and leisure industries.

LAWRENCE CHIANG KOK SUNG

Group General Manager

Mr Lawrence Chiang is Group General Manager of the Metro Group. He holds a key role in the Group's investment strategy and business development and in this role, he has initiated and overseen the completion of the Group's property development projects and joint ventures in Singapore, Malaysia and China. Whilst assuming overall responsibility for the Group's operations, he continues to directly oversee the operations of the Group's property division.

Prior to his current position, Mr Chiang was the Group's Head, Corporate Affairs and Special Projects and Financial Controller, positions he held after joining Metro in 1989. He has more than 34 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel and trading operations. Mr Chiang was a member of the Institute of Chartered Accountants of New Zealand, the Institute of Certified Public Accountants of Singapore, ACCA and the Institute of Chartered Secretaries and Administrators.

WONG SIOE HONG

Managing Director, Metro (Private) Limited

As Managing Director of Metro (Pte) Ltd since 1994, Mrs Wong has overall responsibility for all the operations of the retail division of the Metro Group in Singapore and Indonesia. She also serves as the Vice President of the Singapore Retailers Association as well as the Vice Chairman of the Orchard Road Business Association.

Mrs Wong first joined Metro's retail organisation in 1971. Prior to her appointment as Managing Director, she was the Director of Merchandise for the previous 15 years. She has played an instrumental role in transforming the Metro retail arm into a major retail operator in Singapore and continues 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.

DAVID LEE CHIN YIN

Group Financial Controller and Joint Company Secretary

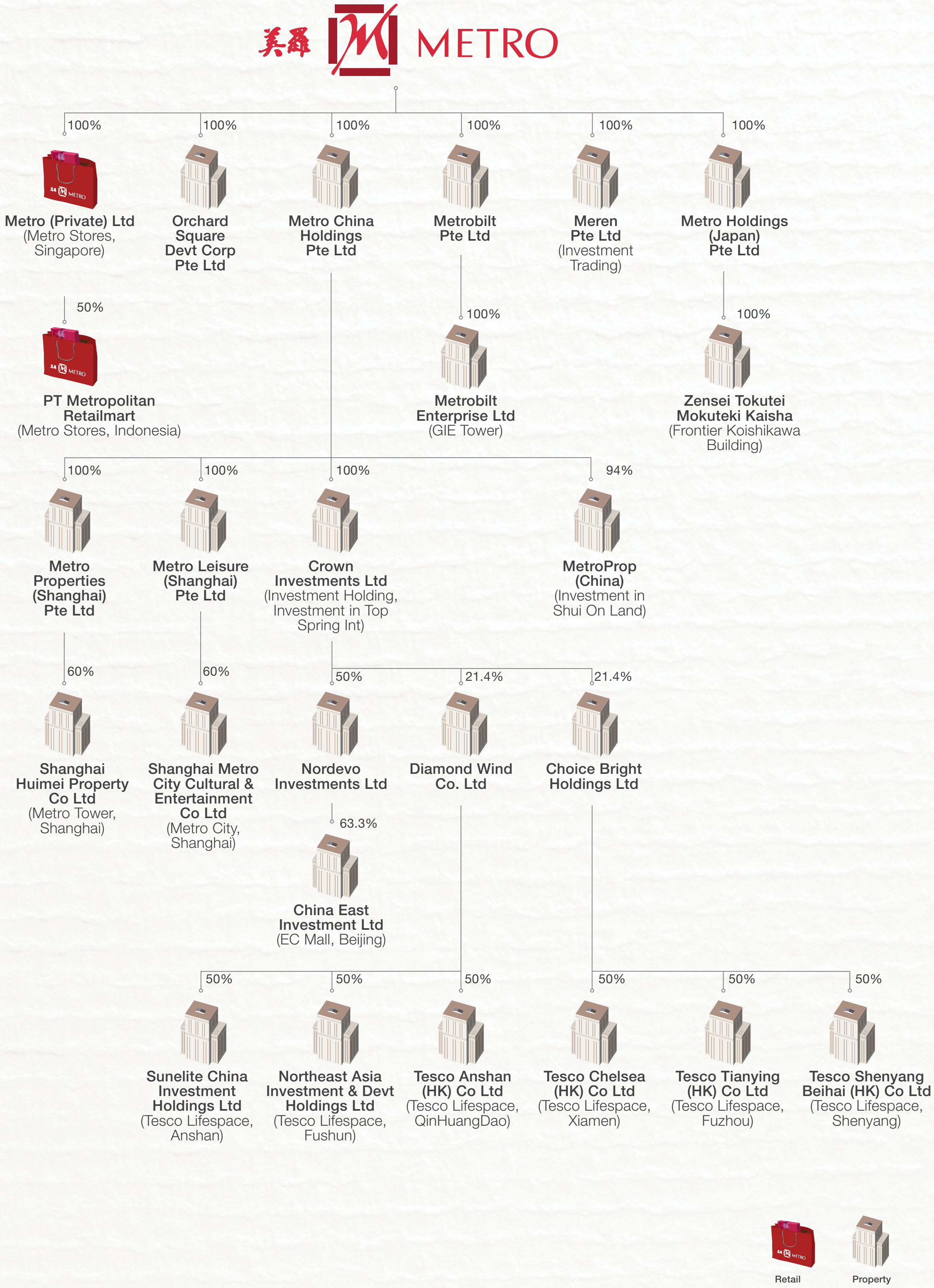
Mr David Lee has been Group Financial Controller of the Metro Group since 1995. He has overall responsibility for the Group's finance, accounting, treasury and tax functions. Mr Lee joined the Metro Group in 1991 as its Group Internal Audit Manager after 15 years in the public accounting profession. Mr Lee is a member of the Institute of Chartered Accountants in England & Wales and the Institute of Certified Public Accountants of Singapore.

GOH LENG SENG

Head, Property Development Technical Services

Mr Goh Leng Seng has been with the Metro Group of companies for the last 34 years. He oversees the technical aspects of the Metro Group's property development. He has vast experience in the building construction industry and project development and management. Mr Goh is a member of the Singapore Institute of Surveyors and Valuers and Singapore Institute of Building Limited.

corporate structure



portfolio review

properties




PROPERTY DEVELOPMENT AND INVESTMENT

Completed Properties

In the year under review, the Group divested one property under its portfolio in the People's Republic of China ("PRC"), and recorded a S$98.7 million gain on disposal for Metro City, Beijing.

As at 31 March 2012, average occupancy for the Group's five remaining investment properties remained high at 92.5%, compared to 88.0% as at 31 March 2011. In particular, its two properties in the PRC – Metro Tower, Shanghai and EC Mall, Beijing registered improved take up rates, with both properties nearing full occupancy.

The Group's maiden property in Japan, Frontier Koishikawa Building, Tokyo, acquired in early 1QFY2011, continued to enjoy a stable occupancy rate of 73.2%, with contribution to its topline.

Occupancy Rates:

	FY2012 (%)	FY2011 (%)
Metro City, Shanghai	96.2	98.3
Metro Tower, Shanghai	99.7	84.3
GIE Tower, Guangzhou	94.8	95.2
EC Mall, Beijing	98.6	89.1
Frontier Koishikawa Building, Tokyo	73.2	73.2

As at 31 March 2012, the Group's investment properties in China reflected an increase in valuation in both the Renminbi (RMB) and the Singapore dollar (SGD), despite a 1% decline in value of the RMB against the SGD in the year. The Group's property in Japan saw a small decrease in valuation on deflation in the country.

Property Valuation (100%) [(1)]:

	FY2012 (Rmb'm)	FY2011 (Rmb'm)	(%)	FY2012 (S$'m)	FY2011 (S$'m)	(%)
Metro City, Shanghai [(2)]	1,267	1,255	+1.0	253	241	+5.0
Metro Tower, Shanghai [(2)]	895	873	+2.5	179	168	+6.5
GIE Tower, Guangzhou [(2)]	475	473	+0.4	95	91	+4.4
EC Mall, Beijing [(3)]	1,680	1,645	+2.1	336	316	+6.3

	FY2012 (Jpy'm)	FY2011 (Jpy'm)	(%)	FY2012 (S$'m)	FY2011 (S$'m)	(%)
Frontier Koishikawa Building, Tokyo [(2)]	5,470	5,700	-4.0	84	87	-3.4

[(1)] Above figures represent 100% of the property valuations and are appraised by independent valuers DTZ Debenham Tie Leung Limited (Shanghai and Guangzhou), CB Richard Ellis Limited (Beijing) and Land Coordinating Research Inc (Tokyo)

[(2)] As at 31 March 2012

[(3)] As at 31 December 2011

Exchange rates:
FY2011: S$1: RMB5.208 : JPY0.01526
FY2012: S$1: RMB5.000 : JPY0.01536

While the Group believes that the Chinese property rental market continues to hold long-term growth potential, the real estate sector is expected to become more difficult going forward, amidst moderating economic growth in the PRC.

Expiry Profile by Gross Rental Income:

	1HFY2013 (%)	2HFY2013 (%)
Metro City, Shanghai	21.5	17.8
Metro Tower, Shanghai	8.7	23.2
GIE Tower, Guangzhou	5.1	42.2
EC Mall, Beijing	4.5	13.0
Frontier Koishikawa Building, Tokyo	23.8	34.2

portfolio review

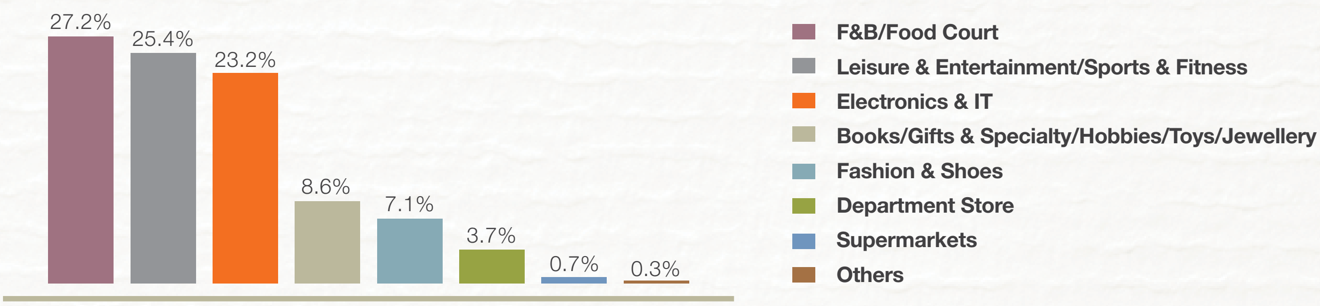
METRO CITY, shanghai

% owned by Group	60
Site area (sqm)	15,342
Lettable Area (sqm)	**39,749**
Tenure	36-year term from 1993
No. of Tenants	102
Occupancy Rate (%)	96.2
Valuation (100%)	S$253 million

Strategically located at Xujiahui, Shanghai, Metro City, Shanghai is a lifestyle entertainment centre with nine levels of retail 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.

Metro City, Shanghai underwent an asset enhancement exercise in FY2011, and has an occupancy rate of 96.2% as at 31 March 2012.

Tenant Mix by Lettable Area (As at 31 March 2012)



TOP 10 TENANTS (As at 31 March 2012)

Name of Tenant	Trade Sector	% of Total Lettable Area
Buynow Computer World	Electronics & IT	19.56
Physical Fitness & Beauty Centre	Leisure & Entertainment / Sports & Fitness	10.15
Kodak Cinema World	Leisure & Entertainment / Sports & Fitness	8.50
Popular Bookmall	Books / Gifts & Specialty / Hobbies / Toys / Jewellery	7.38
Food Republic	F&B / Food Court	6.31
HAOLEDI KTV	Leisure & Entertainment / Sports & Fitness	5.39
Pizza Hut	F&B / Food Court	1.85
Herborist	Fashion & Shoes	1.83
Starbucks	F&B / Food Court	1.81
DainTi Hill	F&B / Food Court	1.75

portfolio review

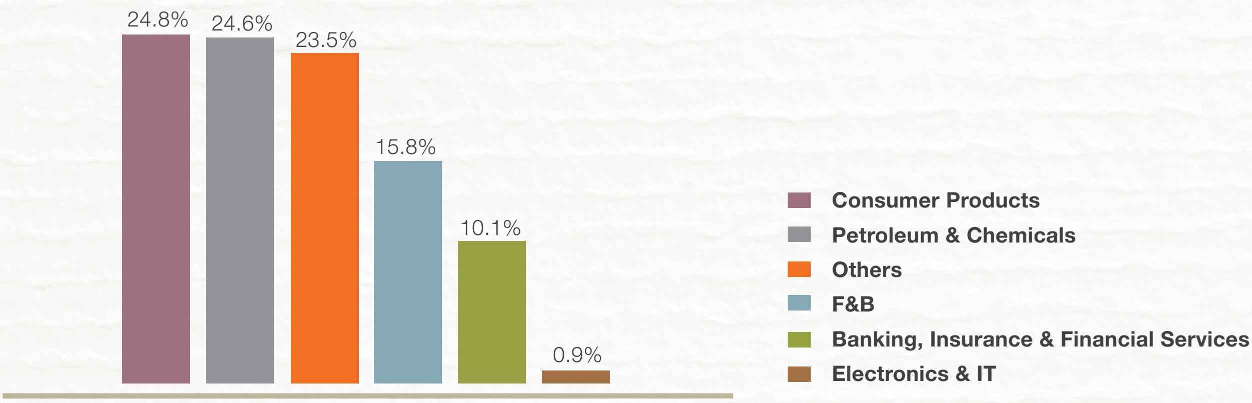
METRO TOWER, shanghai

% owned by Group	60
Site area (sqm)	5,247
Lettable Area (sqm)	**40,258**
Tenure	50-year term from 1993
No. of Tenants	23
Occupancy Rate (%)	99.7
Valuation (100%)	S$179 million

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

Supported by a strong multi-national tenant base, Metro Tower, Shanghai registered almost full occupancy at 99.7% as at 31 March 2012.

Tenant Mix by Lettable Area (As at 31 March 2012)



TOP 10 TENANTS (As at 31 March 2012)

Name of Tenant	Trade Sector	% of Total Lettable Area
Exxon Mobil	Petroleum & Chemicals	20.55
Swatch Group	Consumer Products	18.25
Energy Source	Others	10.57
KFC	F&B	8.45
Agricultural Bank of China	Banking, Insurance & Financial Services	6.01
Pizza Hut	F&B	5.95
Cummins	Others	5.35
Faith Cosmetics	Consumer Products	4.23
AIA	Banking, Insurance & Financial Services	4.12
Metro Express Newspaper	Others	3.99

portfolio review

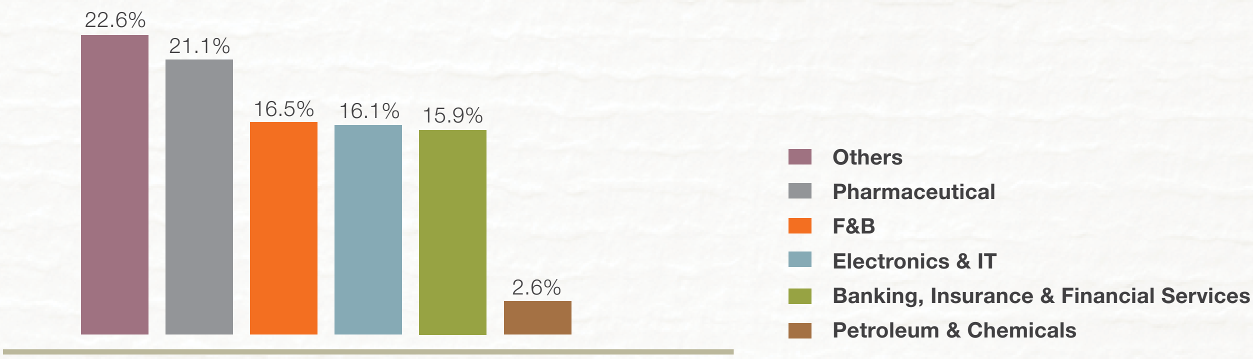
GIE TOWER, guangzhou


% owned by Group	100
Site area (sqm)	Strata titled
Lettable Area (sqm)	**28,390**
Tenure	50-year term from 1994
No. of Tenants	42
Occupancy Rate (%)	94.8
Valuation (100%)	S$95 million

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

The Group owns over 28,000 square metres of Grade A office space in the building, and as at 31 March 2012, GIE Tower enjoys an occupancy rate of 94.8%.

Tenant Mix by Lettable Area (As at 31 March 2012)



TOP 10 TENANTS (As at 31 March 2012)

Name of Tenant	Trade Sector	% of Total Lettable Area
Jin Yu Restaurant	F&B	12.68
Ericsson	Electronics & IT	11.89
Guang Dong Development Bank	Banking, Insurance & Financial Services	10.24
Roche	Pharmaceutical	6.80
Abbott Laboratories	Pharmaceutical	6.03
New Times Securities	Banking, Insurance & Financial Services	4.66
Novo Nordisk	Pharmaceutical	4.17
Toshiba	Electronics & IT	3.70
Evergreen	Others	3.53
APL Cruise Ship	Others	3.09

portfolio review

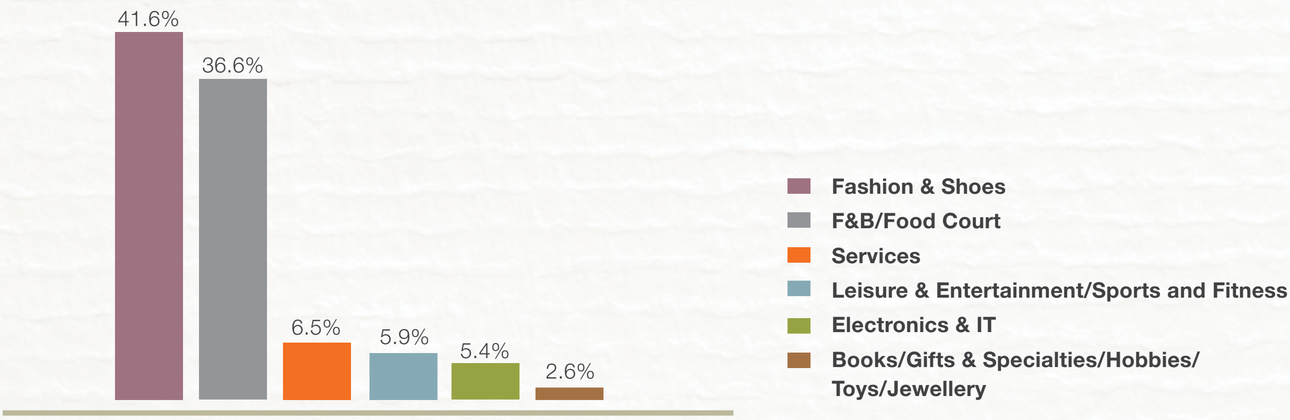
EC MALL, beijing

% owned by Group	31.65
Site area (sqm)	26,735
Lettable Area (sqm)	**28,972**
Tenure	50-year term from 2001
No. of Tenants	89
Occupancy Rate (%)	98.6
Valuation (100%)	S$336 million

Located at ZhongGuanCun, Haidian District, EC Mall is a 6-storey, 4-basement retail mall, offering 29,000 square metres of leaseable retail space. ZhongGuanCun, also known as Beijing's "Silicon Valley", is an IT-oriented zone with many universities, science academies and research institutions.

