Successful Partnerships,
New Opportunities
Annual Report 2013

美羅 METRO

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.

CONTENTS

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

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

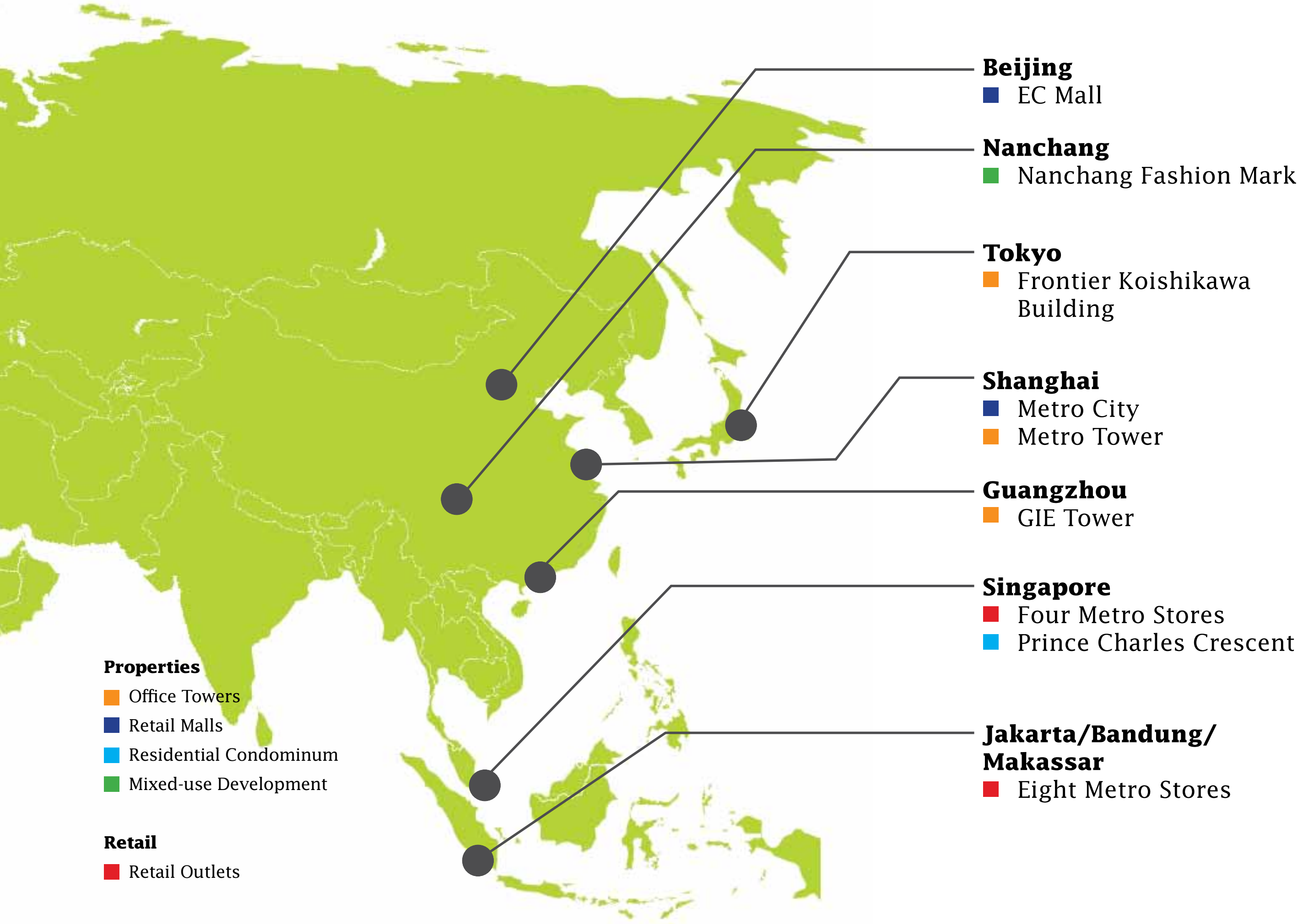
Metro Holdings at a Glance

About us

Listed on the Mainboard of the SGX-ST in 1973, Metro Holdings was founded in 1957 by the late Mr Ong Tjoe Kim. Starting out as a textile store on 72 High Street, 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$187.1 million and net assets of S$1.1 billion as at 31 March 2013.

Our Presence

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 significant interests in almost 142,000 sqm of prime retail and office investment properties in first-tier cities in the PRC, such as Beijing, Shanghai and Guangzhou, and almost 845,000 sqm of residential and mixed-use development properties held predominantly for sale. It also holds significant investments in certain property businesses in the PRC.

Retail

Metro's retail arm serves customers through a chain of four Metro department stores and nine 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 1,324,000 sq ft of downtown and suburban retail space in both Singapore and Indonesia.

Building Strong Ties

Partnerships open doors to growth opportunities.

In FY2013, the Group successfully joined hands with reputable partners:

Top Spring, a HKSE-listed specialist developer, for the development of a large, upscale urban property in Hong Gu Tan New District, Nanchang in China.

Wingstar Investment (subsidiary of Wing Tai Holdings) and Maxdin (subsidiary of UE E&C Ltd), for the development of a signature residential condominium at Prince Charles Crescent in Singapore.

Key Facts

NET PROFIT OF **S$64.8 MILLION** FOR FY2013

The Group recorded significant mark-to-market gains (net) on our investment portfolio as well as higher interest and dividend income in FY2013. In addition, the impairment charge on available-for-sale investments ("AFS") in FY2012 was not repeated in this financial year. However, these positive impacts were not sufficient to fully make up for the absence of the gain on disposal of Metro City Beijing in FY2012, and a deficit suffered on current year fair value adjustments of investment properties against the fair value gain recorded in FY2012.

Revenue

S$187.1M

+0.1%

Profit before tax

S$82.1M

-28.8%

Net Asset Value

S$1,144.9M

+2.8%

Earnings Per Share

7.8 cents

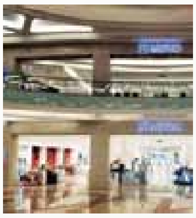
-31.0%

Expanding Our Footprint

Growth is not just about extending presence but also about fortifying one's strengths.

Beyond Singapore, the Group's retail arm has been making steady expansion in the burgeoning Indonesian sector.

METRO Department Store is one of the leading retailers in Indonesia operating 8 stores, 5 in Jakarta, 1 in Bandung, 1 in Makassar, and 1 in Surabaya.



METRO Trans Studio Makassar
Makassar (2010)

METRO Gandaria City South
Jakarta (2011)

METRO Ciputra World Surabaya
East Java (2012)

Key Facts

Property Revenue

Property Revenue (S$'000)

Property revenue declined 12.9% in FY2013 due to the disposal of Metro City Beijing in FY2012. Metro City Shanghai, Metro Tower Shanghai and EC Mall achieved higher rental income and Frontier Koishikawa had lower rental income in FY2013 as occupancy only picked up in the last quarter of FY2013. Average occupancy of all five properties remained high at 92.3% as at 31 March 2013.

Recent developments

- Invested S$48.0 million for a 30% equity stake in a mixed-used property development in Nanchang, Jiangxi Province in the PRC, during the financial year
- Invested S$118.3 million for a 40% held residential condominium property development at Prince Charles Crescent in Singapore, during the financial year
- Disposal of a wholly-owned warehouse for S$39.8 million sale consideration expected to complete by July 2013
- 10.7% held Tesco Lifespace mall in Shenyang to open in August 2013

Retail Revenue

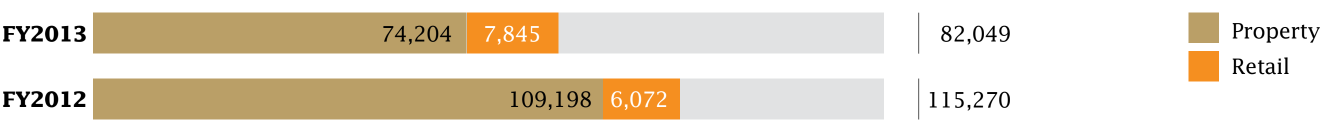
Retail Revenue (S$'000)

Retail revenue grew 7.3% in FY2013. Higher retail sales mainly contributed by the recently refurbished Metro Woodlands store and Metro Paragon store. Impact of higher sales for the retail associate in Indonesia offset by increased costs.

Recent developments

- Opened 2 new Accessorize shops in Tampines and Parkway Parade, Singapore
- New mobile point-of-sale implemented across Singapore stores
- New store to open in Solo, Indonesia in 2QFY2014
- Ongoing negotiations for another new store at Mall of Indonesia, Jakarta

Profit Before Tax (S$'000)



Profit before tax for FY2013 was affected by the absence of the gain on disposal of Metro City Beijing recorded in FY2012, and a deficit suffered on current year fair value adjustments of investment properties against a gain in FY2012. However, the impact was cushioned by significant mark-to-market gains (net) on our investment portfolio and higher interest income in FY2013, as well as an impairment charge on AFS investments in FY2012, which was not repeated in this financial year.

Investing for the Future

Foresight and astuteness are prerequisites for creating value that will stand the test of time.

With an investment platform designed to prudently and strategically evaluate acquisition opportunities…

Metro Holdings is well positioned to ride on the long-term growth of China's commercial real estate market and the regional growth in Singapore and Indonesia.

Chairman's Message

With a healthy cash position of S$386.6 million as at 31 March 2013, we have the flexibility to tap good investment opportunities as we grow our property and retail interests in the region.

Dear Valued Shareholders,

On behalf of the Board of Metro Holdings Limited ("Metro" or the "Group"), it is my pleasure to present our Annual Report for the financial year ended 31 March 2013 ("FY2013").

In spite of the sale of Metro City, Beijing in FY2012, Metro was able to turn in a modest performance in FY2013, recording a 0.1% increase in Group revenue to S$187.1 million. Group turnover was bolstered by higher sales from our Retail division on improved consumer sentiments, despite lower revenue from the Property division.

The Group recorded significant mark-to-market gains on our investment portfolio as well as higher interest income in FY2013. However, this was not sufficient to fully offset the absence of the disposal gain of S$98.7 million for Metro City, Beijing. The Group also recorded a fair value loss on its investment properties in FY2013 compared with a fair value gain in FY2012. Consequently, net profit was down 29.4% to S$64.8 million in FY2013.

Nonetheless, with a healthy cash position of S$386.6 million, the Group's balance sheet remained strong, with shareholders' equity of S$1.1 billion as at 31 March 2013. This provides the Group with the flexibility to tap good investment opportunities as we grow our property and retail interests in the region.