EC Mall, Beijing's occupancy rate has been rising steadily since its completion in 2QFY2010 and registered almost full occupancy at 98.6% as at 31 March 2012.

Tenant Mix by Lettable Area (As at 31 March 2012)



TOP 10 TENANTS (As at 31 March 2012)

Name of Tenant	Trade Sector	% of Total Lettable Area
Golden Jaguar	F&B / Food Court	17.95
C&A	Fashion & Shoes	5.35
Only / Vero / Moda / Jack&Jones / Selected	Fashion & Shoes	4.43
H&M	Fashion & Shoes	4.37
Suning Elite	Electronics & IT	4.31
Shi Mei Hui Food Court	F&B / Food Court	4.24
Mc Jeans Town	Fashion & Shoes	3.35
Hola	Leisure & Entertainment / Sports & Fitness	2.90
UNIQLO	Fashion & Shoes	2.55
Wu Di Ren Jia	F&B / Food Court	1.89

portfolio review

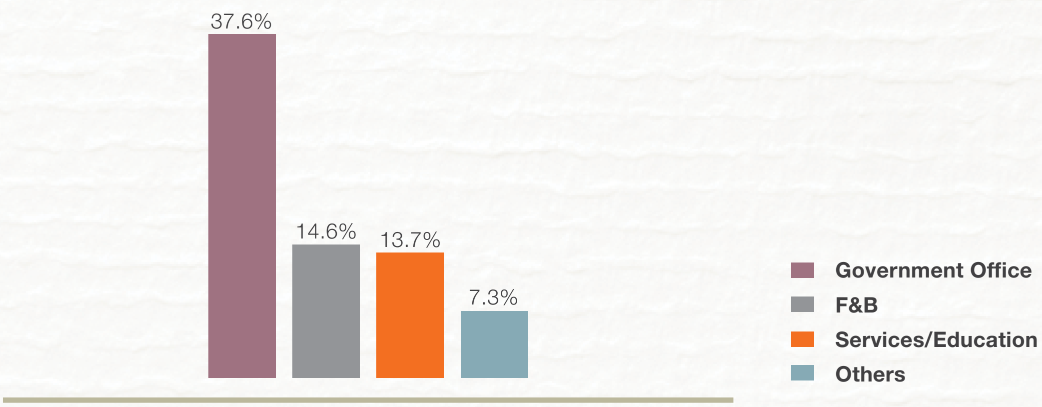
FRONTIER KOISHIKAWA BUILDING, tokyo

% owned by Group	100
Site area (sqm)	1,319
Lettable Area (sqm)	**5,124**
Tenure	Freehold
No. of Tenants	5
Occupancy Rate (%)	73.2
Valuation (100%)	S$84 million

Frontier Koishikawa, is a 9-storey office building located along the main street Hakusan Dori Street, in the Bunkyo District of Tokyo.

Acquired in April 2010, the building is the Group's only property in Japan. As at 31 March 2012, Frontier Koishikawa's occupancy rate remained unchanged at 73.2%.

Tenant Mix by Lettable Area (As at 31 March 2012)



TOP 10 TENANTS (As at 31 March 2012)

Name of Tenant	Trade Sector	% of Total Lettable Area
Shisyutsuhutan-koi Tanto-kan Somu-sho Daijin-kanbo Kaikei-ka Kikaku-kan	Government Office	26.81
Lion	F&B	14.58
Wiley.japan	Services	13.66
Administrative Evaluation Bureau of Kanto Region	Government Office	10.77
Japan Science and Technology Agency	Others	7.35

portfolio review

TESCO LIFESPACE, qinhuangdao

% owned by Group	10.7
Site area (sqm)	17,537
Lettable Area (sqm)	**30,285**
Tenure	40-year term from 2005
Occupancy Rate (%)	93.2

Located on the south side of Hebei Avenue and the junction of Hebei Avenue and Wenhua Road, Haigang District, Qinhuangdao, Hebei Province, the PRC, Tesco Lifespace, QinHuangDao, is a 4-storey, 2-basement retail mall which offers 30,285 square metres of leasable retail space. Opened on 15 January 2010, the mall registered an occupancy rate of 93.2% as at 31 March 2012.

TESCO LIFESPACE, fushun

% owned by Group	10.7
Site area (sqm)	18,800
Lettable Area (sqm)	**32,139**
Tenure	40-year term from 2007
Occupancy Rate (%)	86.8

Located at No. 1 Xinhua Street, Shuncheng District, Fushun City, Liaoning Province, the PRC, Tesco Lifespace, Fushun, is a mixed development with a 5-storey, 2-basement retail mall which offers 32,139 square metres of leasable retail space, 200 residential units and 493 SOHO units. Opened on 29 January 2010, the development has an occupancy rate of 86.8% as at 31 March 2012.

portfolio review

TESCO LIFESPACE, anshan

% owned by Group	10.7
Site area (sqm)	67,565
Lettable Area (sqm)	**46,457**
Tenure	40-year term from 2009
Occupancy Rate (%)	69.2

Located west of Jianguonan Road, Tiedong District, Anshan City, Liaoning Province, the PRC, the development comprises a 5-storey, 1-basement retail mall with 46,457 square metres of leasable retail space, 1,656 residential units, 1,459 service apartment units and 16 commercial units. Officially opened on 29 October 2010, the occupancy rate as at 31 March 2012 was 69.2%.

TESCO LIFESPACE, fuzhou

% owned by Group	10.7
Site area (sqm)	21,404
Lettable Area (sqm)	**26,229**
Tenure	40-year term from 2006
Occupancy Rate (%)	85.0

Located at Pushang road, Cangshang District of Fuzhou, Fujian Province, the PRC, Tesco Lifespace, Fuzhou, opened on 6 May 2011. The development comprises a 4-storey, 2-basement retail mall offering 26,229 square metres of leasable retail space and an occupancy rate of 85.0% as at 31 March 2012.

portfolio review

TESCO LIFESPACE, xiamen

% owned by Group	10.7
Site area (sqm)	18,984
Lettable Area (sqm)	**30,378**
Tenure	40-year term from 2005
Occupancy rate (%)	65.5

Located at Qixing Road, Xiamen, Fujian Province, the PRC, the development recently opened on 9 May 2012. Comprising a 3-storey, 2-basement retail mall with approximately 30,378 square metres of leasable retail space, it recorded an occupancy rate of 65.5% as at 31 March 2012.

Properties Under Development

TESCO LIFESPACE, shenyang

% owned by Group	10.7
Site area (sqm)	14,107
Lettable Area (sqm)	**36,600** [1]
Tenure	40-year term from 2007

[1] Estimated at 31 March 2012

Nearing completion, the development is situated at the junction of Dongbei Avenue and Beihai Street, Shenyang City, Liaoning Province, the PRC, and comprises a 5-storey, 3-basement retail mall which offers an estimated 36,600 square metres of leasable retail space. The development is expected to open in 2013.

portfolio review

retail

RETAIL OPERATIONS

Retail has always been the root of Metro's business since the inception of its flagship store in 1957 by the late Mr Ong Tjoe Kim (王梓琴). Today, the Metro brand is recognised as one of Singapore's most successful department store chains.

As an established retail brand and a progressive retailer, Metro takes pride in bringing customers a variety of quality merchandise through close collaboration with international and local business partners.

In an effort to keep up with changing consumer trends, Metro revamped its website in November 2010 to adopt a more user-friendly and refreshing interface. To further increase interaction with customers, Metro launched a Facebook pop-up store in April 2011, where fans can do their online shopping while checking on their friends' Facebook pages. To date, Metro's Facebook fans have more than doubled since the initiation of its Facebook page in April 2009. A Metro Twitter account was also set up to provide instant updates on the stores and their promotions.

Singapore

Metro Stores

The Group currently has four stores under its flagship brand Metro. This translates to over 240,000 sq ft of retail space:

- Metro Paragon
- Metro Woodlands
- Metro Sengkang
- Metro City Square

Monsoon/Accessorize

Specialty Shops

UK brands *Monsoon / Accessorize* were brought in by Metro to better cater to the needs of discerning consumers in Singapore. *Monsoon* focuses on casual women's wear with ethnic origin, while *Accessorize* holds a unique position on the high street with its inspirational, globally sourced, well-priced and good quality collection of fashion accessories.

To date, the Group operates seven *Monsoon / Accessorize* specialty shops in Raffles City, Bugis Junction, Paragon, Ion Orchard, Takashimaya Shopping Centre, and Changi Airport Terminals 2 & 3.

portfolio review

Indonesia

Metro Stores

Metro started its operations in the Indonesian market in 1991 at Pondok Indah Mall. Despite competitive and challenging trading conditions in Indonesia, the Group has continued to prudently expand its presence in the growing market. In FY2011, Metro opened two new stores in the country – Metro Gandaria City and Metro Trans Studio Makassar. The success was followed by the opening of Metro Ciputra World Surabaya in 3QFY2012, bringing the total number of Metro stores in Indonesia to eight and a total retail space of almost 1,083,000 sq ft:

- Metro Pondok Indah
- Metro Plaza Senayan
- Metro Bandung Supermal
- Metro Taman Anggrek
- Metro Pacific Place
- Metro Trans Studio Makassar
- Metro Gandaria City
- Metro Ciputra World Surabaya

Outlook

Notwithstanding keen competition in the retail sector, as well as new players entering the market in the region, the Group expects its Retail Operations to continue to generate steady returns on tourist spend in Singapore and booming middle class consumerism in Indonesia.

portfolio review

PARTNERSHIPS

TOP SPRING INTERNATIONAL HOLDINGS LIMITED (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 medium to high-end residential properties in the Yangtze River Delta, Pearl River Delta, Beijing-Tianjin and Chengdu-Chongqing regions in the PRC.

Listed on the Stock Exchange of Hong Kong Limited in March 2011, Top Spring's revenue stood at HKD 5.86 billion for the year ended 31 December 2011. Metro has invested S$50.3 million in Top Spring through its subsidiary Crown Investments Ltd. This strategic investment will allow for future collaborations with Top Spring, to deepen Metro's foothold in the China property market.

INFRARED NF CHINA REAL ESTATE FUND (2007)

Headquartered in London with offices in Hong Kong, New York and Paris, InfraRed Capital Partners ("InfraRed"), previously operating as HSBC Specialist Investments Limited, is a manager of specialist infrastructure and real estate funds. In April 2011, the company spun-out from HSBC with its management team acquiring a majority interest in the firm.

Metro's partnership with InfraRed NF China Real Estate Fund, L.P. ("the Fund") (then known as HSBC NF China Real Estate Fund, L.P.), a fund managed by InfraRed in joint venture with Hong Kong's Nan Fung Group, started in 2007 with investments in EC Mall in Beijing and in two of the Fund's recently divested properties – No. 1 Financial Street and Metropolis Tower – in Beijing. In 2009, Metro entered into a joint venture with the Fund and Tesco plc in three Tesco Lifespace malls in Qinhuangdao, Fushun, and Anshan. The collaboration was further strengthened in February 2011, when Metro participated in another joint venture with the Fund and Tesco plc in three new Tesco Lifespace malls in Fuzhou, Xiamen and Shenyang, adding an interest in over 93,000 sqm of retail space to Metro's property portfolio.

TESCO PLC (2009)

Tesco plc ("Tesco") is one of the world's leading retailers with over 6,200 stores worldwide and total group sales of £72.0 billion for the period ended 25 February 2012. Through its subsidiaries, Metro entered into a joint venture with Tesco and other partners in November 2009 in mall projects such as Tesco Lifespace, Qinhuangdao; Tesco Lifespace, Fushun; and Tesco Lifespace, Anshan. In February 2011, Metro furthered the partnership with Tesco in another joint venture in three malls, Tesco Lifespace, Fuzhou; Tesco Lifespace, Xiamen; and Tesco Lifespace, Shenyang. With these three latest malls, over 93,000 sqm of retail space were added to the Tesco partnership.

TRANS CORP (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 Trans TV, Trans 7, Detik.com, Coffee Bean, Baskin Robbins, Trans Studio, as well as 25 international high-end fashion franchises with 75 branded boutiques. In 2010, Trans Corp acquired a 40% stake in PT Carrefour Indonesia ("Carrefour"), for which it is now the single largest shareholder of Carrefour, the second largest retail brand in the world.

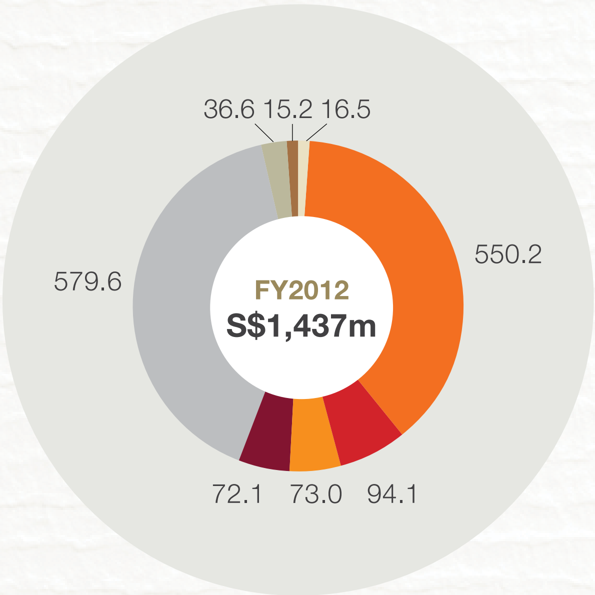
Metro first collaborated with Trans Corp in 2001 when it opened its third store in Bandung Supermal. By 2008, Trans Corp had acquired a 40% stake in Metro and in recognising the country's growing demand for Metro stores, Trans Corp increased its shareholding to 50% in 2010.

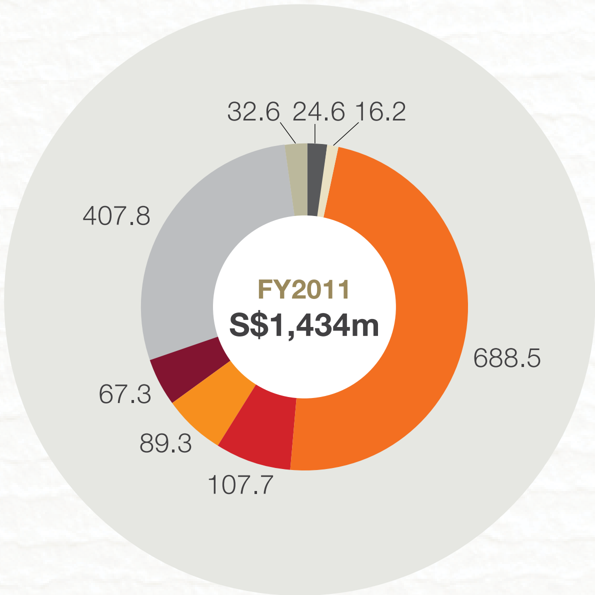
Today, Metro Indonesia is one of the leading retailers in the nation, housing a wide range of well-known international labels and local brands. Metro Indonesia currently has 8 stores spread across Jakarta, Bandung, Surabaya and Makassar.

financial highlights

TOTAL ASSETS OWNED

(S$'million)



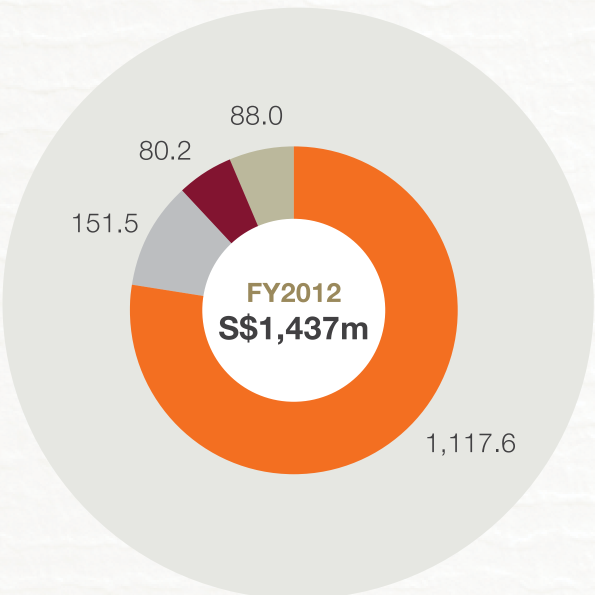


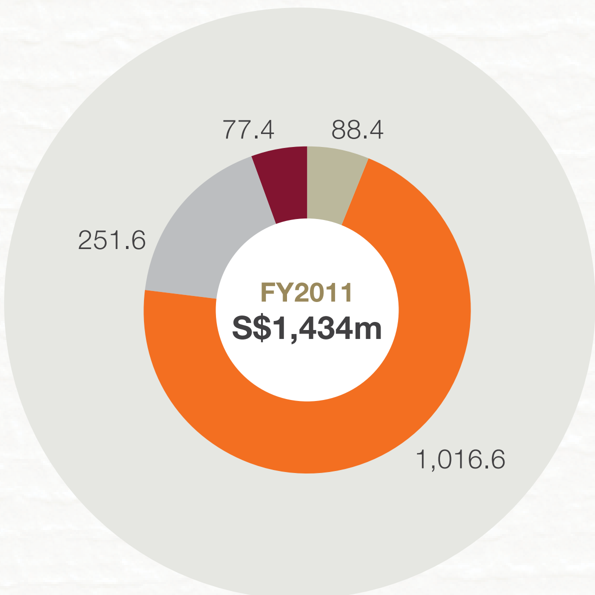
- Property, Plant and Equipment
- Investments Properties
- Investments in associates
- Quoted and unquoted investments - long-term
- Quoted and unquoted investments - short-term
- Cash and cash equivalents (including pledged deposits)
- Others
- Collateral assets
- Loan notes*

* *Re-classified to Loan Notes in FY2012 from Collateral assets in FY2011.*

TOTAL LIABILITIES AND CAPITAL

(S$'million)

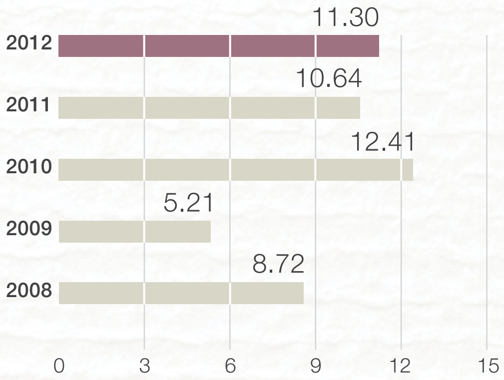




- Shareholders' funds
- Bank borrowings
- Trade and other payables
- Tax and deferred tax liabilities

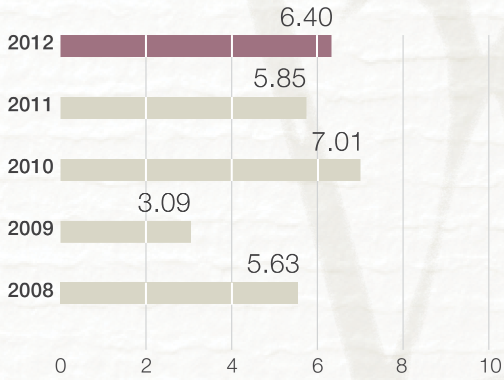
financial highlights

EARNINGS PER SHARE
(cents)

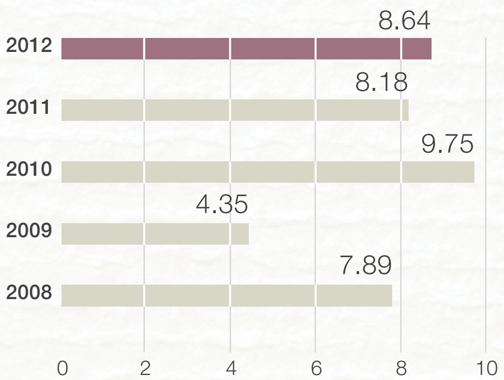


Note: Comparatives for EPS adjusted for the effects of the bonus shares issue of 1 share for every 5 shares held.