Successful Partnerships, New Opportunities

During the year under review, together with our partner Top Spring International Holdings Limited ("Top Spring"), we acquired a prime piece of land in the Hong Gu Tan Central Business District ("CBD") of Nanchang, Jiangxi province, the PRC. Measuring 269,455 square metres with a GFA of 978,760 square metres, this sizable land was acquired for a total consideration of RMB1.98 billion (approximately S$394 million). Metro, through its subsidiary, Crown Investments Ltd, has an equity stake of about 5% in Hong Kong-listed Top Spring.

Metro owns an effective 30% of the project while Top Spring holds the other 70% shareholding. The large, upscale joint venture project, named Nanchang Fashion Mark, comprises residential, office and retail elements in what is to become a landmark mixed-use development in the area. With a vast catchment area in the Central China region, and many domestic financial institutions already established in the Hong Gu Tan CBD, the future bodes well for Nanchang Fashion Mark – its residential and office components will be sold while the retail component will be held as investment property. Construction has begun in May and this project is expected to be completed in phases until 2017.

Chairman's Message

Closer to home, Wing Tai Holdings Limited, UE E&C Ltd and Metro acquired a 23,785 square metres prime leasehold residential site at Prince Charles Crescent in Singapore. With a total GFA of 49,950 square metres, the plot will be developed into a 473-unit luxurious condominium, complete with basement carpark, swimming pool, landscape deck and communal facilities. The project is expected to complete in 2017.

Property Development and Investment

Further to the property developments in Nanchang and Singapore, the Property division's performance remained fairly stable in FY2013, though revenue contracted 12.9% from S$67.0 million in FY2012 to S$58.3 million in FY2013, mainly due to the impact from the disposal of Metro City Beijing.

Notwithstanding this, higher rental income from Metro City, Shanghai, Metro Tower, Shanghai and EC Mall, Beijing compensated for a 0.9% decline in turnover from the decrease in value of the renminbi against the Singapore dollar as well as lower rentals from Frontier Koishikawa.

Occupancy at our five investment properties – Metro Tower, Shanghai, GIE Tower, Guangzhou, Metro City, Shanghai and EC Mall, Beijing in China; and Frontier Koishikawa Building, Tokyo in Japan – averaged a high 92.3% as at 31 March 2013. Occupancy at Metro City, Shanghai was lower as at 31 March 2013 due to the commencement of a major refurbishment and reconfiguration exercise on three of its nine levels of space. In Japan, occupancy at Frontier Koishikawa improved from 4QFY2013, as new tenants commenced their leases. Collectively, our five properties have a total lettable area of approximately 142,161 square metres.

Retail

Revenue for the Group's Retail division rose 7.3% from S$120.0 million in FY2012 to S$128.8 million in FY2013, notwithstanding the highly competitive retail trade environment. Higher sales were mainly contributed by the recently refurbished Metro Woodlands and downtown Metro Paragon stores. In Indonesia, the impact of higher sales was reduced by increased costs.

We currently have four Metro stores in Singapore, and eight Metro stores in Jakarta, Bandung, Makassar and Surabaya in Indonesia. The Group will open one new store, Metro Solo, in 2QFY2014, with one other being planned at the Mall of Indonesia in Jakarta. The 'Metro' brand name remains strong in Indonesia despite the entry of other Asian departmental store brand names in recent years. Given the nation's burgeoning middle class and robust domestic consumption, Metro continues to see opportunities for the prudent expansion of our Indonesian retail business.

Also under our retail portfolio in Singapore are popular UK high street brands Monsoon / Accessorize. In the year under review, the Group discontinued our lease for one store at Takashimaya Shopping Centre, but added two other locations for our Monsoon / Accessorize stores, namely at Tampines and Parkway Parade, bringing the total number of specialty shops here to eight.

Going forward, we will be looking into new specialty shops and additional Metro stores, particularly in Indonesia. Our following on both Facebook and Twitter grows daily, and our new MetroApp is expected to be well received by our smartphone-user customers, as our attempts to embrace mobile technology continue to gain traction. We remain committed 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 enables us to give back to society – the "Metro for Children" charity is an annual fundraising initiative that we have been supporting since 2001. In FY2013, Metro and Singapore International Foundation launched the 'Water for Life' project in Lamongan Regency, Indonesia, which benefited over 50,000 school-going children and adults by giving them critical access to clean drinking water.

Scheduled to run for three years, and with the help of over 500 Pioneer Junior College student volunteers, Metro raised close to S$130,000 for our maiden effort – 30% over our initial target of S$100,000 per annum.

We will continue to seek suitable charitable opportunities in the region, where we can engage and assist future generations to come.

Outlook

Amidst moderating growth in the PRC, the Group takes a long-term view of its property interests in the world's second-largest economy. China's GDP growth for 2013 has been forecasted to remain at 7.8%, unchanged from 2012, notwithstanding weakening domestic demand amid global uncertainties[1]. Though we expect the broad real estate sector to become more challenging going forward, the Group believes our defensive portfolio of Grade-A properties in Tier-1 cities will be able to withstand headwinds and perform reasonably well for the year. The ongoing asset enhancement initiative at Metro City, Shanghai, is targeted for completion in 2HFY2014, with future rental yield and income expected to improve.

In addition to the efficient management of our existing property portfolio, we have also looked beyond major Chinese cities, with developments currently underway in the growing Tier-3 Nanchang city and also, back home in Singapore. Residential sale launches for Nanchang Fashion Mark and the Prince Charles Crescent project are slated for FY2014, with income expected to be recognised on completion and progressively for each project respectively.

The innate prudence and ability to recycle capital for the enhancement of shareholder value has been a hallmark of Metro's highly experienced management team. The Group expects to record a disposal gain of approximately S$29.6 million in FY2014 for the sale of our warehouse property at Pasir Panjang, Singapore.

Going forward, leveraging on our long track record and wide network in China and the region, we will continue to build upon our strategic alliances with established partners to further broaden our revenue streams, in achieving sustained profitability and improved yield.

Expectations of a more moderated pace of economic growth in Singapore for 2013 have led retailers to hold a 'cautiously positive' outlook, as discretionary income is slated to contract on the rising cost of living[2]. In contrast, Indonesia's economy and business prospects remain bright in 2013, with the country's middle class expected to burgeon to 90 million people by 2030 – translating into approximately US$1 trillion in annual spending on consumer goods[3]. Rising operational costs and labour crunch notwithstanding, this bodes well for Metro's retail operations, and is expected to support our planned store expansion outside of Jakarta.

Appreciation

In closing, I would like to thank members of the Board for their wise counsel during the year. I would also like to express my deep appreciation to the management and staff of Metro for their dedicated efforts and strong commitment to the Group.

The best way to thank our loyal shareholders for their steadfast support is to once again share the fruits of our labour and continued success. To this end, the Board is pleased to recommend dividends totalling 4.0 Singapore cents, comprising a special final dividend of 2.0 cents and an ordinary final dividend of 2.0 cents per share respectively. This translates to a total payout ratio of 51.1% of the Group's net profit attributable to shareholders for FY2013.

On behalf of Metro, I would also like to extend my gratitude to our business partners, associates, customers and tenants for your continuing support and contributions to our businesses.

Together, let us embrace the new opportunities that await us in the year ahead.

Lt-Gen (Retd) Winston Choo
Chairman

12 June 2013

[1] "OECD cuts China growth outlook, urges reform roadmap", Reuters, 29 May 2013
[2] "Singapore retailers must explore new avenues to reach customers", Retail Asia Online, January 2013
[3] "Indonesian consumers yield growth for investors", CNBC, 12 May 2013

主席致词

截至2013年3月31日，集团持有3.866亿新元的现金结存，在物色到好的投资机会时，将有足够的能力和灵活性进一步扩展我们在本区域的房地产和零售业务。

尊敬的各位股东：

我很荣幸地代表美罗集团董事会，向各位呈现截至2013年3月31日美罗控股集团(简称“美罗”或“集团”)的年度报告(FY2013)。

集团虽然在2012财政年度里售出了北京的美罗城，但在2013财政年度仍然呈现平缓的业绩表现。集团的年收益增加到1.871亿新元，增幅为0.1%。尽管房地产开发和投资部的收入减少，但受惠于消费者信心的上扬，零售部收入的上升带动了集团整体收益。

在2013财政年度，集团财务体现出按市值计价而产生的增长以及高利息收入。然而，这并不能完全抵消集团由于售出美罗城-北京所获得98,700,000新元的收益而造成的影响，以及在2013财政年度投资性房地产的公允价值调整同比2012财政年度的公允价值收益所呈现的亏损。这导致在2013财政年度，集团的净利润减少到6,480万新元，减幅为29.4%。

虽然如此，集团仍持有3.866亿新元的充足现金结存，其资产负债表呈现良好的财务状况。截至2013年3月31日，集团的股东权益为11亿新元。依靠强劲的财务实力，集团在遇到好的投资机会时，将有足够的能力和灵活性进一步扩展我们在本区域房地产和零售业两方面的业务。

成功的商务伙伴，新的商机

在本年度里，集团和我们的商务合作伙伴 - 莱蒙国际集团有限公司(简称“莱蒙集团”)成功竞标到位于中国江西省南昌市红谷滩中央商务区的优质地块，土地面积为269,455平方米，计划总建筑面积为978,760平方米。该地块竞价为人民币19.8亿(约为新元3.94亿)。美罗集团通过名为Crown Investments Ltd.的子公司，在香港上市的公司-莱蒙集团持有5% 的股份。

在以上项目中，美罗集团持有30%的股份，而莱蒙集团则持有另外70% 的股份。该大型且高档的合资项目定名为[南昌莱蒙都会]，包括住宅，办公楼以及零售物业部分。它将成为南昌地标式的综合体项目。鉴于此项目位于中国的中部地区，且已经有许多中国的金融企业进驻南昌市红谷滩中央商务区，其未来潜力清晰可见。[南昌莱蒙都会]建成之后，其住宅和办公楼部分将可出

售，而零售部分将保留作为投资性房地产。建筑施工已经在今年5月展开，该综合体项目计划分阶段进行并在2017 年竣工。

在新加坡，由永泰控股有限公司、优异程建有限公司及美罗集团联手竞得了位于新加坡查理士太子湾，且具有优越地理位置的有期住宅地块，土地面积为23,785平方米，总建筑面积为49,950平方米。该地块将计划建造一栋设有473个单位的豪华公寓，包括地下停车场、游泳池、观景台及公共设施。此项目计划在2017 年竣工。