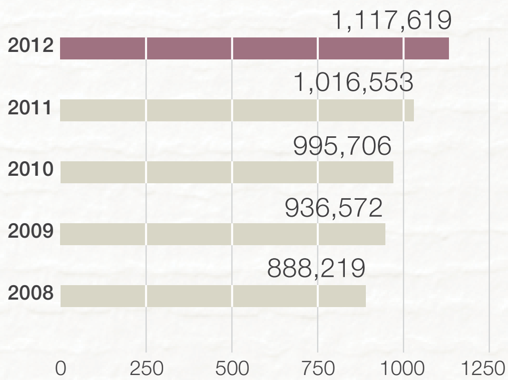
RETURN ON TOTAL ASSETS
(%)



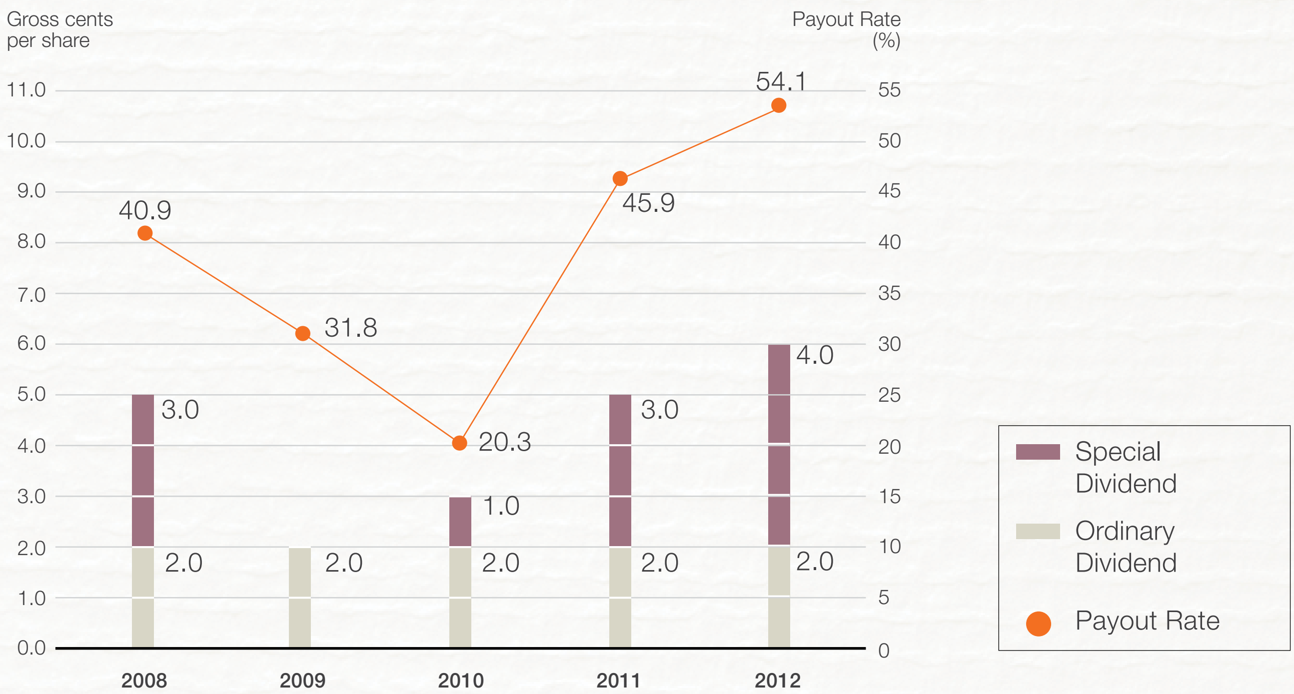
RETURN ON SHAREHOLDERS' FUNDS
(%)



TOTAL NET ASSETS
(S$'000)



DIVIDEND PAYOUT



financial summary

	2012	2011	2010	2009	2008
Financial Results ($'000)					
Turnover	186,995	175,245	150,981	138,508	147,474
Net profit from operating activities before tax	115,270	105,516	114,951	38,947	86,482
Taxation	(23,355)	(23,359)	(20,962)	676	(20,199)
Profit after tax	91,915	82,157	93,989	39,623	66,283
Non-controlling Interests	(23)	(261)	(128)	(212)	(315)
Net profit attributable to shareholders	91,892	81,896	93,861	39,411	65,968
Net final dividend proposed/paid	16,561	16,439	12,687	12,600	6,308
Net special interim dividend paid	–	12,898	–	–	5,172
Net final special dividend proposed/paid	33,121	8,220	6,343	–	15,517
Balance Sheets ($'000)					
Property, plant and equipment	16,490	16,223	13,720	11,965	11,874
Investment Properties	550,194	688,452	630,773	514,480	498,568
Other non-current assets	168,282	197,202	420,686	515,731	417,409
Current assets	702,318	532,113	298,502	271,266	306,073
Total Assets	1,437,284	1,433,990	1,363,681	1,313,442	1,233,924
Current Liabilities	(150,260)	(140,449)	(153,135)	(196,254)	(199,233)
Long-term and deferred liabilities	(169,405)	(276,988)	(214,840)	(180,616)	(146,472)
Net assets	1,117,619	1,016,553	995,706	936,572	888,219
Financed by:					
Share capital	169,717	142,432	130,379	126,155	126,155
Treasury shares	(1,768)	(1,397)	(1,397)	(266)	–
Reserves	946,332	871,455	861,959	808,103	753,421
Shareholders' funds	1,114,281	1,012,490	990,941	933,992	879,576
Non-controlling Interest	3,338	4,063	4,765	2,580	8,643
	1,117,619	1,016,553	995,706	936,572	888,219

financial summary

	2012	2011	2010	2009	2008
Financial Ratios					
Earnings per share after tax and non-controlling interests (cents)#Ø	11.30	10.64	12.41	5.21	8.72
Return on shareholders funds (%)*#	8.64	8.18	9.75	4.35	7.89
Return on Total Assets (%)*#	6.40	5.85	7.01	3.09	5.63
Dividend proposed					
Special final & interim net dividend per share (cents)	4.0	3.0	1.0	–	2.46
Final/Interim net dividend per share (cents)	2.0	2.0	2.0	2.0	1.82
Dividend cover (times)#	1.85	2.18	4.93	3.13	2.44
Net Assets per share ($)#Ø	1.35	1.30	1.30	1.23	1.16
Debt equity ratio (net of cash) (times)	Net cash	Net cash	0.04	0.01	0.02
Total Liabilities to shareholders funds (times)	0.29	0.41	0.37	0.40	0.39
Interest cover (times)#	10.40	10.28	13.27	4.79	8.70

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.*

Ø *Comparatives adjusted for the effects of the bonus shares issue of 1 share for every 5 shares held.*

corporate data

BOARD OF DIRECTORS

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman, Non-Executive and Independent

Jopie Ong Hie Koan
Group Managing Director, Executive

Phua Bah Lee
Director, Non-Executive and Independent

Gerald Ong Chong Keng
Director, Non-Executive

Fang Ai Lian
Director, Non-Executive and Independent

Tan Soo Khoon
Director, Non-Executive and Independent

AUDIT COMMITTEE

Fang Ai Lian
Chairman

Phua Bah Lee

Gerald Ong Chong Keng

NOMINATING COMMITTEE

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan

Phua Bah Lee

Gerald Ong Chong Keng

Fang Ai Lian

REMUNERATION COMMITTEE

Phua Bah Lee
Chairman

Lt-Gen (Retd) Winston Choo Wee Leong

Gerald Ong Chong Keng

INVESTMENT COMMITTEE

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan

Gerald Ong Chong Keng

SECRETARIES

Tan Ching Chek

Lee Chin Yin

AUDITORS

Ernst & Young LLP
Michael Sim Juat Quee
Engagement Partner
(Since financial year ended 31 March 2008)

PRINCIPAL BANKERS

DBS Bank Ltd
United Overseas Bank Ltd
The Hongkong and Shanghai Banking Corporation Ltd

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, i.MAGE
Dolores Phua / Holly Huang-James
1 Raffles Place
One Raffles Place #26-02
Singapore 048616
Tel : (65) 6534 5122
Fax : (65) 6534 4171
dolores.phua@citigatedrimage.com
holly.huang-james@citigatedrimage.com

corporate governance report

Metro Holdings Limited ("Metro" or "the Company") is committed to high standards of corporate governance. This Report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2005 ("Code"), pursuant to Rule 710 of the Listings Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

BOARD MATTERS

PRINCIPLE 1 : BOARD'S CONDUCT OF ITS AFFAIRS

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

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

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

Newly-appointed directors will be given briefings by the Management on the business activities of the Group and its strategic directions as well as its corporate governance practices.

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.

PRINCIPLE 2 : BOARD COMPOSITION AND GUIDANCE

The Board comprises six directors as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
Lt-Gen (Retd) Winston Choo Wee Leong	Chairman	–	Chairman	Member	Chairman
Jopie Ong Hie Koan	Member	–	Member	–	Member
Phua Bah Lee	Member	Member	Member	Chairman	–
Gerald Ong Chong Keng	Member	Member	Member	Member	Member
Mrs Fang Ai Lian	Member	Chairman	Member	–	–
Tan Soo Khoon	Member	–	–	–	–

Lt-Gen (Retd) Winston Choo Wee Leong is the non-executive and independent Chairman. The Group Managing Director, Mr Jopie Ong Hie Koan is the executive director. Mr Gerald Ong Chong Keng is the non-executive director. Mr Phua Bah Lee, Mrs Fang Ai Lian and Mr Tan Soo Khoon are the non-executive and independent directors.

The Company's Articles of Association permit Directors to attend meetings through the use of audio-visual communication equipment.

corporate governance report

The attendance of Directors at Board and Board Committees' meetings in FY2012 are set out below:

	MHL Board		Audit Committee		Nominating Committee		Remuneration Committee		Investment Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Lt-Gen (Retd) Winston Choo Wee Leong*	4	4	–	–	1	1	1	1	11	11
Jopie Ong Hie Koan*	4	4	–	–	1	1	–	–	11	11
Phua Bah Lee	4	4	4	4	1	1	1	1	–	–
Gerald Ong Chong Keng*	4	4	4	4	1	1	1	1	11	11
Mrs Fang Ai Lian	4	4	4	4	1	1	–	–	–	–
Tan Soo Khoon#	1	1	–	–	–	–	–	–	–	–

** Appointed as a member of Investment Committee on 28 July 2011.*
 # Appointed as a member of the Board on 9 December 2011.

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

The Nominating Committee considers the Board's present size and composition appropriate taking into account the nature and scope of the Group's operations, the depth and breadth of knowledge, expertise and business experiences of the directors to govern and manage the Group's affairs and that a majority of the Board size is independent. The Nominating Committee reviews the size of the Board from time to time.

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

PRINCIPLE 3 : CHAIRMAN AND GROUP MANAGING DIRECTOR

The roles of Chairman and Group Managing Director are separate. The Chairman provides overall vision and strategic guidance and bears responsibility for the workings of the Board.

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

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

PRINCIPLE 4 : BOARD MEMBERSHIP

PRINCIPLE 5 : BOARD PERFORMANCE

The Nominating Committee comprises five 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 Jopie Ong Hie Koan, Mr Phua Bah Lee, Mr Gerald Ong Chong Keng and Mrs Fang Ai Lian.

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

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

corporate governance report

The Nominating Committee has recommended the re-election of Mrs Fang Ai Lian, who is retiring by rotation pursuant to Article 94 of the Company's Articles of Association at the forthcoming AGM.

The Nominating Committee has also recommended the re-appointment of Lt-Gen (Retd) Winston Choo Wee Leong, Mr Jopie Ong Hie Koan and Mr Phua Bah Lee who are retiring under Section 153(6) of the Companies Act, Chapter 50 at the forthcoming AGM.

In addition, the Nominating Committee has also recommended the re-election of Mr Tan Soo Khoon, who is retiring pursuant to Article 99 of the Company's Articles of Association at the forthcoming AGM.

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

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

Name of director	Appointment	Date of initial appointment	Date of last re-election/ Re-appointment
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive/ Independent Director	18 June 2007	28 July 2011
Jopie Ong Hie Koan	Executive Director	21 September 1973	28 July 2011
Phua Bah Lee	Non-Executive/ Independent Director	5 October 1993	28 July 2011
Gerald Ong Chong Keng	Non-Executive Director	18 June 2007	28 July 2011
Mrs Fang Ai Lian	Non-Executive/ Independent Director	16 July 2008	22 July 2010
Tan Soo Khoon	Non-Executive/ Independent Director	9 December 2011	–

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole annually. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information and Board accountability. The findings of such evaluations were analysed and discussed with a view to identifying areas for improvement and implementing certain recommendations to further enhance the effectiveness of the Board.

The financial indicators set out in the Code as guides for the evaluation of directors are, in the Company's opinion, not the only measurements in assessing directors. In any case, such financial indicators provide a snapshot of a Company's performance, and do not fully measure the sustainable long-term wealth and value creation of the Company.

The Nominating Committee is also of the view that whilst it is important for directors to devote sufficient time and attention to the affairs of the Group, the issue relating to multiple board representations should be left to the judgment and discretion of each director.

The Nominating Committee believes that contributions from each director can be reflected in other ways other than the reporting of attendances of each director at Board and Committee Meetings as well as the frequency of such meetings. A director would have been appointed on the strength of his experience and stature, and his potential to contribute to the proper guidance of the Group and its business. To focus on a director's attendance at formal meetings alone may lead to a narrow view of a director's contribution. It may also not do justice to his contributions, which can be in many forms, including management's access to him for guidance or exchange of views outside the formal environment of the Board.

corporate governance report

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

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

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

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

PRINCIPLE 6 : ACCESS TO INFORMATION

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

REMUNERATION MATTERS

PRINCIPLE 7 : PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 8 : LEVEL AND MIX OF REMUNERATION

PRINCIPLE 9 : DISCLOSURE ON REMUNERATION

The Remuneration Committee is chaired by Mr Phua Bah Lee with Lt-Gen (Retd) Winston Choo Wee Leong, who are non-executive and independent directors, and Mr Gerald Ong Chong Keng, who is a non-executive director, as members.

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

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

The Remuneration Committee has access to expert professional advice on remuneration matters whenever there is a need to obtain such advice.

corporate governance report

Breakdown of directors' remuneration for current financial year:

Name of Director	Total Remuneration $'000	Base Salary etc/Directors Fees	Performance-Related/ Bonus	Long Term Incentive
Lt-Gen (Retd) Winston Choo Wee Leong	147	100%	–	–
Jopie Ong Hie Koan	8,874	13%	87%	–
Phua Bah Lee	64	100%	–	–
Gerald Ong Chong Keng	100	100%	–	–
Mrs Fang Ai Lian	65	100%	–	–
Tan Soo Khoon	8	100%	–	–

Remuneration of top five executives (who are not also directors) for current financial year:

Remuneration Band & Name of Key Executive	Base Salary etc	Performance-Related/ Bonuses	Long Term Incentive
$1,750,000 to $1,999,999			
Lawrence Chiang Kok Sung	37%	59%	4%
$1,250,000 to $1,499,999			
Lee Chin Yin	43%	40%	17%
$500,000 to $749,999			
Wong Sioe Hong	74%	21%	5%
Goh Leng Seng	51%	49%	–
$250,000 to $499,999			
Yeo Yam How	63%	37%	–

Number of employees who are immediate family members of the Group Managing Director in remuneration bands:

Remuneration Band & Name of Immediate Family Member	Base Salary etc	Performance-Related/ Bonuses	Long Term Incentive
$650,000 to $699,999			
Wong Sioe Hong	74%	21%	5%
$250,000 to $299,999			
Ong Jen Yaw	75%	22%	3%
$100,000 to $149,999			
Ong Jenn	77%	23%	–

(a) The Company does not have a share option scheme.

(b) Mr Ong Jen Yaw has resigned and will formally relinquish his position on 30 June 2012.

corporate governance report

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10 : ACCOUNTABILITY

PRINCIPLE 11 : AUDIT COMMITTEE

PRINCIPLE 12 : INTERNAL CONTROLS

PRINCIPLE 13 : INTERNAL AUDIT

The Company has taken steps to comply with the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") on the disclosure requirements of material information. The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group and strives to maintain a high standard of transparency.

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

The Audit Committee comprises two non-executive independent directors and a non-executive director. It is chaired by Mrs Fang Ai Lian and the members are Mr Phua Bah Lee and Mr Gerald Ong Chong Keng. The Audit Committee has full authority to investigate matters relating to the Group and any matters within its terms of reference.

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

The Audit Committee has met with the External Auditors and Internal Auditors separately without the presence of management for the year in review.