房地产开发和投资

随着集团在中国南昌和新加坡本土房产项目的扩展，集团房地产方面的投资表现在2013财政年度保持稳定，然而主要由于售出美罗城-北京而产生的影响，房地产业务年收益相对减少了12.9%，从2012财政年度房地产部分收益的6,700万新元降至2013财政年度的5,830万新元。

尽管如此，集团在中国的投资房产–即上海的美罗城、上海的美罗大厦，以及北京的欧美汇购物中心则获得了较高的租金收入。这抵消了源于人民币兑新元价值的降低以及日本东京办公楼Frontier Koishikawa大厦租金降低而产生约0.9%的年收益减幅。

集团的五个投资性房地产项目 - 即上海的美罗大厦、广州的广州国际电子大厦、上海的美罗城、北京的欧美汇购物中心以及日本东京的办公楼Frontier Koishikawa，截至2013年3月31日，其平均出租率高达92.3%。然而，截至2013年3月31日，上海美罗城的出租率有所下降，这是因为在共九层楼的美罗城，现有三个楼层正在进行大规模的翻新和重组工作。在2013财政年度的第四季度，日本Frontier Koishikawa大厦的出租率随着新租户的进驻有所提高。总体上，集团的五个房地产项目共有大约142,161平方米的可租赁面积。

零售业的营运

即使在零售领域激烈竞争的环境下，集团的零售部门仍然在2013财政年取得了1.288亿新元的年收益，相对于2012财政年取得了1.2亿新元的年收益，同比增长了7.3%。较高的销售额源于最近完成翻新的美罗兀兰百货商店和位于市中心的美罗百丽宫百货商店。但是在印尼，销售额则由于成本的上升而受到影响。

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。集团将在2014财政年度的第二季度，在印尼的梭罗开设一家新的商店–美罗梭罗百货商店,集团也计划在雅加达的印尼购物中心(Mall of Indonesia)开设另一家百货商店。尽管最近几年一些知名的亚洲百货品牌进驻了印尼零售市场，“美罗”品牌在印尼仍然深受欢迎。随着印尼中产阶级人数的增长，国内消费需求不断增加，集团将继续寻找新商机，谨慎地扩展在印尼的零售业务。

集团在新加坡零售业务的组合中，拥有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。今年，集团终止了在高岛屋购物中心的专卖店租赁合约，同时开设了分别位于新加坡淡滨尼和百汇广场的两间“Monsoon/Accessorize”新的专卖店，从而使得集团在新加坡共有八家“Monsoon/Accessorize”专卖店。

展望未来，集团将继续展开考察，以便增添新的专卖店和美罗百货商店，特别是在印尼。现在我们的顾客上网加盟并浏览美罗的面簿(Facebook)和微博(Twitter)网页的人数日渐增长，我们新开发的美罗手机应用程序(MetroApp)预期将受到智能手机用户的广泛欢迎。美罗将努力提高移动电信技术以便增强吸引力，并致力于探讨和应用这些新的营销平台，以吸引更多元化的顾客群体。

企业的社会责任

美罗的成功使我们有能力回馈社会。自2001年起，集团同新加坡国际基金会(SIF)和先锋初级学院(PJC)联合发起了“Metro for Children”（美罗为儿童）的年度慈善筹款活动。在2013财政年度，集团同新加坡国际基金会(SIF)联手在印尼的Lamongan Regency发起了“Water for Life”(生命之水)项目，该项目为人们饮用清洁的食用水方面提供了重要的协助，使得50,000 在校学生和成人受益。

在500 多名来自先锋初级学院的学生志愿者的协助下，集团策划一个三年的慈善项目。美罗的初始目标是每年筹得10万新元，但在项目启动阶段，筹款额就达到13万新元，超幅为30%。

主席致词

美罗将继续在本区域寻找合适的新慈善项目，并协助和引导年轻一代参与其中。

未来展望

中国的经济总体上保持缓和的增长，集团对中国这一世界第二大经济体的房产市场的长期发展保持乐观。虽然受到国际上不稳定因素的影响，且中国国内需求放缓，在2013年，中国的GDP增长率预测仍保持在7.8%，与2012年的GDP增长率相同。我们预计，总体上未来的房地产市场将更具挑战性，我们也相信，集团在一线城市甲级楼宇的防御性投资组合将能够克服那些不利因素的影响，在今年取得较好的业绩。上海美罗城正在进行的翻新工程项目计划于2014财政年度的下半年完成，我们期待着该项目所带来的未来租金增长和收入的提高。

除了有效地管理目前的投资组合，集团也将视角伸展到中国主要大城市以外，比如我们正在开发建设中的位于中国三线城市南昌的项目以及新加坡的房产项目。位于南昌的[南昌莱蒙都会]和位于新加坡查理士太子湾的住宅部分预定在2014财政年度开始出售，该两个项目将在建成后预计分别为集团带来持续的收益。

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，因而在业界享有良好声誉。在2014财政年度，集团计划出售位于新加坡巴西班让地区的仓库房产，预期可获得约29,600,000新元的销售收入

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和本区域的广泛合作关系网，继续与我们的商务伙伴组成策略性联盟，进一步开拓业务组合的多方收入来源，以便提高集团持续的收益和利润。

鉴于新加坡2013年的经济成长放缓，可支配收入随着生活成本的上升而减少，零售业者仍需保持“谨慎的乐观态度”。然而，印尼的经济在2013年仍然保持强劲，商业前景看好。到2030年，印尼的中产阶级将增长到九千万人-从而导致他们的年消费数额达到大约一万亿美元。尽管营运成本增加和劳动力市场紧缩，这一利好因素为美罗在印尼的零售业务带来好兆头，也推动了集团在印尼的雅加达区域之外扩展新的美罗百货商场的计划。

致谢

最后，我对美罗董事会所有董事们在这一年所提出的宝贵见解和指导深表谢意。我也要感谢美罗的管理层和全体员工，感谢你们对美罗坚持不懈的付出和重要的贡献。

回报各位忠诚的股东对美罗长期以来的大力支持，最好的方式乃是再次与股东分享我们持续的成功和业绩成果。为此目的，集团董事会高兴地做出提议，派发每股0.04新元的股息，此股息包括每股0.02新元的末期特别股息和每股0.02新元的末期普通股息。在2013财政年度，集团共派发的股息达到集团股东应占净盈利 51.1% 的派息率。

我也代表美罗董事会，衷心地感谢我们的商业合作伙伴，关联公司及我们的顾客们和租户们给予我们持续的大力支持。

凭借我们集体的力量，我们能够做好一切准备以迎接和面对来年的新机遇和新挑战。

谢谢各位!

朱维良中将
集团主席

2013年 6 月 12 日

Board of Directors

1. Lt-Gen (Retd) Winston Choo Wee Leong **2.** Jopie Ong Hie Koan **3.** Phua Bah Lee
4. Gerald Ong Chong Keng **5.** Fang Ai Lian (Mrs) **6.** Tan Soo Khoon

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, Newstar Investment Holdings Pte Ltd and Tridex Pte Ltd.

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

Board of Directors

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, 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. He also holds directorships in a number of private companies.

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

潘峇厘
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。他也在多家私人企业担任董事。

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

Gerald Ong Chong Keng
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 (listed on the London Stock Exchange Main List). 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 granted the Financial Industry Certified Professional status and is a council member of the Singapore Institute of International Affairs ('SIIA'). He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

王宗庆先生
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，一家伦敦证券交易所主板上市公司，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。

王先生荣获金融行业公认专业资格并是新加坡国际事务研究所的理事会成员。王先生是新加坡国立大学、英属哥伦比亚大学及哈佛大学的校友会成员。

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 37 years where she last held the position of Chairman of E&Y Singapore until her retirement on 31 March 2008.

Mrs Fang also helms 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 and a Member of the Malaysian Association of Certified Public Accountants.

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。

方女士也一直领导着慈善理事会并作出贡献。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及马来西亚会计师协会的成员。

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 35 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
Executive Chairman,
Metro (Private) Limited

Mrs Wong was appointed as Executive Chairman of Metro (Private) Limited with effect from 1 October 2012. As Executive Chairman, she serves as the key strategist of the Group's retail operations and is responsible for charting the future direction of this division. With over 40 years of industry expertise, Mrs Wong also holds the positions of Vice President of the Singapore Retailers Association as well as Vice Chairman of the Orchard Road Business Association.

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

David Lee Chin Yin
Group Financial Controller and
Joint Company Secretary

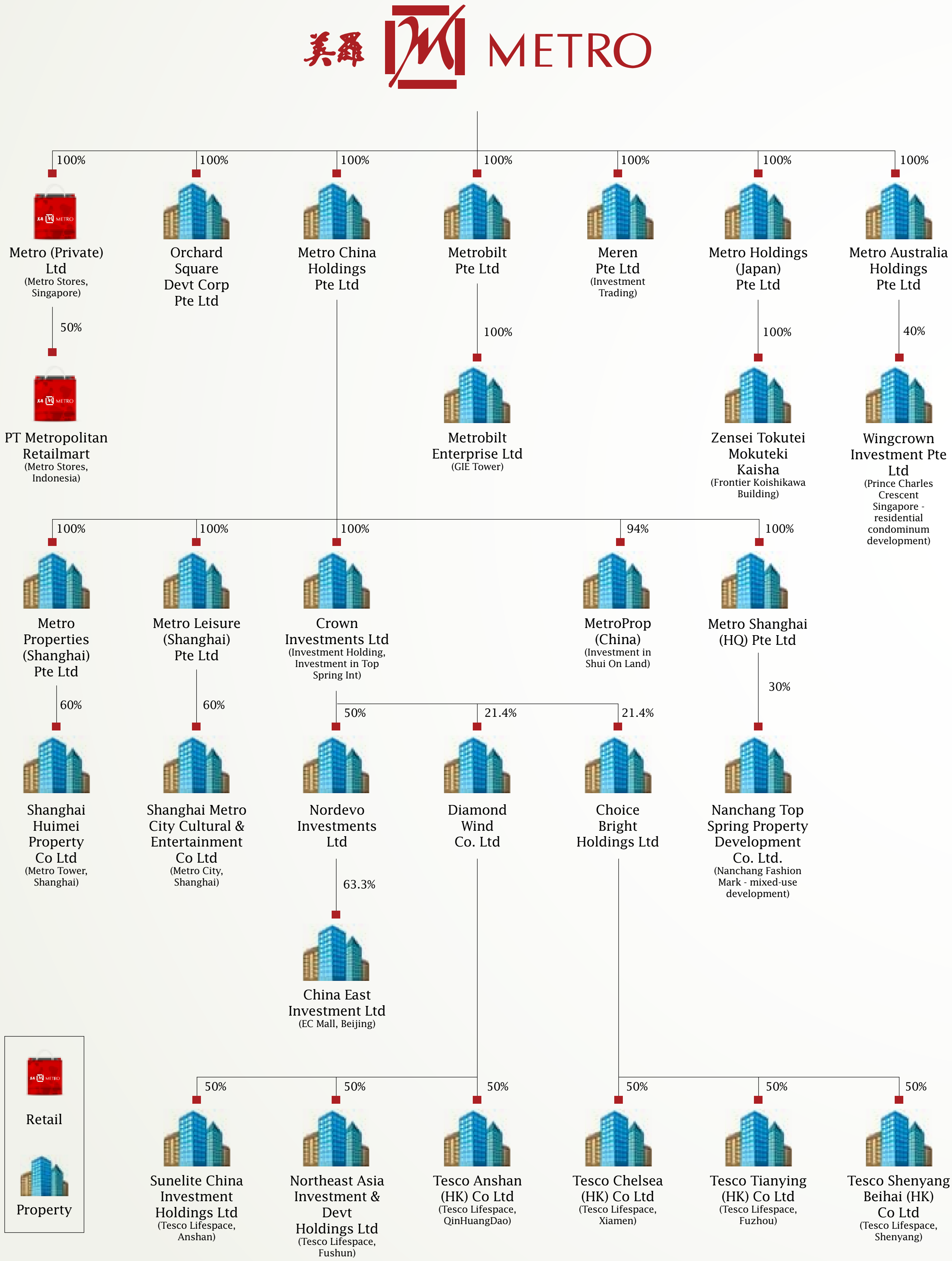
Mr David Lee has been Group Financial Controller of the Metro Group since 1995. He has overall responsibility for the Group's finance, accounting, treasury and tax functions. Mr Lee joined the Metro Group in 1991 as its Group Internal Audit Manager after 15 years in the public accounting profession.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