The Audit Committee having reviewed the nature and extent of non-audit services provided by Ernst & Young LLP ("EY") and Ernst & Young member firms, including the fees paid for their audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 March 2012, is of the view that the independence of external auditors of the Company has not been compromised.

The Audit Committee has also reviewed and confirmed that EY is a suitable audit firm to meet the Company's audit obligations, having regards to the adequacy of resources and experience of the firm and the assigned audit engagement partner, EY's other audit engagements, size and complexity of the Metro Group, number and experience of supervisory and professional staff assigned to the audit. Accordingly, the Audit Committee recommended to the Board the re-appointment of EY as External Auditors of the Group for the year ending 31 March 2013.

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 accounts of the Company and all its Singapore-incorporated subsidiaries and the only Singapore-incorporated associated company. The accounts of the significant foreign-incorporated subsidiaries and associated companies are audited by EY member firms in the respective countries. The Group has certain foreign-incorporated associated companies, which are not significant to the Group and the accounts of these associated companies are audited by the other big 4 audit firms.

corporate governance report

In addition, the Group has also put in place appropriate risk management policies and processes to evaluate the operating, investment and financial risks of the Group. 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 36 to the financial statements.

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

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 auditors, the Board, with the concurrence of the Audit Committee, is satisfied that the system of internal controls, including financial, operational and compliance controls, is adequate to meet the needs of the Group's existing business objectives, having addressed the critical risks area. 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 mis-statements, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

The Audit Committee has also approved the implementation of "Whistle-Blowing" arrangements by which staff 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.

COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 14 : COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 15 : GREATER SHAREHOLDER PARTICIPATION

The Company does not practice selective disclosure. Shareholders are kept informed of the developments in the Group's businesses and operations through announcements via SGXNET as well as through the annual report. Announcements are made as soon as possible to ensure timely dissemination of the information to shareholders and the public.

The participation of shareholders is encouraged at the Company's general meetings. The Board and Management are on hand at these meetings to address any questions that shareholders may have concerning the Company. The External Auditors are also present to assist the Board in answering the relevant shareholders' queries.

To facilitate voting by shareholders, the Company's Articles allow shareholders to vote by proxies. Proxy forms can be sent to the Company by mail. At the Annual General meetings, each distinct issue is voted via separate resolutions.

DEALINGS IN SECURITIES

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

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

DIRECTORS' INTERESTS IN CONTRACTS ENTERED WITH THE GROUP

During the year, there were the following transactions with certain directors and/or with firms/companies in which they are members and/or have a substantial financial interest:

	The Group		The Company	
	2012 $'000	**2011 $'000**	**2012 $'000**	**2011 $'000**
Jopie Ong Hie Koan Rental and property management income received from Eng Kuan Company Pte Ltd	177	184	–	–
Gerald Ong Chong Keng Corporate advisory fees paid or payable to OEC Holdings Pte Ltd	202	330	202	330

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the SGX-ST were as follows:

Directors and their associates

Transactions with Jopie Ong Hie Koan and Gerald Ong Chong Keng.

(Please refer to above item on Directors' Interests in Contracts entered with the Group.)

financial statements contents

directors' report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2012.

DIRECTORS

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

Winston Choo Wee Leong	(Chairman)
Jopie Ong Hie Koan	(Group Managing Director)
Phua Bah Lee	
Gerald Ong Chong Keng	
Fang Ai Lian	
Tan Soo Khoon	(appointed on 9 December 2011)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Shareholdings registered in the name of the directors			Shareholdings in which the directors are deemed to have an interest		
Name of director	**As at 1.4.2011**	**As at 31.3.2012**	**As at 21.4.2012**	**As at 1.4.2011**	**As at 31.3.2012**	**As at 21.4.2012**
ORDINARY SHARES						
Jopie Ong Hie Koan	–	–	–	229,328,372	285,047,743	285,047,743
Phua Bah Lee	–	–	–	60,480	72,576	72,576
WARRANTS						
Jopie Ong Hie Koan	–	–	–	8,211,417	–	–

By virtue of Section 7 of the Act, Mr Jopie Ong Hie Koan with the above shareholdings is deemed to have interests in all the subsidiaries of the Group.

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' CONTRACTUAL BENEFITS

Except as disclosed in Note 7 to the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

directors' report

AUDIT COMMITTEE

The Audit Committee comprises non-executive and independent directors, Mrs Fang Ai Lian (who chairs the Audit Committee) and Mr Phua Bah Lee, 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 auditors' 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 the fees paid to the external auditors and are of the opinion that their independence has not been impaired.

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

AUDITORS

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

On behalf of the Board,

Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan
Group Managing Director

Singapore
19 June 2012

statement by directors

Pursuant to Section 201(15) of the Singapore Companies Act, Chapter 50

We, Winston Choo Wee Leong and Jopie Ong Hie Koan, being two of the directors of Metro Holdings Limited, do hereby state that, in the opinion of the directors:

(i) the accompanying statements of financial position, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012 and of the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the 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.

On behalf of the Board,

Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan
Group Managing Director

Singapore
19 June 2012

independent auditors' report

For the financial year ended 31 March 2012

To the Members of Metro Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 50 to 127, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2012, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Certified Public Accountants
Singapore

19 June 2012

consolidated income statement

For the financial year ended 31 March 2012

(In Singapore dollars)

	Note	2012 $'000	2011 $'000
Revenue	4	186,995	175,245
Cost of revenue	5	(126,741)	(115,874)
Gross profit		60,254	59,371
Other income including interest income	6	114,647	47,442
Changes in fair value of short term investments		(3,151)	(266)
Gain from fair value adjustments on investment properties	12	4,526	13,601
Impairment of available-for-sale investments	18	(17,839)	–
General and administrative expenses		(32,645)	(53,614)
Profit from operating activities	7	125,792	66,534
Finance costs	8	(12,261)	(11,367)
Share of associates' results, net of tax		1,739	50,349
Profit from operations before taxation		115,270	105,516
Taxation	9	(23,355)	(23,359)
Profit net of taxation		91,915	82,157
Attributable to:			
Owners of the Company		91,892	81,896
Non-controlling interests		23	261
		91,915	82,157
		Cents	**Cents**
Earnings per share			
Basic	10	11.3	10.6
Diluted	10	11.3	10.0

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 2012

(In Singapore dollars)

	Note	2012 $'000	2011 $'000
Profit net of taxation		91,915	82,157
Other comprehensive income:			
Currency translation adjustments on foreign operations		11,961	(39,158)
Reclassification adjustments for gains included in income statement	31	–	1,803
Surplus on revaluation of freehold property		–	2,818
Impairment loss on available-for-sale financial assets taken to income statement	18	17,839	–
Changes in fair value of available-for-sale financial assets		(19,891)	(8,729)
Share of other comprehensive income of associates		211	3,235
Other comprehensive income/(expenses) for the financial year, net of tax		10,120	(40,031)
Total comprehensive income for the financial year		102,035	42,126
Total comprehensive income attributable to:			
Owners of the Company		102,161	42,828
Non-controlling interests		(126)	(702)
		102,035	42,126

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

statements of financial position

As at 31 March 2012

(In Singapore dollars)

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	16,490	16,223	10,409	10,676
Investment properties	12	550,194	688,452	–	–
Subsidiaries	13	–	–	17,174	17,174
Amounts due from subsidiaries	14	–	–	395,948	398,283
Associates	15	18,060	64,082	500	500
Amounts due from associates	16	75,992	43,605	–	–
Amounts due from jointly controlled entities	17	1,245	174	–	–
Investments	18	72,985	89,341	–	–
		734,966	901,877	424,031	426,633
Current assets					
Inventories	19	16,125	13,623	–	–
Deposits	20	7,737	7,575	149	133
Prepayments		893	872	14	49
Accounts receivables	21	10,365	10,316	95	16
Tax recoverable		259	109	–	–
Short term investments	18	72,137	67,272	–	–
Loan notes	18	15,248	–	–	–
Collateral assets	22	–	24,560	–	–
Pledged fixed and bank deposits	23	36,007	34,875	–	–
Cash and cash equivalents	23	543,547	372,911	61,452	30,601
		702,318	532,113	61,710	30,799
Total assets		1,437,284	1,433,990	485,741	457,432
EQUITY AND LIABILITIES					
Current liabilities					
Bank borrowings	24	53,585	55,809	–	–
Accounts payables	25	80,216	77,429	10,859	11,300
Provision for taxation		16,459	7,211	149	49
		150,260	140,449	11,008	11,349
Net current assets		552,058	391,664	50,702	19,450
Non-current liabilities					
Bank borrowings	24	97,897	195,829	–	–
Amounts due to subsidiaries	25	–	–	136,994	140,486
Deferred taxation	9	71,508	81,159	320	321
		169,405	276,988	137,314	140,807
Total liabilities		319,665	417,437	148,322	152,156
Net assets		1,117,619	1,016,553	337,419	305,276
Equity attributable to owners of the Company					
Share capital	26	169,717	142,432	169,717	142,432
Treasury shares	26	(1,768)	(1,397)	(1,768)	(1,397)
Reserves	27	946,332	871,455	169,470	164,241
		1,114,281	1,012,490	337,419	305,276
Non-controlling interests		3,338	4,063	–	–
Total equity		1,117,619	1,016,553	337,419	305,276
Total equity and liabilities		1,437,284	1,433,990	485,741	457,432

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 2012

(In Singapore dollars)

	Share capital $'000	Treasury shares $'000	Warrants reserve $'000	Revaluation reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Revenue reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group										
At 1 April 2011	142,432	(1,397)	2,688	19,073	7,807	(38,770)	880,657	1,012,490	4,063	1,016,553
Dividends paid	–	–	–	–	–	–	(24,659)	(24,659)	(599)	(25,258)
Conversion of warrants into shares	27,285	–	(2,625)	–	–	–	–	24,660	–	24,660
Expiry of warrants	–	–	(63)	–	–	–	63	–	–	–
Purchase of treasury shares	–	(371)	–	–	–	–	–	(371)	–	(371)
Total comprehensive income/(expense) for the financial year	–	–	–	–	(1,768)	12,037	91,892	102,161	(126)	102,035
At 31 March 2012	169,717	(1,768)	–	19,073	6,039	(26,733)	947,953	1,114,281	3,338	1,117,619
At 1 April 2010	130,379	(1,397)	3,893	16,891	16,173	(3,447)	828,449	990,941	4,765	995,706
Dividends paid	–	–	–	–	–	–	(32,127)	(32,127)	–	(32,127)
Conversion of warrants into shares	12,053	–	(1,205)	–	–	–	–	10,848	–	10,848
Transfer on disposal of associate's freehold property	–	–	–	(2,439)	–	–	2,439	–	–	–
Total comprehensive income/(expense) for the financial year	–	–	–	4,621	(8,366)	(35,323)	81,896	42,828	(702)	42,126
At 31 March 2011	142,432	(1,397)	2,688	19,073	7,807	(38,770)	880,657	1,012,490	4,063	1,016,553

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 2012

(In Singapore dollars)

	Share capital $'000	Treasury shares $'000	Warrants reserve $'000	Revaluation reserve $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 April 2011	142,432	(1,397)	2,688	9,119	152,434	305,276
Dividends paid	–	–	–	–	(24,659)	(24,659)
Conversion of warrants into shares	27,285	–	(2,625)	–	–	24,660
Expiry of warrants	–	–	(63)	–	63	–
Purchase of treasury shares	–	(371)	–	–	–	(371)
Total comprehensive income for the financial year	–	–	–	–	32,513	32,513
At 31 March 2012	169,717	(1,768)	–	9,119	160,351	337,419
At 1 April 2010	130,379	(1,397)	3,893	6,301	105,293	244,469
Dividends paid	–	–	–	–	(32,127)	(32,127)
Conversion of warrants into shares	12,053	–	(1,205)	–	–	10,848
Total comprehensive income for the financial year	–	–	–	2,818	79,268	82,086
At 31 March 2011	142,432	(1,397)	2,688	9,119	152,434	305,276

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 2012

(In Singapore dollars)

	Note	2012 $'000	2011 $'000
Cash flows from operating activities:			
Operating cash flows before changes in working capital			
Operating profit before reinvestment in working capital	(a)	39,665	21,146
Increase in inventories		(3,834)	(3,559)
Increase in accounts receivables		(3,986)	(1,924)
Increase in short term investments		(8,017)	(23,497)
Increase in accounts payables		123,882	2,202
Cash generated from/(used in) operations		147,710	(5,632)
Interest expense paid		(12,261)	(11,367)
Interest income received		2,564	13,168
Income taxes paid		(11,067)	(8,811)
Net cash flows generated from/(used in) operating activities		126,946	(12,642)
Cash flows from investing activities:			
Purchase of property, plant and equipment	11	(3,723)	(2,904)
Purchase of investment property	12	–	(90,167)
Subsequent expenditure on investment properties	12	(248)	(3,014)
Purchases of investments and collateral assets		(4,590)	(52,791)
Disposal/acquisition of jointly controlled entity, net of cash disposed/acquired	(b)	132,050	(3,553)
Proceeds from disposal of property, plant and equipment		53	195
Proceeds from disposal of available-for-sale investments		–	9,971
Proceeds from liquidation of an associate		460	–
Proceeds from realisation of collateral assets	22	9,312	27,065
(Increase)/decrease in amounts due from associates		(23,873)	228,049
(Additional)/repayment of loans (to)/from jointly controlled entities		(1,404)	69,409
Dividends received from associates		38,000	19,150
Dividends received from quoted and unquoted investments		7,816	5,223
Changes in pledged fixed and bank deposits		(1,132)	(8,123)
Net cash flows generated from investing activities		152,721	198,510
Cash flows from financing activities:			
Drawdown of bank borrowings		216	112,542
Repayment of bank borrowings		(109,597)	(47,610)
Purchase of treasury shares		(371)	–
Proceeds from issue of shares		24,660	10,848
Dividends paid to non-controlling interests		(599)	–
Dividends paid	28	(24,659)	(32,127)
Net cash flows (used in)/generated from financing activities		(110,350)	43,653
Net increase in cash and cash equivalents		169,317	229,521
Effect of exchange rate changes in cash and cash equivalents		1,319	(3,982)
Cash and cash equivalents at beginning of financial year	23	372,911	147,372
Cash and cash equivalents at end of financial year	23	543,547	372,911

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 2012

(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	2012 $'000	2011 $'000
Profit before taxation		115,270	105,516
Adjustments for:			
Gain from fair value adjustments on investment properties	12	(4,526)	(13,601)
Interest expense	8	12,261	11,367
Depreciation of property, plant and equipment	11	3,435	2,751
Share of results of associates		(1,739)	(50,349)
Interest and investment income		(10,380)	(29,767)
(Gain)/loss on disposal of property, plant and equipment		(50)	45
Inventories written down	19	1,159	1,271
(Write-back of)/allowance for doubtful debts	21	(13)	56
Property, plant and equipment written off		–	2
Allowance for/(reversal of) obsolete inventories	19	173	(29)
Changes in fair value of short term investments		3,151	266
Foreign exchange adjustments		1,744	(1,430)
Amount due from associate written off	7	–	3,828
Gain on disposal of available-for-sale investments		–	(2,575)
Impairment of available-for-sale investments	18	17,839	–
Loss of liquidation of an associate		6	–
Gain on disposal of interest in jointly controlled entity	6	(98,665)	(4,768)
Negative goodwill on acquisition of interest in jointly controlled entities		–	(1,437)
Operating cash flows before changes in working capital		39,665	21,146

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 2012

(In Singapore dollars)

(b) **Disposal and acquisition of interest in jointly controlled entities**

The fair value of net assets of jointly controlled entities disposed and acquired was as follows:

	Note	2012 Disposal $'000	2011 Acquistion $'000	2011 Disposal $'000
Investment properties	12	166,810	20,643	28,588
Property, plant and equipment		42	18	10
Other receivables		3,496	198	413
Cash and bank balances		4,046	254	3,807
		174,394	21,113	32,818
Accounts payables		(121,095)	(443)	(1,271)
Amounts due to jointly controlled entities		–	(8,187)	(17,686)
Bank borrowings		–	(9,815)	(17,872)
Deferred taxation	9	(15,868)	(1,231)	(757)
Net identifiable assets and liabilities disposed and acquired		37,431	1,437	(4,768)
Net identifiable assets/(liabilities)		37,431	1,437	(4,768)
Gain on disposal of interest in jointly controlled entities		98,665	–	4,768
Negative goodwill on acquisition		–	(1,437)	–
Net cash disposed/acquired with jointly controlled entities		(4,046)	254	(3,807)
Net cash inflow/(outflow) on disposal/acquisition		132,050	254	(3,807)

On 29 March 2012, the Group disposed of its 50% equity interest in a jointly controlled entity, Beijing Huamao Property Co Ltd.

On 24 September 2010, the Group's 50% jointly controlled entity, Nordevo Investments Ltd ("Nordevo") acquired an additional 13.2% interest in its then 50.1% owned jointly controlled entity, China East Investment Limited ("CEI"). Consequently, the Group's effective interest in CEI has increased from 25.1% to 31.7%.

Metropolis Holding China Limited ("MHC"), a then 50.1% owned jointly controlled entity held by Nordevo, was also disposed of on 24 September 2010.

notes to the financial statements
31 March 2012

1. CORPORATE INFORMATION

Metro Holdings Limited (the "Company") is a limited liability company, which is 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 statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2011. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 101 – Severe Hyperinflation and Removal of Fixed Dates for first-time Adopters	1 July 2011
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2013
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2013
FRS 110 Consolidated Financial Statements	1 January 2013
FRS 111 Joint Arrangements	1 January 2013
FRS 112 Disclosure of Interests in Other Entities	1 January 2013
FRS 113 Fair Value Measurements	1 January 2013
FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Except for the Amendments to FRS 12, Amendments to FRS 1, FRS 111 and revised FRS 28 and FRS 112, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 12, Amendments to FRS 1, FRS 111 and revised FRS 28 and FRS 112 are described below.

Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets

The Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets are effective for annual periods beginning on or after 1 January 2012.

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 Investment Property, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI) is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 and the revised FRS 28 are effective for financial periods beginning on or after 1 January 2013.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The Group currently applies proportionate consolidation for its joint ventures. Upon adoption of FRS 111, the Group expects the change to equity accounting for these joint ventures will affect the Group's financial statements presentation.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is effective for financial periods beginning on or after 1 January 2013.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The Group is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2013.

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

Basis of consolidation from 1 April 2010

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

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

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

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

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

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises 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;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

notes to the financial statements
31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(a) Basis of consolidation (cont'd)

Basis of consolidation prior to1 April 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 January 2010 have not been restated.

(b) Business combinations

Business combinations from 1 April 2010

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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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 accordance with FRS 39 either in the profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) 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.

notes to the financial statements
31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(b) Business combinations (cont'd)

Business combinations from 1 April 2010 (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.10. 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.

Business combinations prior to 1 April 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect the previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

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, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' 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.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Foreign currency

The Group's consolidated 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 jointly controlled entities 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 determined.

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 except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which 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 the profit or loss of the Group on disposal of the foreign operation.

(b) Group companies

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 jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and any accumulated impairment loss. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.23. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

notes to the financial statements
31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment (cont'd)

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of revaluation. Valuations are performed every three years to ensure that their carrying amount does not differ materially from their fair value of the land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case the increase is recognised in the profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The whole of the revaluation surplus included in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Land held on 999-year lease is regarded as equivalent to freehold and is included in freehold land and buildings under property, plant and equipment.

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

Leasehold land and buildings	–	50 years
Freehold buildings	–	50 years
Motor vehicles	–	5 years
Plant, equipment, furniture and fittings	–	3 to 10 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, 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 property, 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.

notes to the financial statements
31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Investment properties

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

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

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

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.9 Investment property under construction (IPUC)

IPUC is measured at fair value (when the fair value is reliably determinable). When assessing whether the fair value of IPUC can be determined reliably the company considers, amongst other things:

1. Is the asset being constructed in a developed liquid market?
2. Has a construction contract with the contractor been signed?
3. Are the required building and letting permits obtained?
4. What percentage of rentable area has been pre-leased to tenants?

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

The fair values of IPUC were determined at the end of the reporting period based on the opinion of a qualified independent valuer and valuations were performed using either the residual method approach or discounted cash flow approach, as deemed appropriate by the valuer. Each IPUC is individually assessed.

The estimated value of future assets is based on the expected future income from the project, using risk adjusted yields that are higher than the current yields of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future asset value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Goodwill

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of 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 unit to which goodwill has 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. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign subsidiaries before 1 January 2005 are deemed to be assets and liabilities of the parent company and are recorded in SGD at the rates prevailing at the date of acquisition.

2.11 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of non-financial assets (cont'd)

Impairment losses of continuing operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, 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.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. 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.

2.12 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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

2.13 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of the profit or loss after tax and non-controlling interests in the subsidiaries of associates.

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

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Associates (cont'd)

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 its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the profit or loss.

2.14 Jointly controlled entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using proportionate consolidation method. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on such transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

Upon loss of joint control, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the former jointly controlled entity upon loss of joint control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in the profit or loss.

2.15 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. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

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 held for trading or designated at fair value through 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.

(b) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

notes to the financial statements
31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Financial assets (cont'd)

Subsequent measurement (cont'd)

(d) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.16 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

notes to the financial statements
31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit or loss, is transferred from other comprehensive income and recognised in the profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in the profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets (cont'd)

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed in the profit or loss.

2.17 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. These also include bank overdrafts that form an integral part of the Group's cash management.

2.18 Inventories

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

For retail inventories, cost comprises the weighted average cost (which includes the related charges incurred in importing such merchandise) of merchandise derived at using the Retail Inventory Method or is ascertained on a first-in-first-out basis.

For all other inventories, cost comprises the invoiced value of goods on a specific identification basis, the first-in-first-out basis or the weighted average basis as appropriate plus related charges incurred in importing such goods.

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.

2.19 Provisions

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

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

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Government grants

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

2.21 Financial 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.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 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.

2.23 Borrowing costs

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

2.24 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 accrue 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 accrue 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.

notes to the financial statements
31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) *As lessee*

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

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

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

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income (Note 2.27). Contingent rents are recognised as revenue in the period in which they are earned.

2.26 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Non-current assets held for sale and discontinued operations (cont'd)

In profit or loss of the current reporting period, and of the comparative period of the previous year, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in profit or loss.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.27 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to customers, usually on delivery of goods. 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) 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.

(c) 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.

(d) Dividend income

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

(e) Interest income

Interest income is recognised using the effective interest method.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 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, 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

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

(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.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.29 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 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 Share capital and share issue 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.

2.31 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) 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 is recognised directly in equity.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.32 Collateral assets

Collateral assets comprise collaterals that the Group has taken control of, under the terms of the mortgage agreements, which are held for resale.

Collateral assets acquired for loans and advances are stated at the lower of the carrying amount and fair value less costs to sell at the date of acquisition. Gains or losses on disposal or unrealised losses on revaluation are recognised in the profit or loss.

2.33 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 statement of financial position 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.

2.34 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) Has control or joint control over the Company;

  (ii) Has significant influence over the Company; or

  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

notes to the financial statements

31 March 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.34 Related parties (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group'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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(a) Operating lease commitments – As lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined, based on evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

(b) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

notes to the financial statements

31 March 2012

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

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

(c) *Income taxes*

The Group has exposure to income taxes in numerous 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. As at 31 March 2012, the carrying amount of the Group's current and deferred tax provisions amounted to $16,459,000 and $71,508,000 (2011: $7,211,000 and $81,159,000) respectively and the carrying amount of the Group's tax recoverable was $259,000 (2011: $109,000).

(d) *Valuation of investments*

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. The valuation of financial instruments is described in more detail in Note 34.

(e) *Impairment of available-for-sale financial assets*

The Group reviews its available-for-sale investments at each end of the reporting period to assess whether they are impaired. The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. For the financial year ended 31 March 2012, an impairment loss of $17,839,000 was recognised on available-for-sale financial assets (2011: nil).

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Impairment of subsidiaries*

The Company determines whether its investment in subsidiaries and amounts due from subsidiaries are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which the investment in subsidiaries and amounts due from subsidiaries are allocated. The value-in-use calculations require management to estimate the expected future cash flows from the CGU and also choose a suitable discount rate to calculate the present value of those cash flows. The carrying amount of investment in subsidiaries and amounts due from subsidiaries as at 31 March 2012 was $413,122,000 (2011: $415,457,000).

notes to the financial statements

31 March 2012

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 21 to the financial statements.

(c) Revaluation of investment property

Investment property comprises real estate (land or building, or both) held by the Group in order 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.

The key judgments and assumptions used for valuing investment properties are set out in Note 12.

4. REVENUE

Revenue generated by the Group's operations is as follows:

	Group	
	2012	**2011**
	$'000	**$'000**
Retail - Sale of goods	120,034	111,852
Property - Rental income and related service income (note 12)	66,961	63,393
	186,995	175,245

Rental income includes contingent rents recognised for the financial year ended 31 March 2012 of $1,261,000 (2011: $1,120,000).

5. COST OF REVENUE

	Group	
	2012	**2011**
	$'000	**$'000**
Retail	110,854	102,474
Property	15,887	13,400
	126,741	115,874

notes to the financial statements
31 March 2012

6. OTHER INCOME INCLUDING INTEREST INCOME

	Group 2012 $'000	Group 2011 $'000
Interest income from:		
- Loans and receivables	2,564	24,544
Dividends, gross from:		
- Available-for-sale financial assets	2,317	2,403
- Held-for-trading financial assets	5,499	2,820
	7,816	5,223
Net gains/(losses) on financial instruments:		
- Held-for-trading financial assets	–	202
- Available-for-sale financial assets		
• Transferred from equity	–	2,034
• Realised gain on disposal	–	541
	–	2,777
Trademark fees from third party	–	297
Management fee income from associates	1,981	1,786
Foreign exchange gain	15	1,532
Gain on disposal of property, plant and equipment	–	2
Gain on disposal of jointly controlled entity	98,665	4,768
Other rental income	1,875	2,067
Government grant from Jobs Credit Scheme	2	2
Negative goodwill on acquisition of interest in jointly controlled entity	–	1,437
Sundry income	1,729	3,007
	114,647	47,442

notes to the financial statements

31 March 2012

7. PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities is stated after charging/(crediting):

	Note	Group 2012 $'000	Group 2011 $'000
Salaries, bonuses and other related costs		36,172	33,661
Contributions to CPF and other defined contribution schemes		2,635	2,212
Provision for long-service benefits		417	298
Staff costs (including Directors' emoluments)		39,224	36,171
Staff costs includes Directors' emoluments as follows:			
Directors' emoluments:			
Directors of the Company			
- Other emoluments		8,826	8,945
- Fees payable		432	334
- Professional fees paid and payable to a company in which a Director has an interest		202	330
Directors of subsidiaries		1,733	1,483
		11,193	11,092
Foreign exchange loss/(gain)			
Included in other income		(15)	(1,532)
Included in general and administrative expenses		518	7,316
Foreign exchange loss realised on repayment of shareholder loans included in general and administrative expenses		–	10,561
Foreign exchange loss, net		503	16,345
Depreciation of property, plant and equipment	11	3,435	2,751
Audit fees:			
- Auditors of the Company		451	492
- Other auditors		266	268
Non-audit fees:			
- Auditors of the Company		99	42
- Other auditors		183	168
Allowance for/(reversal of) obsolete inventories	19	173	(29)
(Write-back of)/allowance for doubtful debts, net	21	(13)	56
Property, plant and equipment written off		–	2
Amount due from associate written off		–	3,828
(Gain)/loss on disposal of property, plant and equipment			
Included in other income		–	(2)
Included in general and administrative expenses		(50)	47
		(50)	45
Rental expense		22,345	21,165
Inventories written down	19	1,159	1,271

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2012 amounting to $1,008,000 (2011: $797,000).

notes to the financial statements
31 March 2012

8. FINANCE COSTS

	Group 2012 $'000	Group 2011 $'000
Interest expense on:		
Financial liabilities measured at amortised cost		
- Bank loans	12,261	11,367
Total finance costs	12,261	11,367

9. TAXATION

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2012 and 2011 are:

	Group 2012 $'000	Group 2011 $'000
Consolidated income statement		
Current taxation		
- Current income taxation	21,100	11,303
- Over provision in respect of prior financial years	(2,071)	(448)
	19,029	10,855
Deferred taxation		
- Origination and reversal of temporary differences	4,094	13,693
- Under/(over) provision in respect of prior financial years	212	(1,305)
	4,306	12,388
Withholding tax	20	116
Income tax expense recognised in the consolidated income statement	23,355	23,359
Statement of other comprehensive income		
Deferred taxation:		
- Origination and reversal of temporary differences	–	169
Income tax expense recognised in other comprehensive income	–	169

notes to the financial statements

31 March 2012

9. TAXATION (CONT'D)

(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	
	2012 $'000	2011 $'000
Profit before taxation	115,270	105,516
Taxation calculated at Singapore statutory income tax rate of 17% (2011: 17%)	19,596	17,938
Expenses not deductible for tax purposes	7,525	7,743
Difference arising from tax rates applicable to foreign entities	(1,448)	3,705
Income not subject to tax	(2,960)	(2,511)
Utilisation of previously unrecognised tax assets	(318)	(403)
Effect of other taxable timing difference	–	1,513
Deferred tax assets not recognised	3,161	4,587
Over provision in respect of prior financial years	(1,859)	(1,753)
Share of results of associates	(296)	(7,821)
Withholding tax	20	116
Effect of tax reliefs	–	(58)
Others	(66)	303
Taxation expense recognised in the consolidated income statement	23,355	23,359

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction in which the Group's entities operate in.

(c) *Deferred tax*

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Balance at beginning of financial year	81,159	73,947	321	418
Exchange adjustments	2,925	(4,684)	–	–
Charged to income statement	4,306	12,388	86	86
Utilised during the financial year	(511)	(797)	(4)	(14)
Acquisition of interest in jointly controlled entities	–	1,231	–	–
Disposal/dilution of interest in jointly controlled entities	(15,868)	(757)	–	–
Transfer to provision for taxation	(503)	–	(83)	–
Credited to revaluation reserve	–	(169)	–	(169)
Balance at end of financial year	71,508	81,159	320	321

The Group's share of jointly controlled entities' deferred tax liability balances amounted to $60,106,000 (2011: $70,491,000) (Note 31).

notes to the financial statements

31 March 2012

9. TAXATION (CONT'D)

(c) Deferred tax (cont'd)

Deferred tax as at 31 March relates to the following:

	Consolidated statement of financial position		Consolidated income statement		Company statement of financial position	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Deferred tax liabilities						
Differences in depreciation	24,686	24,667	1,805	4,735	–	–
Fair value changes	2,819	3,410	(215)	458	–	–
Revaluation surplus on investment properties	44,788	52,798	2,915	5,572	–	–
Unremitted foreign sourced income	3,137	3,141	1,366	1,645	320	321
	75,430	84,016			320	321
Deferred tax assets						
Deferred income and other deferred tax assets	(3,922)	(2,857)	(1,565)	(22)	–	–
	71,508	81,159			320	321
Deferred income tax expense			4,306	12,388		

Unrecognised tax losses

A loss-transfer system of Group relief ("group relief system") for companies was introduced in Singapore with effect from Year of Assessment 2003. Under the Group relief system, a 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 another company belonging to the same group, to be deducted against the assessable income.

There are estimated tax losses and unabsorbed capital allowances amounting to $31,299,000 and $4,000 (2011: $36,746,000 and $8,000) respectively, available for offset against future taxable profits of certain subsidiaries in which $21,383,000 (2011: $22,368,000) is not 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.

Temporary differences relating to investments in subsidiaries and jointly controlled entities

As at the end of the reporting period, the Group has recognised deferred tax liability of $2,797,000 (2011: $2,159,000) for taxes that would be payable on the undistributable earnings of certain of the Group's subsidiaries and jointly controlled entities.

Tax consequences of proposed dividends

There are no income tax consequences (2011: 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

31 March 2012

10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit from continuing operations attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year from continuing operations attributable to ordinary equity holders of the parent 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	
	2012	2011 (Restated*)
	$'000	$'000
Profit for the financial year attributable to ordinary equity holders of the Company, used in the computation of basic and diluted earnings per share	91,892	81,896
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation**	813,541	769,050
Effects of dilution:		
- Warrants	–	47,790
Weighted average number of ordinary shares for diluted earnings per share computation**	813,541	816,840

* Comparative figures for Earnings per share have been adjusted for the bonus issue of shares of 1 share for every 5 shares held.

** The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the financial year.

notes to the financial statements

31 March 2012

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Group						
Cost and valuation						
At 1 April 2010						
Cost	–	–	–	25,291	1,716	27,007
Valuation	6,560	940	328	–	–	7,828
	6,560	940	328	25,291	1,716	34,835
Exchange adjustments	–	–	(21)	(59)	(29)	(109)
Adjustment to fair value	2,650	(150)	–	–	–	2,500
Additions	–	–	–	2,164	740	2,904
Acquisition of interest in jointly controlled entity	–	–	–	22	–	22
Disposals/write-offs	–	–	–	(605)	(434)	(1,039)
Disposal of jointly controlled entity	–	–	–	(12)	–	(12)
At 31 March 2011 and 1 April 2011						
Cost	–	–	–	26,801	1,993	28,794
Valuation	9,210	790	307	–	–	10,307
	9,210	790	307	26,801	1,993	39,101
Exchange adjustments	–	–	13	20	18	51
Additions	–	–	–	3,723	–	3,723
Disposals/write-offs	–	–	–	(3,702)	(189)	(3,891)
Disposal of jointly controlled entity	–	–	–	(64)	(127)	(191)
At 31 March 2012						
Cost	–	–	–	26,778	1,695	28,473
Valuation	9,210	790	320	–	–	10,320
	9,210	790	320	26,778	1,695	38,793
Accumulated depreciation						
At 1 April 2010	–	98	20	20,046	951	21,115
Charge for 2011	–	49	6	2,390	306	2,751
Adjustment to fair value	–	(147)	–	–	–	(147)
Acquisition of interest in jointly controlled entity	–	–	–	4	–	4
Disposals/write-offs	–	–	–	(495)	(310)	(805)
Disposal of jointly controlled entity	–	–	–	(2)	–	(2)
Exchange adjustments	–	–	(2)	(28)	(8)	(38)
At 31 March 2011 and 1 April 2011	–	–	24	21,915	939	22,878
Charge for 2012	–	49	6	3,061	319	3,435
Disposals/write-offs	–	–	–	(3,699)	(189)	(3,888)
Disposal of jointly controlled entity	–	–	–	(56)	(93)	(149)
Exchange adjustments	–	–	1	8	18	27
At 31 March 2012	–	49	31	21,229	994	22,303
Net book value						
At 31 March 2011	9,210	790	283	4,886	1,054	16,223
At 31 March 2012	9,210	741	289	5,549	701	16,490

notes to the financial statements

31 March 2012

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Freehold buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company					
Cost and valuation					
At 1 April 2010					
Cost	–	–	1,901	671	2,572
Valuation	6,560	940	–	–	7,500
	6,560	940	1,901	671	10,072
Additions	–	–	12	500	512
Disposals	–	–	(83)	(256)	(339)
Adjustment to fair value	2,650	(150)	–	–	2,500
At 31 March 2011 and 1 April 2011					
Cost	–	–	1,830	915	2,745
Valuation	9,210	790	–	–	10,000
	9,210	790	1,830	915	12,745
Additions	–	–	42	–	42
Disposals	–	–	(44)	–	(44)
At 31 March 2012					
Cost	–	–	1,828	915	2,743
Valuation	9,210	790	–	–	10,000
	9,210	790	1,828	915	12,743
Accumulated depreciation					
At 1 April 2010	–	98	1,746	333	2,177
Charge for 2011	–	49	84	158	291
Disposals	–	–	(81)	(171)	(252)
Adjustment to fair value	–	(147)	–	–	(147)
At 31 March 2011 and 1 April 2011	–	–	1,749	320	2,069
Charge for 2012	–	49	76	184	309
Disposals	–	–	(44)	–	(44)
At 31 March 2012	–	49	1,781	504	2,334
Net book value					
At 31 March 2011	9,210	790	81	595	10,676
At 31 March 2012	9,210	741	47	411	10,409

notes to the financial statements

31 March 2012

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation of freehold and leasehold land and buildings

Revaluation of land and buildings

Land and buildings are revalued every three years at the end of the reporting period based on revaluation performed by accredited independent valuers. The valuations are based on the direct comparison method.

If the Group's land and buildings were measured at cost less depreciation and impairment losses, the carrying amounts would be as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Freehold land				
Cost and net carrying amount	1,231	1,231	1,231	1,231
Freehold buildings				
Cost	637	637	637	637
Accumulated depreciation	(446)	(433)	(446)	(433)
Net carrying amount	191	204	191	204
Leasehold land and buildings				
Cost	315	315	–	–
Exchange adjustments	5	(8)	–	–
Accumulated depreciation	(31)	(24)	–	–
Net carrying amount	289	283	–	–

Share of property, plant and equipment in jointly controlled entities

As at 31 March 2012, the Group's share of property, plant and equipment in jointly controlled entities amounted to $618,000 (2011: $701,000) (Note 31).