David Tang Kai Kong
Chief Executive Officer,
Metro (Private) Limited

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

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

Corporate Structure



Portfolio Review

Property Development and Investment

Completed Properties

In the year under review, the Group invested in 2 new projects in Singapore and China respectively. The Singapore project is a 40% owned residential condominium property development at Prince Charles Crescent, whereas the China project is a 30% owned mixed-use property development located at Nanchang, Jiangxi Province, comprising office, residential and retail segments.

As at 31 March 2013, average occupancy for the Group's five investment properties remained high at 92.3%, compared to 92.5% as at 31 March 2012. This was despite reduced occupancy at Metro City Shanghai, which decreased from 96.2% as at end-2012 to 87.5% as at 31 March 2013, following the recent commencement of a major refurbishment and reconfiguration exercise on three of its nine levels of retail space.

The Group's property in Japan, Frontier Koishikawa Building in Tokyo, saw an improvement in occupancy rate from 73.2% as at 31 March 2012 to 85.3% as at 31 March 2013, as new tenancy leases commenced around the end of the financial year 2013.

Occupancy Rates

	FY2013 (%)	FY2012 (%)
Metro City, Shanghai	87.5	96.2
Metro Tower, Shanghai	98.8	99.7
GIE Tower, Guangzhou	94.4	94.8
EC Mall, Beijing	95.3	98.6
Frontier Koishikawa Building, Tokyo	85.3	73.2

As at 31 March 2013, all the Group's investment properties in China registered an increase in valuation in both the Renminbi (RMB) and the Singapore Dollar (SGD), except for Metro City Shanghai, which was due to its shortened lease period. The Group's property in Japan saw a decrease in valuation mainly due to the devaluation of the Japanese Yen (JPY) as well as lower rental rates that were secured for new leases.

Property Valuation (100%) as at 31 March 2013 and 2012:

	FY2012 (Rmb'm)	**FY2013[3]** (Rmb'm)	**(%)**	**FY2012** (S$'m)	**FY2013[3]** (S$'m)	**(%)**
Metro City, Shanghai [1]	1,267	1,192	-5.9	253	238	-5.9
Metro Tower, Shanghai [1]	895	911	+1.7	179	182	+1.7
GIE Tower, Guangzhou [1]	475	485	+2.1	95	97	+2.1
EC Mall, Beijing [2]	1,680	1,788	+6.4	336	354	+5.3

	FY2012 (JPY'm)	**FY2013[3]** (JPY'm)	**(%)**	**FY2012** (S$'m)	**FY2013[3]** (S$'m)	**(%)**
Frontier Koishikawa Building, Tokyo [1]	5,470	5,030	-8.0	84	66	-21.4

(1) As at 31 March 2013
(2) As at 31 December 2012
(3) Above figures represent 100% of the property valuations and are appraised by independent valuers DTZ Debenham Tie Leung Limited (Shanghai and Guangzhou), CB Richards Ellis Limited (Beijing) and Daiwa Real Estate Appraisal Co., Ltd. (Tokyo)

Exchange rates:
FY12: S$/RMB - 5.000 ; JPY/S$ - 0.01530
FY13: S$/RMB - 5.000 ; JPY/S$ - 0.01318

The Group believes that the Chinese property rental market continues to hold long-term growth potential. Even with moderating growth in the PRC, the rental rates for the Group's investment properties in mature Chinese cities have held firm.

Although costs for Metro City Shanghai are likely to be impacted in the short-term, we expect future rental yield and income to benefit from the ongoing asset enhancement work.

Expiry Profile by Gross Rental Income:

	1H2014 (%)	**2H2014 (%)**
Metro City, Shanghai	15.2	12.0
Metro Tower, Shanghai	21.0	1.6
GIE Tower, Guangzhou	8.7	39.9
EC Mall, Beijing	17.2	5.9
Frontier Koishikawa Building, Tokyo	–	56.0

Portfolio Review

METRO CITY, SHANGHAI

Strategically located at Xujiahui, 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 had a lower occupancy rate of 87.5% as at 31 March 2013 compared to 96.2% as at 31 March 2012 due to ongoing refurbishment and reconfiguration works on three of its nine levels of space. This asset enhancement exercise is expected to be completed in the second half of the next financial year.

% owned by Group:
60

Site area (sqm):
15,342

Lettable Area (sqm):
39,630

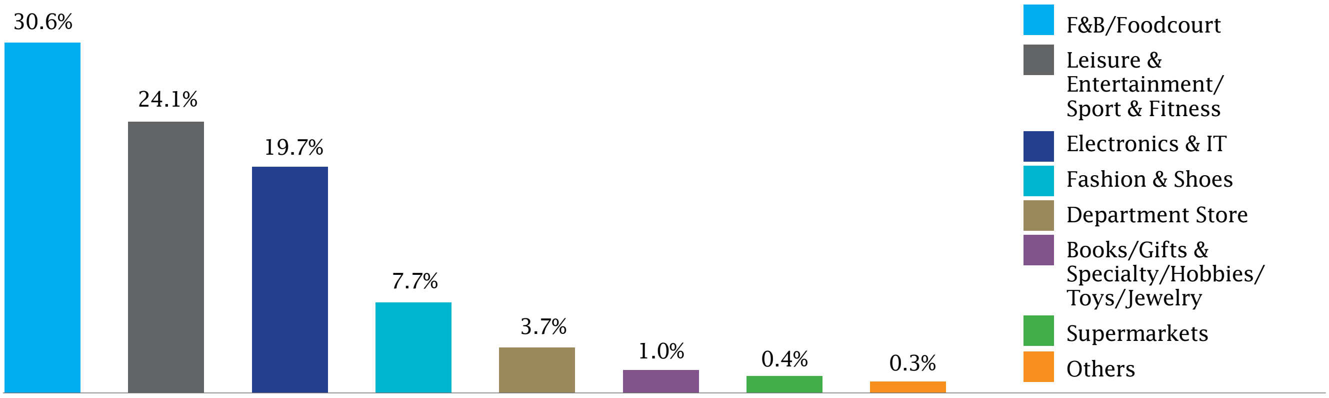
Tenure:
36-year term from 1993

No. of Tenants:
103

Occupancy Rate (%):
87.5

Valuation (100%):
S$238 million

Retail Tenant Mix by Lettable Area (As at 31 March 2013)



Top 10 Tenants (As at 31 March 2013)

Name of Tenant	Trade Sector	% of Total Lettable Area
Buynow Computer World	Electronics & IT	16.02%
Physical Fitness & Beauty Centre	Leisure & Entertainment/ Sport & Fitness	10.18%
Kodak Cinema World	Leisure & Entertainment/ Sport & Fitness	8.53%
Food Republic	F&B/Food Court	6.33%
HAOLEDI KTV	Leisure & Entertainment/ Sport & Fitness	5.41%
Shanghai Xi Ti	F&B/Food Court	4.18%
Pizza Hut	F&B/Food Court	1.86%
Herborist	Fashion & Shoes	1.83%
Starbucks	F&B/Food Court	1.81%
DianTi Hill	F&B/Food Court	1.76%

METRO TOWER, SHANGHAI

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

Supported by a strong multi-national tenant base, Metro Tower, Shanghai continued to register near full occupancy of 98.8% as at 31 March 2013.