12. INVESTMENT PROPERTIES

	Group	
	2012	**2011**
	$'000	**$'000**
Statement of Financial Position:		
Balance at 1 April	688,452	630,773
Purchase of investment property	–	90,167
Additional interest in jointly controlled entity	–	20,643
Subsequent expenditure	248	3,014
Adjustment to fair value	4,526	13,601
Disposal of interest in jointly controlled entity	(166,810)	(28,588)
Exchange adjustments	23,778	(41,158)
Balance at 31 March	550,194	688,452
Consolidated Income Statement:		
Rental from investment properties (Note 4)	66,961	63,393
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	(15,725)	(13,004)

notes to the financial statements

31 March 2012

12. INVESTMENT PROPERTIES (CONT'D)

The Group's investment properties as at 31 March 2012 are as follows:

Name of building	Description	Tenure of land	Fair value 2012 $'000	Fair value 2011 $'000
GIE Tower, Guangzhou	Part of a 7-storey shopping podium & 35-storey office tower along Huan Shi Dong Road, Guangzhou	50 years' lease from 18 October 1994 (32 years remaining)	95,000	90,816
Metro Tower, Shanghai	60% of a 26-storey office tower, along Tianyaoqiao Road, Xuhui DIstrict, Shanghai	50 years' lease from 22 February 1993 (31 years remaining)	107,400	100,570
Metro City, Shanghai	60% of a 9-storey entertainment centre along ZhaoJiaBang Road, Xuhui District, Shanghai	36 years' lease from 13 April 1993 (17 years remaining)	152,040	144,576
Metro City, Beijing	50% of a 5-storey, 2-basement retail mall along south-western corner of Da Jiao Ting Bridge East 4th Ring Road, Chao Yang District, Beijing	40 years' lease from 6 August 2004 (32 years remaining)	–	160,138
Lakeville Regency, Shanghai	Flat No. 2702, No. 5 The Lakeville Regency, Lane 168, Shun Chang Road, Luwan District, Shanghai	64 years' lease from 20 April 2007 (59 years remaining)	5,420	5,165
Fu Yuan Hui, Shanghai	60% of Flat No. 2302, Foundation Garden No. 1 Lane 168, Nandan East Road, Xuhui District, Shanghai	70 years' lease from 12 June 2001 (59 years remaining)	456	434
EC Mall	31.65% of a 6-storey, 4-basement retail mall along Danleng Street, Zhongguancun West Area, Haidian District, Beijing	50 years' lease from 13 May 2001 (39 years remaining)	106,187	100,056
Frontier Koishikawa Building	A 9-storey office building, located in the Bunkyo District, Tokyo	Freehold	83,691	86,697
			550,194	688,452

notes to the financial statements

31 March 2012

12. INVESTMENT PROPERTIES (CONT'D)

Valuation of investment properties

Investment properties are stated at fair value, which have been determined based on valuations at the end of the reporting period. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued. The valuations are based on either the direct comparison method or the income method, depending on the nature of the properties.

The income method makes reference to the estimated market rental and equivalent yields whilst the direct comparison method is based on recent property sales in the vicinity of a similar nature and condition.

Properties pledged as security

Investment properties amounting to $284,878,000 (2011: $437,707,000) are pledged as security for bank loans (Note 24(a), (b)). Under the terms and conditions of the loans, the Group is restricted from disposing of these investment properties or subjecting them to further charges.

Share of investment properties in jointly controlled entities

As at 31 March 2012, the Group's share of investment properties in jointly controlled entities amounted to $366,083,000 (2011: $505,774,000) (Note 31).

Restrictions on investment property

As at the end of the reporting period, an investment property amounting to $152,040,000 (2011: $144,576,000) is subject to restrictions on the lease, pledge and transfer of title in accordance with the prevailing laws in the People's Republic of China.

13. SUBSIDIARIES

	Company	
	2012	**2011**
	$'000	**$'000**
Unquoted equity shares, at cost	21,828	21,828
Impairment losses	(4,654)	(4,654)
Carrying amount of investments	17,174	17,174
Details of subsidiaries are shown in Note 36.		
Movement in impairment loss is as follows:		
Balance at beginning and end of financial year	4,654	4,654

14. AMOUNTS DUE FROM SUBSIDIARIES

		Company	
	Note	**2012**	**2011**
		$'000	**$'000**
Amounts due from subsidiaries		426,094	425,926
Impairment losses		(30,146)	(27,643)
	21	395,948	398,283
Movement in impairment loss is as follows:			
Balance at beginning of financial year		27,643	27,643
Charge for the year		2,503	–
Balance at end of financial year		30,146	27,643

Amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest free, except for an amount of $95,160,852 (2011: $90,977,540) which bears interest ranging from 1.09% to 2.58% (2011: 1.05% to 2.36%) per annum. These are considered quasi-equity in nature and are expected to be settled in cash.

notes to the financial statements

31 March 2012

14. AMOUNTS DUE FROM SUBSIDIARIES (CONT'D)

The amounts due from subsidiaries have been allocated to the respective cash-generating unit ("CGU") for the purpose of the impairment assessment.

The cash flow projections represent the income, net of related costs, which the Group will earn based on past experience and expectations for the subsidiaries in general. A pre-tax discount rate ranging from 4.90% to 7.05% (2011: 6.65%) per annum is applied to the cash flow projections. The discount rate reflects management's estimate of the risks specific to the CGUs. In determining the appropriate discount rate, regard has been given to the prevailing interest rates on borrowings in similar economic environments as the subsidiaries. The Group believes that any reasonably possible changes in the above key assumptions are not likely to materially cause the recoverable amount to be lower than its carrying amount.

15. ASSOCIATES

	Group		Company	
	2012 $'000	**2011 $'000**	**2012 $'000**	**2011 $'000**
Unquoted equity shares, at cost	6,730	7,230	500	500
Share of post-acquisition reserves				
- revenue reserve	10,834	56,567	–	–
- foreign currency translation reserve	496	285	–	–
	11,330	56,852	–	–
	18,060	64,082	500	500

Details of the associates are shown in Note 36.

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

	Group	
	2012 $'000	**2011 $'000**
Assets and liabilities:		
Total assets	175,876	183,311
Total liabilities	157,816	119,229
Results:		
Revenue	93,644	99,558
Cost of revenue	(87,845)	(85,637)
Gross profit	5,799	13,921
Other income including interest income	4,000	71,356
(Adjustment of)/negative goodwill on acquisition	(2,566)	2,566
Gain from fair value adjustments on investment properties	3,471	1,295
General and administrative expenses	(6,040)	(12,797)
Profit from operating activities	4,664	76,341
Finance costs	(1,829)	(13,080)
Profit from operations before taxation	2,835	63,261
Taxation	(1,096)	(12,912)
Profit net of taxation	1,739	50,349

notes to the financial statements

31 March 2012

16. AMOUNTS DUE FROM ASSOCIATES

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Amounts due from associates	21	75,992	43,605	–	–

The amounts due from associates are unsecured and are not expected to be repaid within the next financial year. These amounts due from associates are considered quasi-equity in nature and are expected to be settled in cash.

17. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Amounts due from jointly controlled entities	21	1,245	174	–	–

The amounts due from jointly controlled entities are unsecured and are not expected to be repaid within the next financial year. These amounts due from jointly controlled entities are considered quasi-equity in nature and are expected to be settled in cash.

18. INVESTMENTS

	Note	Group 2012 $'000	Group 2011 $'000
Current:			
Financial assets at fair value through profit and loss			
- Held-for-trading investments			
Shares (quoted)		72,137	67,272
Loans and receivables			
- Secured loan notes (unquoted)	(a)	15,248	–
		87,385	67,272
Non-current:			
Available-for-sale investments			
Shares (unquoted), at cost		53	52
Shares (unquoted), at fair value		8,025	4,283
Shares (quoted)	(b)	64,907	85,006
		72,985	89,341

(a) The unquoted secured loan notes in Datawin Trading Limited ("Datawin") incorporated in the British Virgin Islands, amounted to $15,248,000 (2011: nil) and are denominated in Singapore Dollars. During the year, the loan notes were reclassified from collateral assets (Note 22).

(b) For the financial year ended 31 March 2012, an impairment loss of $17,839,000 was recognised on available-for-sale investments (2011: nil) as there was "significant" and "prolonged" decline in the fair value of the investment below its cost.

Investments pledged as security

The Group's investment in quoted shares amounting to $30,403,100 (2011: $33,726,400) have been pledged as security for bank loans (Note 24). Under the terms and conditions of the bank facilities, the Group is restricted from disposing those investments or subjecting them to further charges without furnishing a security of similar value.

notes to the financial statements
31 March 2012

19. INVENTORIES

	Note	Group 2012 $'000	Group 2011 $'000
Consolidated Statement of Financial Position:			
Inventories held for resale		15,938	13,501
Raw materials		187	122
Total inventories at lower of cost and net realisable value		16,125	13,623
Inventories are stated after deducting allowance for obsolete inventories of		658	485
Balance at 1 April		485	514
Charged/(credited) to the consolidated income statement	7	173	(29)
Balance at 31 March		658	485
Consolidated Income Statement:			
Inventories recognised as an expense in cost of sales		58,079	53,709
Inventories recognised as an expense in cost of sales is inclusive of the following charge:			
- Inventories written down	7	1,159	1,271
- Allowance for/(reversal of) obsolete inventories	7	173	(29)

20. DEPOSITS

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Deposits	7,737	7,575	149	133

The Group's share of jointly controlled entities' deposits amounted to $4,355,000 as at 31 March 2012 (2011: $4,366,000) (Note 31).

21. ACCOUNTS RECEIVABLES

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Current					
Trade receivables	(a)	8,184	8,245	–	–
Other receivables	(b)				
- Recoverables and sundry debtors		2,181	2,071	95	16
		10,365	10,316	95	16
Non-current					
Amounts due from associates	16	75,992	43,605	–	–
Amounts due from subsidiaries	14	–	–	395,948	398,283
Amounts due from jointly controlled entities	17	1,245	174	–	–
Total receivables (current and non-current)		87,602	54,095	396,043	398,299
Add: Secured loan notes (unquoted)	18	15,248	–	–	–
Collateral assets	22	–	24,560	–	–
Deposits	20	7,737	7,575	149	133
Pledged fixed and bank deposits	23	36,007	34,875	–	–
Cash and cash equivalents	23	543,547	372,911	61,452	30,601
Total loans and receivables		690,141	494,016	457,644	429,033

notes to the financial statements

31 March 2012

21. ACCOUNTS RECEIVABLES (CONT'D)

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's share of jointly controlled entities' trade receivables balances amounted to $4,810,000 (2011: $6,899,000) (Note 31).

(a) *Receivables that are impaired*

As at 31 March 2012, the Group has trade receivables amounting to $79,000 (2011: $27,000) that are past due at the end of the reporting period but not impaired.

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Individually impaired				
Trade receivables – nominal amounts	2,199	2,212	–	–
Less: Allowance for impairment	(2,199)	(2,212)	–	–
	–	–	–	–

Movement in allowance for doubtful debts is as follows:

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Balance at 1 April	2,212	2,202	–	–
Write-back/charged to the income statement	(13)	56	–	–
Bad debts written off	–	(46)	–	–
Balance at 31 March	2,199	2,212	–	–

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

For assets to be classified as "past due" or "impaired", contractual payments must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets.

For the financial year, a reversal of impairment loss of $13,000 (2011: impairment loss of $56,000) was recognised in the consolidated income statement subsequent to a debt recovery assessment performed on trade and other receivables as at 31 March 2012.

(b) *Other receivables*

The Group's share of jointly controlled entities' other receivables amounted to $1,125,000 as at 31 March 2012 (2011: $983,000) (Note 31).

notes to the financial statements
31 March 2012

21. ACCOUNTS RECEIVABLES (CONT'D)

(c) *Current receivables denominated in foreign currencies as at 31 March are as follows:*

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
United States dollar	626	239	–	–
Chinese renminbi	6,489	9,405	–	–
Japanese yen	283	312	–	–
	7,398	9,956	–	–

22. COLLATERAL ASSETS

	Note	Group	
		2012	2011
		$'000	$'000
Balance at 1 April		24,560	51,625
Redeemed/disposed during the financial year		(9,312)	(27,065)
Reclassification to investments	18	(15,248)	–
Balance at 31 March		–	24,560

The collateral assets arising from the unquoted secured loan notes in Datawin Trading Limited ("Datawin") of $15,248,000 (2011: $24,560,000) are held by a subsidiary and secured by a charge over the entire share capital of Datawin and Wisdom Top International Limited ("Wisdom Top"), a related company of Datawin. The Subscription Agreement provides for a mandatory redemption of US$5 million on the principal amount by the issuer on 5 January 2009, being 24 months after the issue date. The loan notes were due for full redemption on 4 January 2010. The principal activities of Wisdom Top are those of property investment and investment holding.

Pursuant to the Mortgage Agreement, the subsidiary's financial interest in the assets of Wisdom Top is restricted to the repayment of the principal amount of loan notes, and the interest due and cost incurred in connection with servicing the repayment of the loan notes.

During the year, an amount of $9,312,000 of the outstanding loan notes were redeemed and the balance of the collateral assets were reclassified to investments (Note 18).

23. CASH AND BANK BALANCES

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

	Group		Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Fixed deposits	543,006	319,342	59,445	13,163
Cash on hand and at bank	36,548	88,444	2,007	17,438
	579,554	407,786	61,452	30,601
Less: Fixed and bank deposits pledged as security	(36,007)	(34,875)	–	–
Cash and cash equivalents	543,547	372,911	61,452	30,601

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 0.05% to 3.5% (2011: 0.01% to 1.35%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.5% (2011: 0.36%) per annum.

notes to the financial statements
31 March 2012

23. CASH AND BANK BALANCES (CONT'D)

Fixed deposits of $33,656,000 (2011: $33,589,000) and bank deposits of $2,351,000 (2011: $1,286,000) have been pledged to financial institutions as security for bank loans (Note 24).

The Group's share of jointly controlled entities' cash and bank balances as at the financial year end amounted to $42,022,000 (2011: $32,313,000) (Note 31).

Cash and bank balances denominated in foreign currencies as at 31 March are as follows:

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
United States dollar	31,571	81,911	244	13,340
Chinese renminbi	61,544	36,332	–	–
Japanese yen	3,798	4,868	–	–
Hong Kong dollar	3	3	–	–
	96,916	123,114	244	13,340

24. BANK BORROWINGS

	Note	Group		Company	
		2012 $'000	2011 $'000	2012 $'000	2011 $'000
Current					
Bank revolving credit facilities, denominated in					
- Hong Kong dollar, secured	(a)	15,420	15,420	–	–
- Japanese yen, secured	(a)	35,889	35,678	–	–
Share of jointly controlled entities' Chinese Renminbi-denominated bank loans, secured	(b)	2,276	4,711	–	–
		53,585	55,809	–	–
Non-current					
Bank loans, denominated in Japanese yen	(a)	50,949	55,821	–	–
Share of jointly controlled entities' Chinese Renminbi-denominated bank loans, secured	(b)	46,948	140,008	–	–
		97,897	195,829	–	–
Maturity of bank borrowings					
Repayable:					
Within 1 year		53,585	55,809	–	–
After 1 year but within 5 years		97,897	123,349	–	–
More than 5 years		–	72,480	–	–
		151,482	251,638	–	–

notes to the financial statements

31 March 2012

24. BANK BORROWINGS (CONT'D)

(a) The Hong Kong dollar denominated revolving credit facility bears interest at rates ranging from 1.57% to 2.03% (2011: 1.52% to 1.90%) per annum. These bank loans are secured by charges over an investment property of $95,000,000 (2011: $90,816,000) (Note 12), investments of $30,403,100 (2011: $33,726,400) (Note 18) and a pledge over 100% of the issued share capital of subsidiaries, namely Metrobilt Enterprise Ltd and Guangzhou International Electronics Building Co Ltd.

The Japanese yen denominated revolving credit facilities and loans bear interest at rates ranging from 2.44% to 2.45% (2011: 2.44% to 2.52%) per annum. These bank loans are secured by charges over an investment property of $83,691,000 (2011: $86,697,000), fixed deposits of $33,656,000 (2011: $33,589,000) and a pledge over 50.1% of the issued preference share capital of a subsidiary owned by Bunkyo Property Pte Ltd.

(b) The Group's share of secured Chinese Renminbi denominated loans held by jointly controlled entities amounting to $95,040,000 in 2011 was repaid during the year. In 2011, these loans were secured against a jointly controlled entity's investment property of $160,138,000 (Note 12) and bore interest at rates ranging from 5.94% to 6.60% per annum.

Loans amounting to $49,224,000 (2011: $49,679,000) are secured against jointly controlled entities' investment property of $106,187,000 (2011: $100,056,000) (Note 12) and $2,351,000 in bank deposits (2011: $1,286,000) (Note 23) and bear interest at rates ranging from 6.03% to 6.69% (2011: 5.88% to 6.45%).

25. ACCOUNTS PAYABLES

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Current					
Trade payables		14,447	14,768	–	–
Other payables					
- Sundry creditors		30,081	24,347	579	540
- Accruals		22,633	26,573	10,280	10,760
- Refundable deposits		13,055	11,741	–	–
		80,216	77,429	10,859	11,300
Non-current					
Amounts due to subsidiaries		–	–	136,994	140,486
Total accounts payables (current and non-current)		80,216	77,429	147,853	151,786
Add: Total bank borrowings	24	151,482	251,638	–	–
Total financial liabilities carried at amortised cost		231,698	329,067	147,853	151,786

Trade payables

Trade payables are non-interest bearing and are normally settled on 30-60 day terms.

Other payables

The amounts due to subsidiaries (non-current) are non-trade related, unsecured, interest-free and have no fixed terms of repayment. These are expected to be settled in cash.

The Group's share of jointly controlled entities' accounts payables as at 31 March 2012 amounted to $36,169,000 (2011: $35,890,000) (Note 31).

notes to the financial statements
31 March 2012

25. ACCOUNTS PAYABLES (CONT'D)

Current payables denominated in foreign currencies as at 31 March are as follows:

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
United States dollar	6,647	6,999	–	–
Chinese renminbi	32,798	28,142	–	–
Sterling pound	265	744	–	–
Hong Kong dollar	147	166	–	–
Euro	45	19	–	–
Japanese yen	1,953	2,073	–	–
	41,855	38,143	–	–

26. SHARE CAPITAL AND TREASURY SHARES

(a) *Share capital*

	Group and Company			
	2012		2011	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
Ordinary shares				
Balance at beginning of the financial year	654,029	142,432	636,810	130,379
Bonus issue	134,068	–	–	–
Exercise of warrants	43,452	27,285	17,219	12,053
Balance at end of the financial year	831,549	169,717	654,029	142,432

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.

On 7 July 2011, 134,067,963 bonus shares have been allocated and issued pursuant to the bonus issue at one bonus share for every five existing ordinary share ("bonus issue").

The total proceeds from issue of shares due to warrants conversion ("Proceeds") between the warrants' issue date, 23 September 2008 and expiry date, 22 September 2011, amounted to $39,309,000. As at 31 March 2012, none of the Proceeds has been utilised.

notes to the financial statements
31 March 2012

26. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) *Treasury shares*

	Group and Company			
	2012		2011	
	No. of shares '000	$'000	No. of shares '000	$'000
Balance at beginning of the financial year	2,469	1,397	2,469	1,397
Bonus issue	494	–	–	–
Acquired during the financial year	550	371	–	–
Balance at end of the financial year	3,513	1,768	2,469	1,397

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

During the financial year, the Company acquired 550,000 shares (2011: nil) in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $371,250 (2011: nil) and this was presented as a component within shareholders' equity.

27. RESERVES

	Note	Group		Company	
		2012 $'000	2011 $'000	2012 $'000	2011 $'000
Revaluation reserve	(a)	19,073	19,073	9,119	9,119
Foreign currency translation reserve	(b)	(26,733)	(38,770)	–	–
Revenue reserve	(c)	947,953	880,657	160,351	152,434
Fair value reserve	(d)	6,039	7,807	–	–
Warrants reserve	(e)	–	2,688	–	2,688
		946,332	871,455	169,470	164,241

(a) *Revaluation reserve*

The revaluation reserve is used to record the increases in the fair value of land and buildings, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

Included in the revaluation reserve as at 31 March 2012 are amounts of $9,954,000 (2011: $9,954,000) relating to fair value adjustments on acquisition of jointly controlled entities relating to previously held interest.

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Net surplus on revaluation of:				
- Freehold land and buildings	9,119	9,119	9,119	9,119
- Revaluation on acquisition of jointly controlled entities	9,954	9,954	–	–
	19,073	19,073	9,119	9,119

(b) *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.

notes to the financial statements
31 March 2012

27. RESERVES (CONT'D)

(c) Revenue reserve

Included in the Group's revenue reserve is a balance of approximately $2,138,000 (2011: $1,717,000), which is restricted in use as required by the relevant laws and regulations of the People's Republic of China.

(d) Fair value reserve

Fair value reserve records the cumulative fair value changes net of tax, of available-for-sale assets until they are derecognised or impaired.

(e) Warrants reserve

The warrants reserve comprises the proceeds from the warrants issued, net of warrant issue expense. As and when the warrants are exercised, the net proceeds relating to the warrants exercised will be transferred to share capital.

Each warrant carries the right to subscribe for one ordinary share at the issue price of $0.63 each prior to the adjustment pursuant to the Bonus Issue in the capital of the Company.

43,451,518 warrants were exercised during the financial year (2011: 17,219,053) and the remaining 1,076,292 warrants expired on 22 September 2011. As of 31 March 2012, there was no warrant outstanding (2011: 39,825,150).

28. DIVIDENDS

	Group and Company	
	2012 $'000	2011 $'000
Dividends paid during the financial year:		
Final exempt (one-tier) dividend of 2.0 cents per ordinary share for 2011 (2010: 2.0 cents)	16,439	12,819
Final special exempt (one-tier) dividend of 1.0 cent per ordinary share for 2011 (2010: 1.0 cent)	8,220	6,410
Interim special exempt (one-tier) dividend of 2.0 cents per ordinary shares for 2011	–	12,898
	24,659	32,127
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 of 2.0 cents (2011: 2.0 cents) per ordinary share	16,561	16,439
Final special exempt (one-tier) dividend of 4.0 cents (2011: 1.0 cent) per ordinary share	33,121	8,220
	49,682	24,659

notes to the financial statements

31 March 2012

29. COMMITMENTS

(i) Capital commitments

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

	Group	
	2012	**2011**
	$'000	**$'000**
Capital commitments in respect of investment	19,384	20,673

(ii) Operating lease commitments

(a) As lessee

The Group leases certain properties under non-cancellable lease arrangements which do not have any purchase options and expire at various dates till 2014. All leases include a clause to enable upward revision of the rental charge on a periodic basis based on prevailing market conditions. The future minimum rentals under these non-cancellable leases are:

	Group	
	2012	**2011**
	$'000	**$'000**
Not later than one year	20,293	20,676
Later than one year but not later than five years	16,563	28,018
	36,856	48,694

(b) As lessor

The Group has entered into commercial property leases on its property portfolio. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 15 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	
	2012	**2011**
	$'000	**$'000**
Not later than one year	41,161	53,976
Later than one year but not later than five years	60,442	104,495
Later than five years	13,803	60,564
	115,406	219,035

30. CONTINGENT LIABILITIES

The Group and Company has undertaken to provide financial support to certain subsidiaries and jointly controlled entities for deficiencies in their shareholders' funds and to extend adequate funding to meeting their net current liability positions for the financial years ended 31 March 2012 and 2011.

notes to the financial statements

31 March 2012

31. JOINTLY CONTROLLED ENTITIES

(a) The Group's share of the assets and liabilities of the jointly controlled entities, which have been included in these financial statements, are as follows:

	Note	Group's share 2012 $'000	Group's share 2011 $'000
Investment properties	12	366,083	505,774
Property, plant and equipment	11	618	701
Investments		53	52
Loans to jointly controlled entities	17	1,245	174
Deposits	20	4,355	4,366
Prepayments		123	290
Trade receivables	21	4,810	6,899
Other receivables	21	1,125	983
Cash and bank balances	23	42,022	32,313
Bank borrowings	24	(49,224)	(144,719)
Accounts payables	25	(36,169)	(35,890)
Provision for taxation		(2,732)	(3,965)
Deferred tax liabilities	9	(60,106)	(70,491)
		272,203	296,487

(b) The Group's share of the results of jointly controlled entities, which have been included in these financial statements, are as follows:

	Group's share 2012 $'000	Group's share 2011 $'000
Income statement		
Revenue	54,716	50,951
Direct operating expenses	(13,415)	(10,848)
Property income	41,301	40,103
Other income including interest income	1,536	11,000
Gain from fair value adjustments on investment properties	7,389	16,166
General and administrative expenses	(3,666)	(4,013)
Profit from operating activities	46,560	63,256
Finance costs	(10,218)	(9,165)
Profit from operations before taxation	36,342	54,091
Taxation	(9,171)	(18,432)
Profit net of taxation	27,171	35,659
Equity		
Share of adjustment to revaluation surplus on disposal of jointly controlled entity, net of tax	–	1,803

Details of the Group's jointly controlled entities are shown in Note 36.

notes to the financial statements

31 March 2012

32. RELATED PARTY DISCLOSURES

An entity or individual is considered a related party of the Group for the purposes of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or

(ii) it is subject to common control or common significant influence.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place during the financial year at terms agreed between the parties:

(a) Sales and purchase of goods and services and other fees

	Group	
	2012	**2011**
	$'000	**$'000**
Interest income from an associate	(2,662)	(13,087)
Management fee received from associates	(3,962)	(3,572)
Rental income from a company in which a Director has an interest *	(177)	(184)
Corporate advisory fee paid to a company that is controlled by a Director	202	330

* The related party above refers to an entity affiliated with the controlling shareholder of the Company.

(b) Compensation of key management personnel

Salary, bonus and other benefits	13,014	12,627
Contributions to CPF	49	50
Provision for long-service benefits	344	232
Total compensation paid to key management personnel	13,407	12,909
Comprise amounts paid to:		
Directors of the Company	8,874	8,989
Other key management personnel	4,533	3,920
	13,407	12,909

33. 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.

notes to the financial statements

31 March 2012

33. SEGMENT INFORMATION (CONT'D)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Business segments

	Property $'000	Retail $'000	Inter-segment eliminations $'000	Total $'000
2012				
Sales to external customers	66,961	120,034	–	186,995
Inter-segment sales	190	–	(190)	–
Segment revenue	67,151	120,034	(190)	186,995
Segment results	137,030	5,226	–	142,256
Finance costs	(12,261)	–	–	(12,261)
Changes in fair value of short term investments	(3,151)	–	–	(3,151)
Gain from fair value adjustments on investment properties	4,526	–	–	4,526
Impairment of available-for-sale financial assets	(17,839)	–	–	(17,839)
Share of results of associates	893	846	–	1,739
Segment profit before taxation	109,198	6,072	–	115,270
Taxation	(22,631)	(724)	–	(23,355)
Profit for the year	86,567	5,348	–	91,915
2011				
Sales to external customers	63,393	111,852	–	175,245
Inter-segment sales	190	–	(190)	–
Segment revenue	63,583	111,852	(190)	175,245
Segment results	46,621	6,578	–	53,199
Finance costs	(11,367)	–	–	(11,367)
Changes in fair value of short term investments	(266)	–	–	(266)
Gain from fair value adjustments on investments properties	13,601	–	–	13,601
Share of results of associates	49,853	496	–	50,349
Segment profit before taxation	98,442	7,074	–	105,516
Taxation	(21,650)	(1,709)	–	(23,359)
Profit for the year	76,792	5,365	–	82,157

notes to the financial statements
31 March 2012

33. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

	Property $'000	Retail $'000	Total $'000
Assets and liabilities			
2012			
Segment assets	1,278,257	64,716	1,342,973
Investment in associates	83,967	10,085	94,052
Tax recoverable	259	–	259
Total assets	1,362,483	74,801	1,437,284
Segment liabilities	205,009	26,689	231,698
Provision for taxation	14,664	1,795	16,459
Deferred taxation	70,932	576	71,508
Total liabilities	290,605	29,060	319,665
Other segment information			
Additions to non-current assets			
- Property, plant and equipment	124	3,599	3,723
- Investment properties	248	–	248
	372	3,599	3,971
Interest expense	12,261	–	12,261
Interest income	(2,505)	(59)	(2,564)
Depreciation of property, plant and equipment	524	2,911	3,435
Other material non-cash items			
Write-back of doubtful debts, net	–	(13)	(13)
Inventories written down	–	1,159	1,159
Fair value loss on held-for-trading investments (unrealised)	3,151	–	3,151
Gain from fair value adjustments on investment properties	(4,526)	–	(4,526)
Allowance for obsolete inventories	–	173	173
Impairment of available-for-sale investments	17,839	–	17,839

notes to the financial statements
31 March 2012

33. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

	Property $'000	Retail $'000	Total $'000
Assets and liabilities			
2011			
Segment assets	1,276,894	49,300	1,326,194
Investment in associates	97,678	10,009	107,687
Tax recoverable	109	–	109
Total assets	1,374,681	59,309	1,433,990
Segment liabilities	301,434	27,633	329,067
Provision for taxation	5,461	1,750	7,211
Deferred taxation	80,207	952	81,159
Total liabilities	387,102	30,335	417,437
Other segment information			
Additions to non-current assets			
- Property, plant and equipment	871	2,033	2,904
- Investment properties	93,181	–	93,181
	94,052	2,033	96,085
Interest expense	11,367	–	11,367
Interest income	(24,481)	(63)	(24,544)
Depreciation of property, plant and equipment	531	2,220	2,751
Other material non-cash items			
Allowance for doubtful debts, net	–	56	56
Inventories written down	–	1,271	1,271
Fair value loss on held-for-trading investments (unrealised)	266	–	266
Gain from fair value adjustments on investment properties	(13,601)	–	(13,601)
Reversal of allowance for obsolete inventories	–	(29)	(29)

notes to the financial statements
31 March 2012

33. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current asset information based on the geographical location of the customers and assets respectively, are as follows:

	Singapore $'000	Other Asean $'000	People's Republic of China/ Hong Kong $'000	Japan $'000	Group $'000
2012					
Segment revenue from external customers	120,034	–	61,740	5,221	186,995
Non-current assets					
- Property, plant and equipment	15,864	–	626	–	16,490
- Investment properties	–	–	466,503	83,691	550,194
- Investment in associates	–	12,462	5,598	–	18,060
	15,864	12,462	472,727	83,691	584,744
2011					
Segment revenue from external customers	111,852	–	58,028	5,365	175,245
Non-current assets					
- Property, plant and equipment	15,491	–	732	–	16,223
- Investment properties	–	–	601,755	86,697	688,452
- Investment in associates	–	59,650	4,432	–	64,082
	15,491	59,650	606,919	86,697	768,757

notes to the financial statements
31 March 2012

34. FINANCIAL INSTRUMENTS

(a) *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.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk on interest bearing assets arises primarily from their loans and borrowings, interest-bearing loans given to related parties and investments in debt securities. The Group invests in fixed rate debt securities to ensure certainty over the cashflows. The Group's loans at floating rate given to related parties form a natural hedge for its non-current floating rate bank loans.

The Group is also exposed to interest rate risk from loans and borrowings. 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 (2011: 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	2012 $'000	2011 $'000
Group			
- Chinese renminbi	+100	(492)	(1,447)
- Hong Kong dollar	+100	(154)	(154)
- Japanese yen	+100	(868)	(915)
- Chinese renminbi	-100	492	1,447
- Hong Kong dollar	-100	154	154
- Japanese yen	-100	868	915

notes to the financial statements
31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

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 dollars (USD), Hong Kong dollars (HKD) and Japanese yen (JPY). Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency or against the entity's functional currency, in particular its future revenue stream. Transactional exposures in currencies other than the entity's functional currency are kept to a minimal level.

Sensitivity analysis for foreign currency risk

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

		2012		2011	
		Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
RMB	- strengthened 5% (2011: 5%)	(699)	3	(6,356)	3
	- weakened 5% (2011: 5%)	699	(3)	6,356	(3)
USD	- strengthened 5% (2011: 5%)	1,500	4,036	3,976	2,616
	- weakened 5% (2011: 5%)	(1,500)	(4,036)	(3,976)	(2,616)
HKD	- strengthened 5% (2011: 5%)	171	3,245	129	4,250
	- weakened 5% (2011: 5%)	(171)	(3,245)	(129)	(4,250)
JPY	- strengthened 5% (2011: 5%)	(4,236)	–	(4,414)	–
	- weakened 5% (2011: 5%)	4,236	–	4,414	–

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 carrying amounts of investments, trade and other receivables, loan notes, collateral assets and cash and cash equivalents represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

notes to the financial statements
31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its financial assets on an on-going basis. The credit risk concentration profile of the Group's financial assets at the end of the reporting period by country is as follows:

	Singapore $'000	Other Asean $'000	People's Republic of China/ Hong Kong $'000	Japan $'000	Total $'000
By country:					
At 31 March 2012					
Loans and receivables					
Amounts due from jointly controlled entities (Note 17)	–	–	1,245	–	1,245
Amounts due from associates (Note 16)	–	4,547	71,445	–	75,992
Trade and other receivables (Note 21)	3,151	–	6,956	258	10,365
Deposits (Note 20)	3,365	–	4,372	–	7,737
Loan notes (Note 18)	–	–	15,248	–	15,248
Pledged fixed and bank deposits (Note 23)	–	–	2,351	33,656	36,007
Cash and cash equivalents (Note 23)	473,090	–	66,259	4,198	543,547
Total	479,606	4,547	167,876	38,112	690,141
At 31 March 2011					
Loans and receivables					
Amounts due from jointly controlled entities (Note 17)	–	–	174	–	174
Amounts due from associates (Note 16)	–	–	43,605	–	43,605
Trade and other receivables (Note 21)	1,018	–	8,993	305	10,316
Deposits (Note 20)	3,209	–	4,366	–	7,575
Collateral assets (Note 22)	–	–	24,560	–	24,560
Pledged fixed and bank deposits (Note 23)	–	–	1,286	33,589	34,875
Cash and cash equivalents (Note 23)	285,315	–	82,512	5,084	372,911
Total	289,542	–	165,496	38,978	494,016

Of the total financial assets disclosed above of $690,141,000 (2011: $494,016,000), 94.8% (2011: 93.9%) is invested in the property sector.

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are 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 21.

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

31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'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, including estimated interest payments.

Group	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2012				
Financial assets:				
Accounts receivables	10,365	–	–	10,365
Amounts due from jointly controlled entities	–	1,245	–	1,245
Amounts due from associates	4,547	61,362	10,083	75,992
Deposits	7,737	–	–	7,737
Loan notes	15,248	–	–	15,248
Pledged deposits	36,007	–	–	36,007
Cash and cash equivalents	543,547	–	–	543,547
Total undiscounted financial assets	617,451	62,607	10,083	690,141
Financial liabilities:				
Accounts payables	80,216	–	–	80,216
Loans and borrowings	57,981	104,026	–	162,007
Total undiscounted financial liabilities	138,197	104,026	–	242,223
Total net undiscounted financial assets/(liabilities)	479,254	(41,419)	10,083	447,918
2011				
Financial assets:				
Accounts receivables	10,316	–	–	10,316
Amounts due from jointly controlled entities	–	174	–	174
Amounts due from associates	–	33,498	10,107	43,605
Deposits	7,575	–	–	7,575
Collateral assets	24,560	–	–	24,560
Pledged deposits	34,875	–	–	34,875
Cash and cash equivalents	372,911	–	–	372,911
Total undiscounted financial assets	450,237	33,672	10,107	494,016
Financial liabilities:				
Accounts payables	77,429	–	–	77,429
Loans and borrowings	66,278	155,067	93,927	315,272
Total undiscounted financial liabilities	143,707	155,067	93,927	392,701
Total net undiscounted financial assets/(liabilities)	306,530	(121,395)	(83,820)	101,315

notes to the financial statements
31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

Liquidity risk (cont'd)

Company	**1 year or less $'000**	**1 to 5 years $'000**	**Total $'000**
2012			
Financial assets:			
Accounts receivables	95	–	95
Amounts due from subsidiaries	–	395,948	395,948
Deposits	149	–	149
Cash and cash equivalents	61,452	–	61,452
Total undiscounted financial assets	61,696	395,948	457,644
Financial liabilities:			
Trade and other payables	10,859	–	10,859
Amounts due to subsidiaries	–	136,994	136,994
Total undiscounted financial liabilities	10,859	136,994	147,853
Total net undiscounted financial assets	50,837	258,954	309,791
2011			
Financial assets:			
Accounts receivables	16	–	16
Amounts due from subsidiaries	–	398,283	398,283
Deposits	133	–	133
Cash and cash equivalents	30,601	–	30,601
Total undiscounted financial assets	30,750	398,283	429,033
Financial liabilities:			
Trade and other payables	11,300	–	11,300
Amounts due to subsidiaries	–	140,486	140,486
Total undiscounted financial liabilities	11,300	140,486	151,786
Total net undiscounted financial assets	19,450	257,797	277,247

notes to the financial statements

31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Financial risk management objectives and policies (cont'd)*

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 held-for-trading or available-for-sale financial assets. 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.