% owned by Group:
60

Site area (sqm):
5,247

Lettable Area (sqm):
40,075

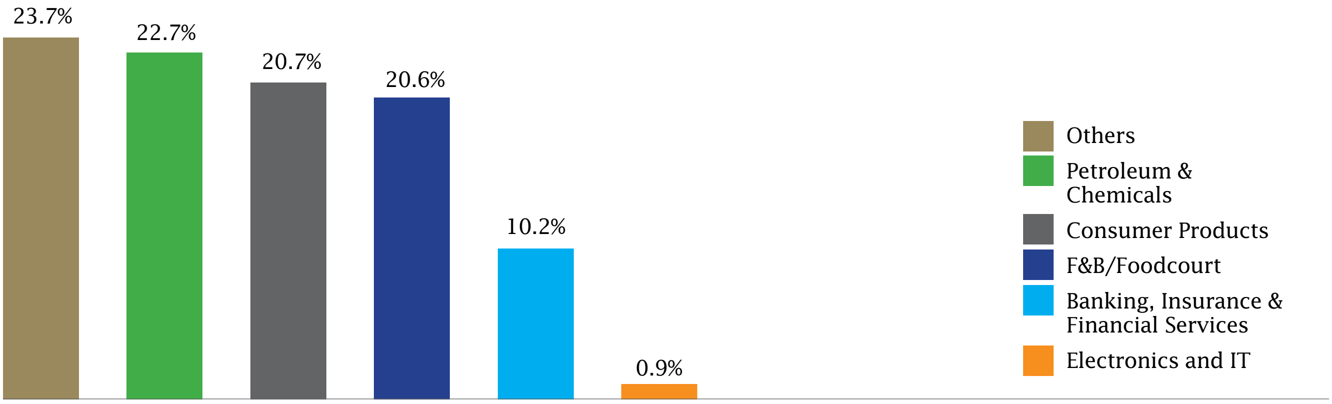
Tenure:
50-year term from 1993

No. of Tenants:
20

Occupancy Rate (%):
98.8

Valuation (100%):
S$182 million

Office Tenant Mix by Lettable Area (As at 31 March 2013)



Top 10 Tenants (As at 31 March 2013)

Name of Tenant	Trade Sector	% of Total Lettable Area
Exxon Mobil	Petroleum & Chemicals	18.70%
Swatch Group	Consumer Products	18.60%
Energy Source	Others	10.61%
KFC	F&B	8.49%
Pizza Hut	F&B	6.77%
Agricultural Bank of China	Banking, Insurance and Financial Services	6.04%
Cummins	Others	5.38%
Shanghai Xi Ti	F&B	4.25%
AIA	Banking, Insurance and Financial Services	4.14%
Metro Express Newspaper	Others	4.01%

Portfolio Review

GIE TOWER, GUANGZHOU

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 2013, GIE Tower enjoyed an occupancy rate of 94.4%.

% owned by Group:
100

Site area (sqm):
Strata titled

Lettable Area (sqm):
28,390

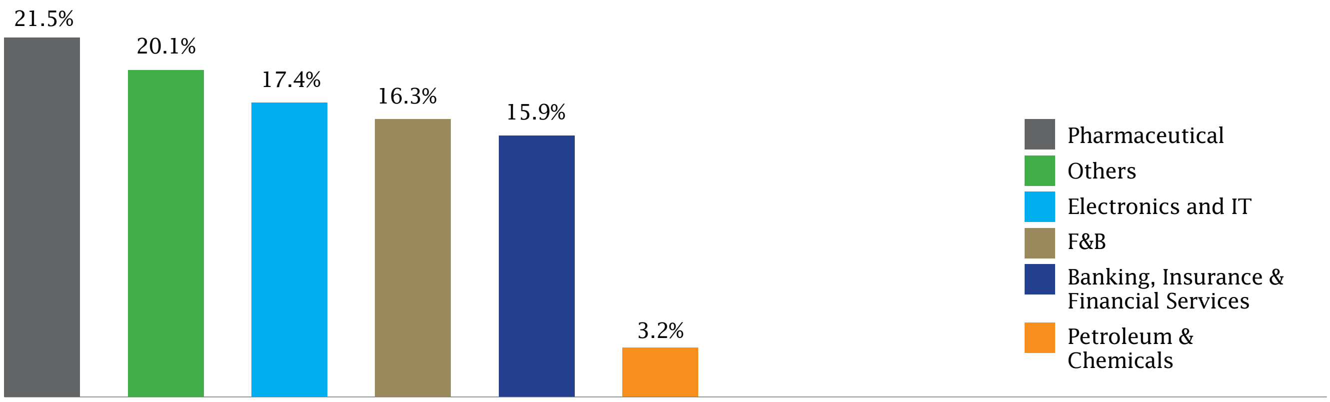
Tenure:
50-year term from 1994

No. of Tenants:
38

Occupancy Rate (%):
94.4

Valuation (100%):
S$97 million

Office Tenant Mix by Lettable Area (As at 31 March 2013)



Top 10 Tenants (As at 31 March 2013)

Name of Tenant	Trade Sector	% of Total Lettable Area
Yu Cai Restaurant	F&B	12.68%
Ericsson	Electronics and IT	11.89%
Guang Dong Development Bank	Banking, Insurance & Financial Services	10.24%
Abbott Laboratories	Pharmaceutical	8.35%
Roche	Pharmaceutical	6.80%
New Times Securities	Banking, Insurance & Financial Services	4.66%
Novo Nordisk	Pharmaceutical	4.17%
Toshiba	Electronics and IT	3.70%
Evergreen	Others	3.53%
APL Cruise Ship	Others	3.09%

EC MALL, BEIJING

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 maintained a high occupancy rate of 95.3% as at 31 March 2013.

% owned by Group:
31.65

Site area (sqm):
26,735

Lettable Area (sqm):
28,984

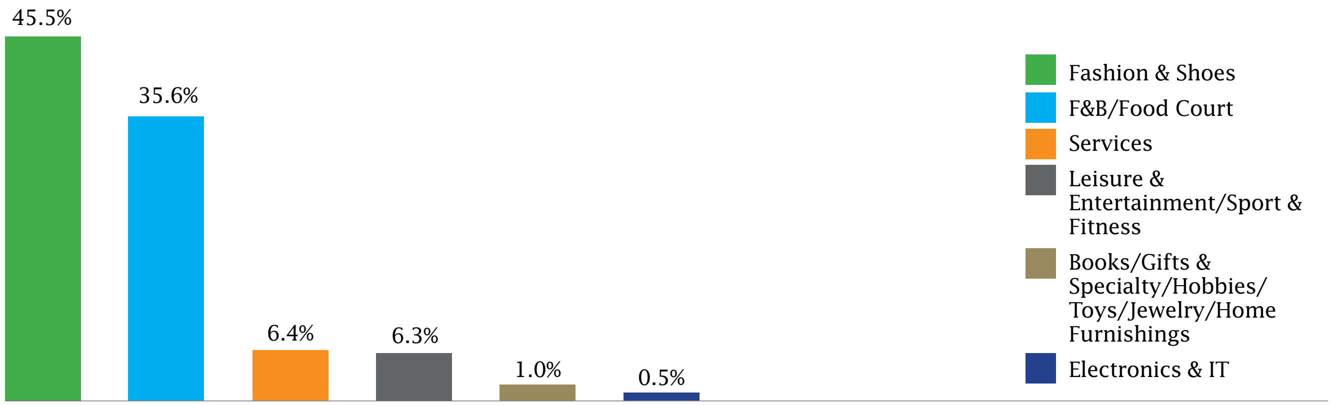
Tenure:
50-year term from 2001

No. of Tenants:
90

Occupancy Rate (%):
95.3

Valuation (100%):
S$354 million

Retail Tenant Mix by Lettable Area (As at 31 March 2013)



Top 10 Tenants (As at 31 March 2013)

Name of Tenant	Trade Sector	% of Total Lettable Area
Golden Jaguar	F&B/Food Court	17.94%
C&A	Fashion & Shoes	5.35%
Only/Vero/Moda/Jack&Jones/ Selected	Fashion & Shoes	4.42%
H&M	Fashion & Shoes	4.37%
Shi Mei Hui Food Court	F&B/Food Court	4.23%
MC Style	Fashion & Shoes	3.35%
Hola	Leisure & Entertainment/ Sport & Fitness	2.89%
Mama's Goodbaby	Fashion & Shoes	2.78%
UNIQLO	Fashion & Shoes	2.55%
La Chapelle/La Chapelle Sport	Fashion & Shoes	1.87%

Portfolio Review

FRONTIER KOISHIKAWA BUILDING, TOKYO

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 2013, Frontier Koishikawa's occupancy rate was an improved 85.3%.

% owned by Group:
100

Site area (sqm):
1,319

Lettable Area (sqm):
5,082

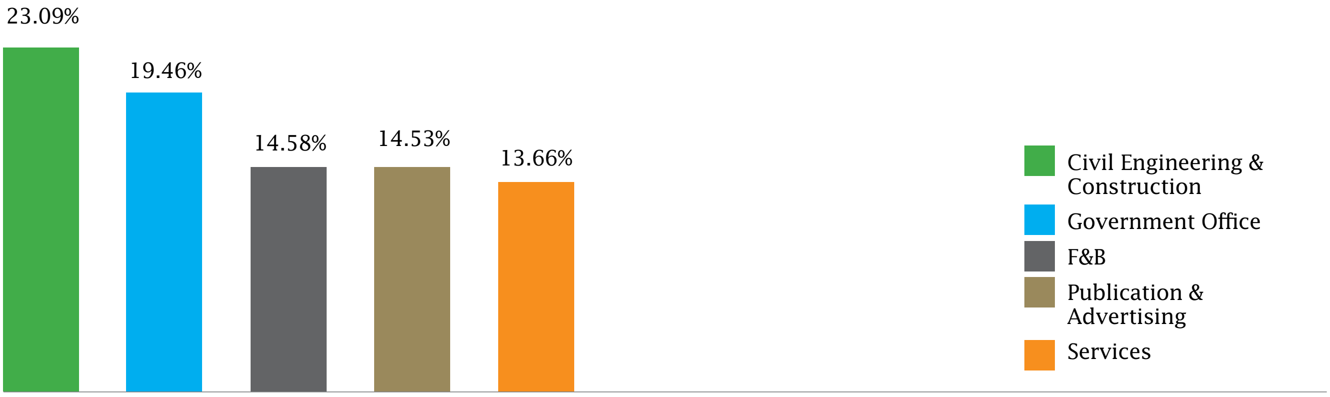
Tenure:
Freehold

No. of Tenants:
5

Occupancy Rate (%):
85.3

Valuation (100%):
S$66 million

Office Tenant Mix by Lettable Area (As at 31 March 2013)



Top 10 Tenants (As at 31 March 2013)

Name of Tenant	Trade Sector	% of Total Lettable Area
Geostar Corporation	Civil Engineering & Construction	23.09%
Shisyutsuhutan-koi Tanto-kan Somu-sho Daijin-kanbo Kaikei-ka Kikaku-kan	Government Office	19.46%
Lion	F&B	14.58%
Qbist Inc	Publication & Advertising	14.53%
Wiley.japan	Services	13.66%

TESCO LIFESPACE, QINHUANGDAO

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 30,567 square metres of leasable retail space. Opened on 15 January 2010, the mall registered an occupancy rate of 89.7% as at 31 March 2013.

% owned by Group:
10.7

Site area (sqm):
17,537

Lettable Area (sqm):
30,567

Tenure:
40-year term from 2005

Occupancy Rate (%):
89.7

TESCO LIFESPACE, FUSHUN

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 33,284 square metres of leasable retail space, and 200 residential units and 490 SOHO units that were fully sold. Opened on 29 January 2010, the retail mall had an occupancy rate of 83.9% as at 31 March 2013.