	2012		2011	
	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
HSI				
- 10% higher	771	6,491	678	8,501
- 10% lower	(771)	(6,491)	(678)	(8,501)
STI				
- 10% higher	6,442	–	6,049	–
- 10% lower	(6,442)	–	(6,049)	–

notes to the financial statements

31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) *Fair values of financial assets that are carried at fair value*

The following table shows an analysis of financial assets recorded at fair value by level of fair value hierarchy.

	Quoted market price (Level 1) $'000	Valuation techniques - market observable inputs (Level 2) $'000	Valuation techniques - non - market observable inputs (Level 3) $'000	Total $'000
2012				
Financial assets				
Financial assets held-for-trading				
- quoted equity shares	72,137	–	–	72,137
Financial assets available-for-sale				
- quoted equity shares	64,907	–	–	64,907
- unquoted equity shares	–	–	8,025	8,025
	137,044	–	8,025	145,069
2011				
Financial assets				
Financial assets held-for-trading				
- quoted equity shares	67,272	–	–	67,272
Financial assets available-for-sale				
- quoted equity shares	85,006	–	–	85,006
- unquoted equity shares	–	–	4,283	4,283
	152,278	–	4,283	156,561

notes to the financial statements

31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values of financial assets that are carried at fair value (cont'd)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Determination of fair value

Quoted equity instruments (Note 18): Fair value is determined directly by reference to their published market bid price at the end of the reporting period.

Unquoted equity instruments (Note 18): Fair value is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

These inputs are developed based on the best information available, which include the Group's own data.

Movements in level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (level 3).

	Group	
	2012	**2011**
	$'000	**$'000**
Opening balance	4,283	–
Transfer from financial asset previously recognised at cost	–	1,051
Additions during the financial year	3,752	2,457
Fair value adjustment	–	880
Currency realignment	(10)	(105)
Closing balance	8,025	4,283

Financial instruments transferred between Level 1, Level 2 and Level 3

There were no transfers of financial instruments between Level 1, Level 2 and Level 3 during the financial year.

notes to the financial statements
31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, amounts due from associates, subsidiaries and jointly controlled entities that are interest-bearing, bank overdrafts, current trade and other payables and current bank loans, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Amounts due from jointly controlled entities that are non interest-bearing are stated at fair values by discounting expected future cash flows at market incremental lending rates for similar types of lending arrangements at the end of the reporting period.

(d) *Fair value of financial instruments 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				Company			
		Carrying amount		Fair value		Carrying amount		Fair value	
	Note	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Financial assets:									
Amounts due from subsidiaries (non-current) [1] - non interest -bearing	14	–	–	–	–	300,787	307,305	(ii)	(ii)
Unquoted secured loan notes	18	15,248	–	15,248	–	–	–	–	–
Unquoted shares	18	53	52	(i)	(i)	–	–	–	–
Amounts due from associates (non-current) [1] - non interest -bearing	16	75,992	43,605	(ii)	(ii)	–	–	–	–
Collateral assets	22	–	24,560	–	24,560	–	–	–	–
Financial liabilities:									
Amounts due to subsidiaries (non-current) [1] - non interest-bearing	25	–	–	–	–	136,994	140,486	(ii)	(ii)

notes to the financial statements

31 March 2012

34. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd)

(i) The unquoted shares have been stated at cost because of the lack of market prices and assumptions used in valuation models to value these investments cannot be reasonably supported by observable market data. However, the cash flows from these investments are expected to be in excess of their carrying amounts. The Group intends to dispose of the unquoted shares via a sale.

(ii) The amounts due from/(to) subsidiaries and associates 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.

(1) The interest-bearing amounts due from/(to) subsidiaries, associates and jointly controlled entities have been excluded as they are stated at fair values.

35. CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating 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 2011 and 31 March 2012.

As disclosed in Note 27(c), a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a 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 for the financial years ended 31 March 2011 and 31 March 2012.

The Group monitors capital using a debt-equity ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and bank balances. Capital includes equity attributable to the owners of the Company less the above-mentioned restricted statutory reserve fund and the fair value reserve.

notes to the financial statements
31 March 2012

35. CAPITAL MANAGEMENT POLICY (CONT'D)

	Note	Group 2012 $'000	Group 2011 $'000
Loans and borrowings	24	151,482	251,638
Less: Cash and bank balances	23	(579,554)	(407,786)
Net cash		(428,072)	(156,148)
Equity attributable to the owners of the Company		1,114,281	1,012,490
Less: Statutory reserve fund	27(c)	(2,138)	(1,717)
Less: Fair value reserve	27(d)	(6,039)	(7,807)
Total capital		1,106,104	1,002,966
Debt-equity ratio (times)		–	–

36. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

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

	Group 2012 $'000	Group 2011 $'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	*	*
	21,828	21,828

* Cost is $2.

notes to the financial statements
31 March 2012

36. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (CONT'D)

Details of subsidiaries and associates and jointly controlled entities at 31 March are:

Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2012 %	2011 %
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
Investment trading			
Meren Pte Ltd (Singapore)	Singapore	100.0	100.0

notes to the financial statements
31 March 2012

36. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (CONT'D)

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2012 %	2011 %
	Held by subsidiaries			
	Retailers and department store operators			
	The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	100.0
	Property			
+ [1]	Guangzhou International Electronics Building Co Ltd (People's Republic of China)	People's Republic of China	100.0	100.0
+	Zensei Tokutei Mokuteki Kaisha (Japan)	Japan	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
+	Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0
+ [1]	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

notes to the financial statements
31 March 2012

36. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (CONT'D)

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2012 %	2011 %
	Held by subsidiaries (cont'd)			
	Investment holding (cont'd)			
+	Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0
	Metro Prop Japan Pte Ltd (Singapore)	Singapore	100.0	100.0
	Kowa Property Pte Ltd (Singapore)	Singapore	100.0	100.0
	Bunkyo Property Pte Ltd (Singapore)	Japan	100.0	100.0
	Management service consultants			
	Metrobilt Construction Pte Ltd (Singapore)	Singapore	100.0	100.0
Ω	Zensei Leasing GK (Japan)	Japan	100.0	100.0
	Dormant companies			
	Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0
+	Metro Factory Outlet (Malaysia) Sdn Bhd (Malaysia)	Malaysia	100.0	100.0

notes to the financial statements
31 March 2012

36. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (CONT'D)

	Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2012 %	2011 %
	Retailers and department store operators			
+	PT Metropolitan Retailmart (Indonesia)	Indonesia	50.0	50.0
^	Intrad Pte Ltd (Singapore)	Singapore	–	50.0
	Property			
&	Etika Cekap Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Gurney Plaza Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	G Limousine Services Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Unojaya Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
	Investment holding			
	Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0
&	China Infrastructure Group Limited (British Virgin Islands)	People's Republic of China	50.0	45.0
&	Diamond Wind Company Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
&	Choice Bright Holdings Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
(2)	Barlo Development Company Limited (British Virgin Islands)	People's Republic of China	33.3	–

notes to the financial statements
31 March 2012

36. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (CONT'D)

	Jointly controlled entitles (Country of incorporation)	Place of business	Percentage of equity held by the Group 2012 %	2011 %
	Property			
+@	Shanghai Metro City Cultural and Entertainment 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
#	Beijing Huamao Property Co Ltd (People's Republic of China)	People's Republic of China	–	50.0
&	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	50.0	50.0
	Held through jointly controlled entity			
&	China East Investment Limited (Hong Kong)	People's Republic of China	31.7	31.7

\+ Audited by associated firms of Ernst & Young LLP, Singapore.

& Audited by other firms. These foreign subsidiaries and associates are not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

@ The Group has not accounted for its interests in Shanghai Metro City Cultural and Entertainment 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 jointly controlled entities in proportion to their respective capital contributions but have contractual joint control of the jointly controlled entities.

(1) 100% of the issued share capital of Metrobilt Enterprise Ltd and Guangzhou International Electronics Building Co Ltd are pledged as security for bank loans (Note 24).

(2) Incorporated during the financial year.

\# Disposed of during the financial year.

^ Liquidated during the financial year.

Ω Not required to be audited in the country of incorporation. This foreign subsidiary is not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2012 were authorised for issue in accordance with a resolution of the directors on 19 June 2012.

statistics of shareholdings

As at 13 June 2012

(i)	Number of fully issued and paid shares (excluding treasury shares)	:	828,035,874
(ii)	Amount of issued and paid up shares	:	S$165,464,900
(iii)	Class of shares	:	Ordinary Shares
(iv)	Voting rights	:	1 vote per share
(v)	Treasury shares	:	3,512,800

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	320	5.75	100,978	0.01
1,000 - 10,000	2,057	36.98	11,803,926	1.43
10,001 - 1,000,000	3,142	56.48	162,622,652	19.64
1,000,001 AND ABOVE	44	0.79	653,508,318	78.92
TOTAL	**5,563**	**100.00**	**828,035,874**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares Held	%
1	ENG KUAN COMPANY PTE LTD	133,555,636	16.13
2	NGEE ANN DEVELOPMENT PTE LTD	79,783,056	9.64
3	CITIBANK NOMINEES SINGAPORE PTE LTD	59,040,328	7.13
4	MAYBAN NOMINEES (SINGAPORE) PTE LTD	56,042,828	6.77
5	DYNAMIC HOLDINGS PTE LTD	48,293,203	5.83
6	LEROY SINGAPORE PTE LTD	47,758,905	5.77
7	DBS NOMINEES PTE LTD	29,979,891	3.62
8	HSBC (SINGAPORE) NOMINEES PTE LTD	22,399,084	2.71
9	ONG SIOE HONG	21,211,182	2.56
10	GAN TENG SIEW REALTY SDN BHD	19,176,796	2.32
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	15,675,227	1.89
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	14,369,349	1.74
13	LEE YUEN SHIH	8,998,200	1.09
14	HL BANK NOMINEES (SINGAPORE) PTE LTD	8,579,184	1.04
15	MORPH INVESTMENTS LTD	8,160,600	0.99
16	PHILLIP SECURITIES PTE LTD	7,841,612	0.95
17	SHAW VEE KING	6,499,000	0.78
18	DBSN SERVICES PTE LTD	5,354,887	0.65
19	COMO HOLDINGS INC	4,804,800	0.58
20	CITY DEVELOPMENTS REALTY LIMITED	4,608,000	0.56
	TOTAL	**602,131,768**	**72.75**

substantial shareholders

As at 13 June 2012

Name	No. of shares Direct Interest	Indirect Interest
Jopie Ong Hie Koan (Note 1)	–	285,047,743
Eng Kuan Company Private Limited (Note 2)	133,555,636	55,439,999
Dynamic Holdings Pte Ltd	48,293,203	–
Leroy Singapore Pte Ltd	47,758,905	–
Ong Jen Yaw (Note 3)	70,540	215,503,049
Ong Ling Ling (Note 4)	75,360	48,293,203
Ong Jenn (Note 4)	63,360	48,293,203
Ong Ching Ping (Note 4)	63,360	48,293,203
Ong Sek Hian (Wang ShiXian) (Note 4)	63,360	48,293,203
Ngee Ann Development Pte Ltd	79,783,056	–
Ngee Ann Kongsi (Note 5)	–	79,783,056
Takashimaya Co Limited (Note 6)	–	79,783,056

Note 1 - Mr Jopie Ong Hie Koan is deemed to be interested in the shares of the Company through his interests in Eng Kuan Company Private Limited, Dynamic Holdings Pte Ltd and Leroy Singapore Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

Note 2 - Eng Kuan Company Private Limited's deemed interest is held through Mayban Nominees (Singapore) Pte Ltd.

Note 3 - Mr Ong Jen Yaw's deemed interest is held through Eng Kuan Company Private Limited and Citibank Nominees. Mr Ong Jen Yaw is deemed to be interested in the shares of the Company through his interests in Eng Kuan Company Private Limited by virtue of Section 7 of the Companies Act, Chapter 50.

Note 4 - Ms Ong Ling Ling, Mr Ong Jenn, Ms Ong Ching Ping and Mr Ong Sek Hian (Wang ShiXian) are deemed to be interested in the shares of the Company through their interests in Dynamic Holdings Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

Note 5 - Ngee Ann Kongsi is deemed to be interested in the shares of the Company through its interests in Ngee Ann Development Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

Note 6 - Takashimaya Co Limited is deemed to be interested in the shares of the Company through its interests in Ngee Ann Development Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

Based on the Register of Shareholders, and to the best knowledge of the Company, the percentage of shareholding held in the hands of public as at 13 June 2012 is approximately 49.36% of the total issued shares, excluding treasury shares. Therefore, Company complies with Rule 723 of the Listing Manual.

notice of annual general meeting and notice of books closure date

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of the Company will be held at *Mandarin Ballroom, 6th Floor Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867* on 25 July 2012 at 11:30 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 March 2012 and the Independent Auditor's Report thereon. (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 2012. (Resolution 2)

3. To declare the payment of a special tax exempt (one tier) dividend of 4.0 cents per ordinary share for the year ended 31 March 2012. (Resolution 3)

4. To re-appoint Mr Phua Bah Lee, who is retiring under Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. *[to refer to explanatory note (a)]* (Resolution 4)

5. To re-appoint Lt-Gen (Retd) Winston Choo Wee Leong, who is retiring under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. *[to refer to explanatory note (b)]* (Resolution 5)

6. To re-appoint Mr Jopie Ong Hie Koan, who is retiring under Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. *[to refer to explanatory note (c)]* (Resolution 6)

7. To re-elect Mrs Fang Ai Lian, a Director retiring pursuant to Article 94 of the Company's Articles of Association. *[to refer to explanatory note (d)]* (Resolution 7)

8. To re-elect Mr Tan Soo Khoon, a Director retiring pursuant to Article 99 of the Company's Articles of Association. (Resolution 8)

9. To approve the Directors' Fees of $412,226 for the year ended 31 March 2012. (2011: $314,000). (Resolution 9)

10. To re-appoint Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. (Resolution 10)

11. To transact any other business of an Annual General Meeting.

notice of annual general meeting and notice of books closure date

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

12. Share Issue Mandate

That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital 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,

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) in the capital of the Company (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) in the capital of the Company (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) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

notice of annual general meeting and notice of books closure date

(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 Articles of Association 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. *[to refer to explanatory note (e)]* (Resolution 11)

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 8 August 2012 for the purpose of determining shareholders' entitlements to the proposed first and final dividend and special dividend (the "Proposed Dividends") for the year ended 31 March 2012.

Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00 Singapore 068898 up to the close of business at 5:00 p.m. on 7 August 2012 will be registered before shareholders' entitlement to the Proposed Dividends is determined.

Shareholders (being Depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with shares as at 5:00 p.m. on 7 August 2012, will rank for the Proposed Dividends.

The Proposed Dividends, if approved at the Thirty-Ninth Annual General Meeting of the Company to be held on 25 July 2012, will be paid on 17 August 2012.

By Order of the Board

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries

Singapore
6 July 2012

notice of annual general meeting and notice of books closure date

EXPLANATORY NOTES:

(a) Mr Phua Bah Lee, if re-appointed, will continue to serve as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. Mr Phua Bah Lee is considered by the Board of Directors as an Independent Director.

(b) Lt-Gen (Retd) Winston Choo Wee Leong, if re-appointed, will continue to serve as the Chairman of the Board, Chairman of the Nominating Committee and a member of the Remuneration Committee. Lt-Gen (Retd) Winston Choo Wee Leong, is considered by the Board of Directors as an Independent Director.

(c) Mr Jopie Ong Hie Koan, the Group Managing Director, if re-appointed, will continue to serve as the Group Managing Director and a member of the Nominating Committee.

(d) Mrs Fang Ai Lian, if re-elected, will continue to serve as the Chairman of the Audit Committee, and a member of the Nominating Committee. Mrs Fang Ai Lian is considered by the Board of the Directors as an Independent Director.

(e) The proposed ordinary resolution 11 in item 12 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares in 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.

NOTES:

(i) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

(ii) If a proxy is to be appointed, the form of proxy must be deposited at the registered office of the Company, 391A Orchard Road #19-00 Tower A, Ngee Ann City Singapore 238873 not less than 48 hours before the Annual General Meeting.

(iii) The form of proxy must be signed by the appointer or his attorney duly authorised in writing. In the case of joint shareholders, all holders must sign the form of proxy.

This page has been left blank intentionally

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

Annual General Meeting

PROXY FORM

Important

1. For investors who have used their CPF monies to buy Metro Holdings Limited shares, this Annual Report is sent to them at the request of their CPF Agent Banks and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is **not valid for use by CPF investors**, and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. **(Agent Banks: Please see Note 9 on required format) Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.**

I/We (Name)____, NRIC/Passport No./Co.Regn. No: ________________

of (Address) ____

being a member/members of METRO HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company (the **"Meeting"**) to be held on 25 July 2012 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions relating to	For	Against
1.	To adopt the Directors' Reports and Audited Financial Statements		
2.	To declare First and Final Dividend		
3.	To declare Special Dividend		
4.	To re-appoint Mr Phua Bah Lee pursuant to Section 153(6) of Companies Act, Cap 50		
5.	To re-appoint Lt-Gen (Retd) Winston Choo Wee Leong pursuant to Section 153(6) of Companies Act, Cap 50		
6.	To re-appoint Mr Jopie Ong Hie Koan pursuant to Section 153(6) of Companies Act, Cap 50		
7.	To re-elect Mrs Fang Ai Lian, a Director retiring under Article 94 of the Articles of Association		
8.	To re-elect Mr Tan Soo Khoon, a Director retiring under Article 99 of the Articles of Association		
9.	To approve Directors' Fees		
10.	To re-appoint Auditors and authorise the directors to fix their remuneration		
11.	Any other business		
	SPECIAL BUSINESS		
12.	To approve the Share Issue Mandate		

If you wish to exercise all your votes For or Against, please tick with ' ✓ '. Alternatively, please indicate the number of votes For or Against each resolution.

Dated this ____________________ day of ________________ 2012.

Total No. of Shares Held	

____

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 391A Orchard Road #19-00 Tower A, Ngee Ann City Singapore 238873 not less than 48 hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a 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, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.

9. Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the Meeting.

GENERAL

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

METRO HOLDINGS LIMITED

391A Orchard Road #19-00 Tower A, Ngee Ann City, Singapore 238873
Tel: (65) 6733 3000   Fax: (65) 6735 3515
www.metroholdings.com.sg