% owned by Group:
10.7

Site area (sqm):
18,800

Lettable Area (sqm):
33,284

Tenure:
40-year term from 2007

Occupancy Rate (%):
83.9

Portfolio Review

TESCO LIFESPACE, ANSHAN

Located west of Jianguonan Road, Tiedong District, Anshan City, Liaoning Province, the PRC, the development comprises a 5-storey, 1-basement retail mall with 51,577 square metres of leasable retail space, 1,656 residential units, 1,459 service apartment units and 16 commercial units, of which 450 units of residential, 142 units of service apartments and 3 units of commercial properties had been sold as at 31 March 2013. Officially opened on 29 October 2010, the occupancy rate of the retail mall as at 31 March 2013 was 60.1%.

% owned by Group:
10.7

Site area (sqm):
67,565

Lettable Area (sqm):
51,577

Tenure:
40-year term from 2009

Occupancy Rate (%):
60.1

TESCO LIFESPACE, FUZHOU

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 26,257 square metres of leasable retail space and an occupancy rate of 75.5% as at 31 March 2013.

% owned by Group:
10.7

Site area (sqm):
21,404

Lettable Area (sqm):
26,257

Tenure:
40-year term from 2006

Occupancy Rate (%):
75.5

TESCO LIFESPACE, XIAMEN

Located at Qixing Road, Xiamen, Fujian Province, the PRC, the development opened on 9 May 2012. Comprising a 3-storey, 2-basement retail mall with approximately 29,370 square metres of leasable retail space, it recorded an improved occupancy rate of 72.8% as at 31 March 2013.

% owned by Group:
10.7

Site area (sqm):
18,984

Lettable Area (sqm):
29,370

Tenure:
40-year term from 2005

Occupancy Rate (%):
72.8

Properties Under Development

TESCO LIFESPACE, SHENYANG

Upon completion, the development that is situated at the junction of Dongbei Avenue and Beihai Street, Shenyang City, Liaoning Province, the PRC, will be a 5-storey, 3-basement retail mall which offers an estimated 38,822 square metres of leasable retail space. The development is expected to open in August 2013.

% owned by Group:
10.7

Site area (sqm):
14,107

Lettable Area (sqm):
38,822 (1)

Tenure:
40-year term from 2007

(1) Estimated at 31 March 2013

Portfolio Review

NANCHANG FASHION MARK

Nanchang Fashion Mark is a joint-venture project with Hong Kong-listed Top Spring International Holdings Limited. It is a mixed-use development comprising residential, office and retail components that is located at Hong Gu Tan Central Business District (CBD) in Nanchang City, Jiangxi Province in the PRC.

Established 10 years ago, the Hong Gu Tan CBD has a vast catchment area for businesses in the Central China region, and continues to see many domestic financial institutions setting up offices in the area.

The development is expected to be completed in phases until December 2017.

% owned by Group:
30.0

Site area (sqm):
269,455

Expected construction start date: **May 2013**

Expected completion date: **December 2017**

Land cost (RMB million): **1,978**

Total GFA (sqm): **978,760**

Total saleable/lettable GFA (sqm): **795,000**

Residential:	312,000
Retail:	225,000
Other:	258,000

PRINCE CHARLES CRESCENT

The Prince Charles Crescent project is a proposed 473 units condominium comprising 4 blocks of 5-storey and 3 blocks of 24-storey residential buildings. The development includes a basement carpark, swimming pool, landscape deck and communal facilities.

Located along Prince Charles Crescent within the Bukit Merah Planning Area in Singapore, it is next to Crescent Girl's School and situated within the existing residential enclave of condominiums and landed housing developments.

The development is expected to be completed by December 2017.

% owned by Group:
40.0

Site area (sqm):
23,785

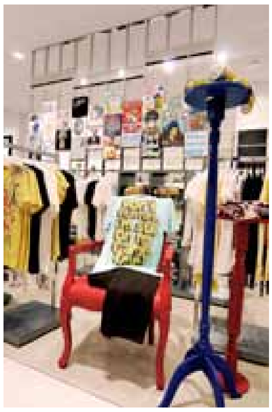
Expected construction start date: **June 2013**

Expected completion date: **September 2017**

Total GFA (sqm): **49,950**

Estimated total saleable GFA (sqm): **46,500**

Land cost (S$' million): **516.3**



Metro continues to identify new sites for prudent expansion in the country, and will open a new store, Metro Solo, in 2QFY2014. There are also plans for a new store at Mall of Indonesia in Jakarta, which is targeted for opening in the year 2014.

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 inter-surface. To further increase interaction with customers, Metro launched a Facebook store in April 2011, where fans can do their online shopping while checking on their friends' Facebook pages. To date, Metro's Facebook following numbers over 56,000 fans and its Twitter account – which provides instant updates on its stores and current promotions – has over 1,400 followers. A ConsumerApp will be launched in 2013 for iPhone users.

To further enhance its customers' shopping experience, Metro launched a mobile point-of-sales system in January 2013. Using the iPhone for check-out enabled its customers to pay

Portfolio Review

for their purchases (by credit card) regardless of their in-store location, and helped to reduce queues at the physical counters.

Singapore

Metro Stores

The Group currently has four stores under its flagship brand Metro. This translates to over 240,000 square feet 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 eight Monsoon / Accessorize specialty shops in Bugis Junction, Raffles City, Parkway Parade, Paragon, Ion Orchard, Tampines, and Changi Airport Terminals 2 and 3.

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 deepen its presence in the growing market. In FY2012, Metro opened its eighth store in the country – Metro Ciputra World in Surabaya, bringing the total retail space in Indonesia to over 1,075,000 square feet:

- 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

Metro continues to identify new sites for prudent expansion in the country, and will open a new store, Metro Solo, in 2QFY2014. There are also plans for a new store at Mall of Indonesia in Jakarta, which is targeted for opening in the year 2014.

Outlook

Notwithstanding keen competition and rising operational costs – in particular, staff and rental costs – in the retail sector, the Group expects its Retail Operations to continue to generate steady returns in both Singapore and Indonesia.

Partnerships

Trans Corp (Since 2001)

Trans Corp is the Media, Lifestyle, Retail and Entertainment arm of CT Corp, a diversified holding company with businesses across a wide spectrum of industries. Trans Corp's businesses include 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, for which it is now the single largest shareholder. Carrefour is 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.

InfraRed NF China Real Estate Fund (Since 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.

Partnerships

Top Spring International Holdings Limited (Since 2011)

Top Spring International Holdings Limited ("Top Spring") is a real estate property developer in the PRC specialising in the development and operation of urban mixed-use communities and the development and sale of residential properties in the Yangtze River Delta, Pearl River Delta, the Central China, Beijing-Tianjin and Chengdu-Chongqing regions in the PRC.

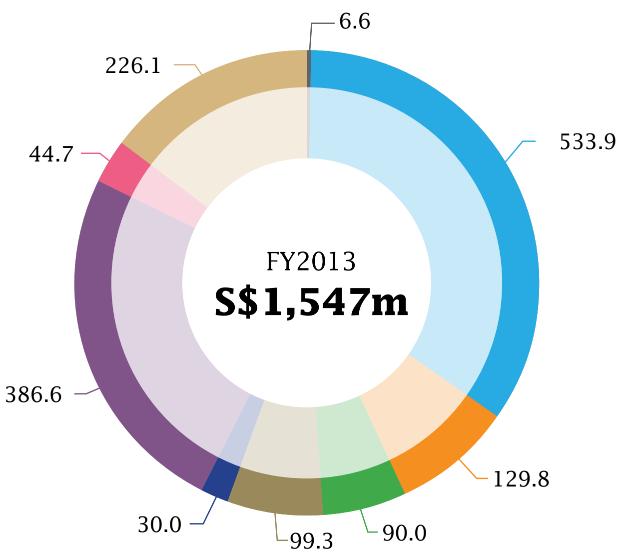
Listed on the Stock Exchange of Hong Kong Limited in March 2011, Top Spring's revenue stood at HKD 6.06 billion for the year ended 31 December 2012. In FY2013, Metro invested equity of S$48.0 million in Nanchang Top Spring Property Development Co Ltd for its 30% held joint venture project with Top Spring, known as the Nanchang Fashion Mark. Located at Hong Gu Tan Central Business District in Nanchang, Jiangxi Province in the PRC, the mixed-use development with total leasable/ saleable GFA of 795,000 sqm is expected to deepen Metro's foothold in the China property market.

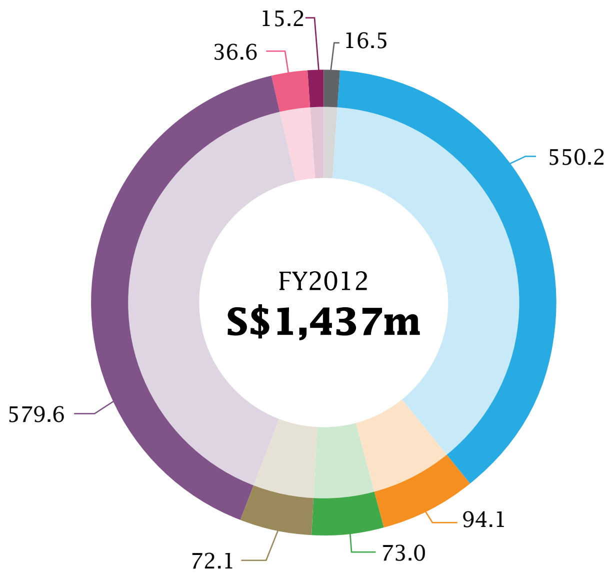
Wing Tai Holdings Limited (Since 2012)

Wing Tai Holdings Limited was incorporated in Singapore on 9 August 1963. Wing Tai is today Singapore's leading property developer and lifestyle company reputed for quality and design. The principal activity of the company, listed on the Singapore Stock Exchange since 1989, is that of an investment holding company with a keen focus on growth markets in Asia. The core businesses of the Wing Tai group of companies, including Wing Tai Malaysia Berhad in Malaysia, Wing Tai Properties Limited in Hong Kong and Wing Tai (China) Investment Pte Ltd in China, comprise property development and investment, hospitality management and lifestyle retail. With S$4.5 billion in total assets, Wing Tai has an extensive landbank of choice sites in Asia's prime locations. In FY2013, Metro invested S$118.3 million into a 40% held joint-venture with Wing Tai to jointly develop a signature residential condominium at Prince Charles Crescent, Singapore.

Financial Highlights

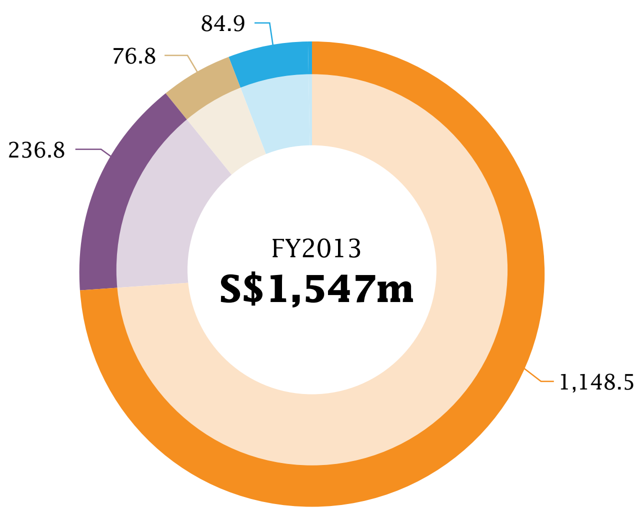
Total Assets Owned (S$' million)

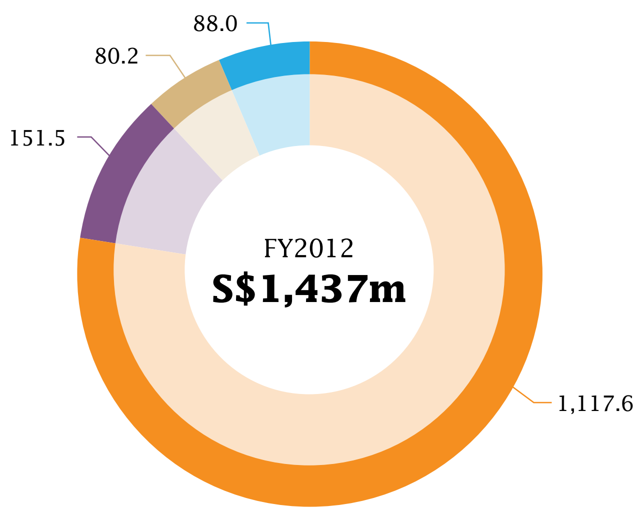




- Property, Plant and Equipment
- Investments Properties
- Investments in associates
- Quoted and unquoted investments - long-term
- Quoted and unquoted investments - short-term
- Other receivable - long-term
- Cash and cash equivalents (including pledged deposits)
- Others
- Development property
- Loan notes

Total Liabilities and Capital (S$' million)

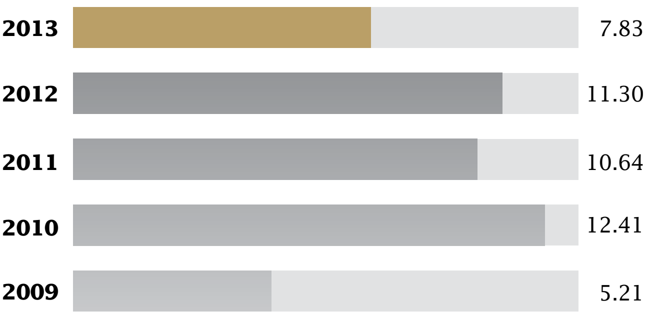




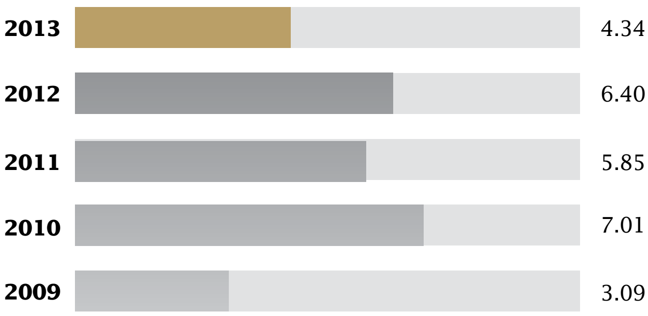
- Total equity
- Bank borrowings
- Trade and other payables and deferred income
- Tax and deferred tax liabilities

Financial Highlights

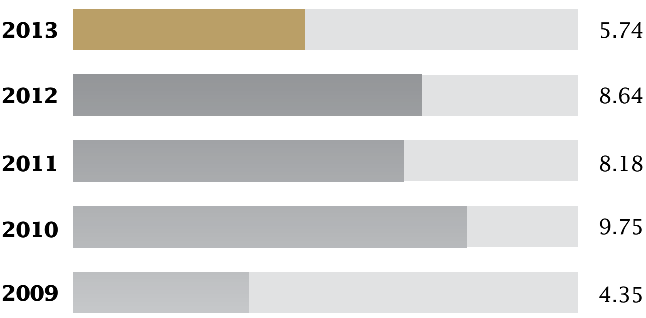
Earnings per share (cents)



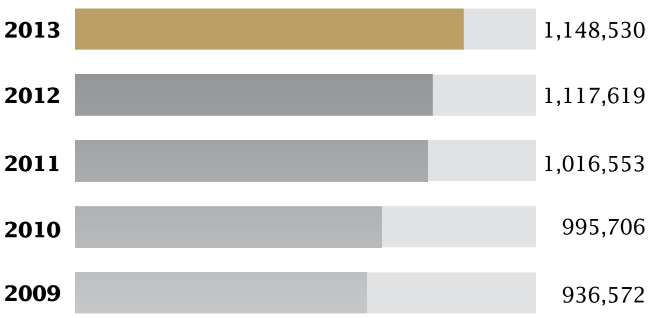
Return on total assets (%)



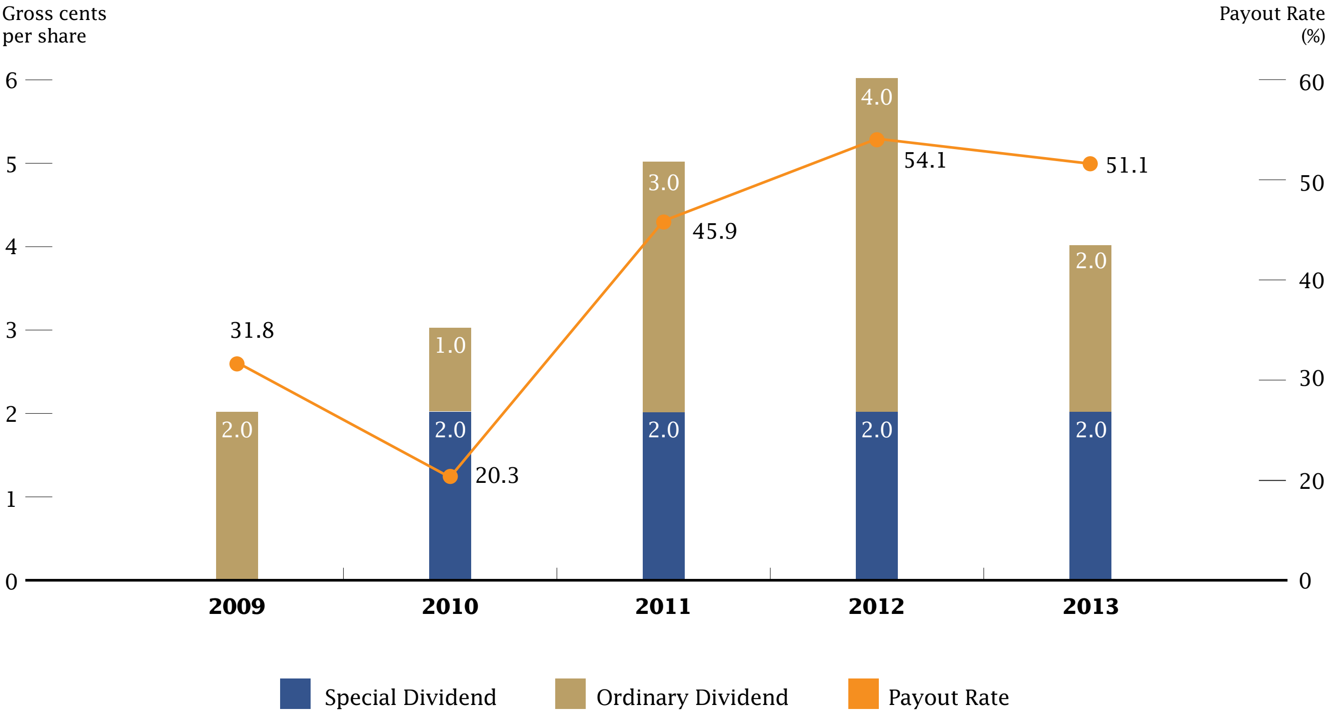
Return on shareholders' funds (%)



Total net assets (S$'000)



Dividend payout



Financial Summary

	2013	2012	2011	2010	2009
Financial Results (S$'000)					
Turnover	187,120	186,995	175,245	150,981	138,508
Net profit from operating activities before tax	82,049	115,270	105,516	114,951	38,947
Taxation	(17,088)	(23,355)	(23,359)	(20,962)	676
Profit after tax	64,961	91,915	82,157	93,989	39,623
Non-controlling Interests	(148)	(23)	(261)	(128)	(212)
Net profit attributable to shareholders	64,813	91,892	81,896	93,861	39,411
Net final dividend proposed/paid	16,561	16,561	16,439	12,687	12,600
Net special interim dividend paid	–	–	12,898	–	–
Net final special dividend proposed/paid	16,561	33,121	8,220	6,343	–
Balance Sheets (S$'000)					
Property, plant and equipment	6,603	16,490	16,223	13,720	11,965
Investment Properties	533,871	550,194	688,452	630,773	514,480
Other non-current assets	252,324	168,282	197,202	420,686	515,731
Current assets	754,177	702,318	532,113	298,502	271,266
Total Assets	1,546,975	1,437,284	1,433,990	1,363,681	1,313,442
Current Liabilities	(123,592)	(150,260)	(140,449)	(153,135)	(196,254)
Long-term and deferred liabilities	(274,853)	(169,405)	(276,988)	(214,840)	(180,616)
Net assets	1,148,530	1,117,619	1,016,553	995,706	936,572
Financed by:					
Share capital	169,717	169,717	142,432	130,379	126,155
Treasury shares	(1,768)	(1,768)	(1,397)	(1,397)	(266)
Reserves	976,969	946,332	871,455	861,959	808,103
Shareholders' funds	1,144,918	1,114,281	1,012,490	990,941	933,992
Non-controlling Interests	3,612	3,338	4,063	4,765	2,580
	1,148,530	1,117,619	1,016,553	995,706	936,572

Financial Summary

	2013	2012	2011	2010	2009
Financial Ratios					
Earnings per share after tax and non-controlling interests (cents)#	7.83	11.30	10.64	12.41	5.21
Return on shareholders funds (%)*#	5.74	8.64	8.18	9.75	4.35
Return on Total Assets (%)*#	4.34	6.40	5.85	7.01	3.09
Dividend proposed					
Special final & interim net dividend per share (cents)	2.0	4.0	3.0	1.0	–
Final/Interim net dividend per share (cents)	2.0	2.0	2.0	2.0	2.0
Dividend cover (times)#	1.96	1.85	2.18	4.93	3.13
Net Assets per share (S$)#	1.38	1.35	1.30	1.30	1.23
Debt equity ratio (net of cash) (times)	Net cash	Net cash	Net cash	0.04	0.01
Total Liabilities to shareholders funds (times)	0.35	0.29	0.41	0.37	0.40
Interest cover (times)#	17.88	10.40	10.28	13.27	4.79

Notes

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

the financial ratios are based on continuing operations.

Corporate 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
Lim Siew Koon
Engagement Partner
(Since financial year ended 31 March 2013)

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

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Singapore 048941
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dolores.phua@citigatedrimage.com
holly.huang-james@citigatedrimage.com

Corporate Governance

Metro Holdings Limited ("Metro" or "the Company") is committed to high standards of corporate governance. This Report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2005 ("2005 Code").

On 2 May 2012, the revised Code of Corporate Governance 2012 (the "Code 2012") was issued and took effect for financial years commencing on or after 1 November 2012. The Company is in the midst of putting the processes in place to comply with the requirements of the Code 2012.

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.

	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	12	12
Jopie Ong Hie Koan	4	4	–	–	1	1	–	–	12	12
Phua Bah Lee	4	4	4	4	1	1	1	1	–	–
Gerald Ong Chong Keng	4	3	4	3	1	1	1	1	12	12
Mrs Fang Ai Lian	4	4	4	4	1	1	–	–	–	–
Tan Soo Khoon	4	4	–	–	–	–	–	–	–	–

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.

Corporate Governance

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.

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.

When a Director has multiple board representations, such director has to ensure that sufficient time and attention is given to the affairs of the Company and the Nominating Committee is satisfied that the director is able to and has been adequately carrying out his duties as a director of the Company.

The Nominating Committee has recommended the re-election of Mr Gerald Ong Chong Keng, 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.

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/
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive/ Independent Director	18 June 2007	25 July 2012
Jopie Ong Hie Koan	Executive Director	21 September 1973	25 July 2012
Phua Bah Lee	Non-Executive/ Independent Director	5 October 1993	25 July 2012
Gerald Ong Chong Keng	Non-Executive Director	18 June 2007	28 July 2011
Mrs Fang Ai Lian	Non-Executive/ Independent Director	16 July 2008	25 July 2012
Tan Soo Khoon	Non-Executive/ Independent Director	9 December 2011	25 July 2012

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

Principle 6 : Access to Information

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

Corporate Governance

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

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

The Company does not have a share option scheme.

Remuneration for key executives are based on corporate and individual performance with certain key executives entitled to profit-sharing bonuses based on certain profits on a realised basis.

Breakdown of directors' remuneration for current financial year:

Name of Director	Total Remuneration S$ '000	Base Salary etc/Directors' Fees	Performance-Related/ Bonuses	Long Term Incentive
Lt-Gen (Retd) Winston Choo Wee Leong	162	100%	–	–
Jopie Ong Hie Koan	3,997	29%	71%	–
Phua Bah Lee	60	100%	–	–
Gerald Ong Chong Keng	115	100%	–	–
Mrs Fang Ai Lian	65	100%	–	–
Tan Soo Khoon	30	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
S$1,000,000 to S$1,249,999			
Lawrence Chiang Kok Sung	61%	34%	5%
S$750,000 to S$999,999			
Wong Sioe Hong	68%	20%	12%
S$500,000 to S$749,999			
Lee Chin Yin	59%	41%	–
S$250,000 to S$499,999			
David Tang Kai Kong	88%	12%	–
Goh Leng Seng	82%	18%	–

The aggregate total remuneration paid to the top five key management personnel (who are not directors or the Group Managing Director) was S$3,414,000.

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
S$750,000 to S$799,999 Wong Sioe Hong	68%	20%	12%
S$100,000 to S$149,999 Ong Jenn	79%	21%	–
S$50,000 to S$99,999 Ong Jen Yaw	77%	20%	3%

[a] Mr Ong Jen Yaw resigned from his position on 30 June 2012.

ACCOUNTABILITY AND AUDIT

Principle 10 : Accountability

Principle 11 : Audit Committee

Principle 12 : Internal controls

Principle 13 : Internal Audit

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

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the 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 2013, is of the view that the independence of the external auditor 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 Auditor of the Group for the year ending 31 March 2014.

Corporate Governance

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. The accounts of the significant foreign-incorporated subsidiaries, jointly controlled entities and associated companies are audited by EY member firms in the respective countries. The Group has certain Singapore-incorporated and foreign-incorporated jointly controlled entities and associated companies, which are currently not considered significant to the Group and the accounts of these jointly controlled entities and associated companies are audited by the other big 4 audit firms.

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 35 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, and reviews performed by Management and various Board committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, were adequate as at 31 March 2013 to meet the needs of the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or mis-statements, poor judgment in decision- making, human errors, losses, fraud or other irregularities.

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

It also discourages dealings on short term considerations. Directors and employees are required to report securities dealings to the Company 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	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Jopie Ong Hie Koan Rental and property management income received from Eng Kuan Company Pte Ltd	169	177	–	–
Gerald Ong Chong Keng Corporate advisory fees paid or payable to OEC Holdings Pte Ltd	120	202	120	202

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 Director's Interest in Contracts entered with the Group.)

FINANCIAL 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 2013.

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	

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 1.4.2012**	**As at 31.3.2013**	**As at 21.4.2013**	**As at 1.4.2012**	**As at 31.3.2013**	**As at 21.4.2013**
Ordinary shares						
Jopie Ong Hie Koan	–	–	–	285,047,743	285,047,743	285,047,743
Phua Bah Lee	–	–	–	72,576	72,576	72,576

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' Report

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.

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.

Auditor

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

On behalf of the Board,

Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan
Group Managing Director

Singapore
12 June 2013

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 2013 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
12 June 2013

Independent Auditors' Report to the Members of Metro Holdings Limited

For the financial year ended 31 March 2013

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 53 to 133, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2013, 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 2013 and 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
12 June 2013

Consolidated Income Statement

For the financial year ended 31 March 2013

(In Singapore dollars)	Note	2013 $'000	2012 $'000
Revenue	4	187,120	186,995
Cost of revenue	5	(129,898)	(126,741)
Gross profit		57,222	60,254
Other income including interest income	6	30,925	114,647
Changes in fair value of short term investments		29,553	(3,151)
(Deficit)/gain from fair value adjustments on investment properties	12	(3,931)	4,526
Impairment of available-for-sale investments	18	–	(17,839)
General and administrative expenses		(24,919)	(32,645)
Profit from operating activities	7	88,850	125,792
Finance costs	8	(4,862)	(12,261)
Share of associates' results, net of tax		(1,939)	1,739
Profit from operations before taxation		82,049	115,270
Taxation	9	(17,088)	(23,355)
Profit net of taxation		64,961	91,915
Attributable to:			
Owners of the Company		64,813	91,892
Non-controlling interests		148	23
		64,961	91,915
		Cents	**Cents**
Earnings per share			
Basic	10	7.8	11.3
Diluted	10	7.8	11.3

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 2013

(In Singapore dollars)	Note	2013 $'000	2012 $'000
Profit net of taxation		64,961	91,915
Other comprehensive income:			
Currency translation adjustments on foreign operations		(1,091)	11,961
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		16,108	(19,891)
Share of other comprehensive income of associates		615	211
Other comprehensive income for the financial year, net of tax		15,632	10,120
Total comprehensive income for the financial year		80,593	102,035
Total comprehensive income attributable to:			
Owners of the Company		80,319	102,161
Non-controlling interests		274	(126)
		80,593	102,035

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

Statements of Financial Position

As at 31 March 2013

(In Singapore dollars)	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	6,603	16,490	275	10,409
Investment properties	12	533,871	550,194	–	–
Subsidiaries	13	–	–	17,790	17,174
Amounts due from subsidiaries	14	–	–	593,409	395,948
Associates	15	57,338	18,060	500	500
Amounts due from associates	16	72,448	75,992	–	–
Amounts due from jointly controlled entities	17	2,555	1,245	–	–
Investments	18	90,002	72,985	–	–
Other receivable	21	29,981	–	–	–
		792,798	734,966	611,974	424,031
Current assets					
Development property	19	226,077	–	–	–
Inventories	20	14,977	16,125	–	–
Prepayments		721	893	14	14
Accounts and other receivables	21	16,354	18,102	181	244
Tax recoverable		269	259	–	–
Short term investments	18	99,291	72,137	–	–
Loan notes	18	–	15,248	–	–
Collateral assets	22	–	–	–	–
Pledged fixed and bank deposits	23	34,982	36,007	–	–
Cash and cash equivalents	23	351,605	543,547	35,355	61,452
Asset held for sale	24	9,901	–	9,901	–
		754,177	702,318	45,451	61,710
Total assets		1,546,975	1,437,284	657,425	485,741
EQUITY AND LIABILITIES					
Current liabilities					
Bank borrowings	25	41,865	53,585	–	–
Accounts and other payables	26	75,979	80,216	6,847	10,859
Provision for taxation		5,748	16,459	83	149
		123,592	150,260	6,930	11,008
Net current assets		630,585	552,058	38,521	50,702
Non-current liabilities					
Bank borrowings	25	194,983	97,897	–	–
Amounts due to subsidiaries	26	–	–	352,935	136,994
Other payables	26	779	–	–	–
Deferred taxation	9	79,091	71,508	319	320
		274,853	169,405	353,254	137,314
Total liabilities		398,445	319,665	360,184	148,322
Net assets		1,148,530	1,117,619	297,241	337,419

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

Statements of Financial Position

As at 31 March 2013

(In Singapore dollars)	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Equity attributable to owners of the Company					
Share capital	27	169,717	169,717	169,717	169,717
Treasury shares	27	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	28	967,850	946,332	120,173	169,470
Reserve of asset held for sale	24	9,119	–	9,119	–
		1,144,918	1,114,281	297,241	337,419
Non-controlling interests		3,612	3,338	–	–
Total equity		1,148,530	1,117,619	297,241	337,419
Total equity and liabilities		1,546,975	1,437,284	657,425	485,741

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 2013

(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	Reserve of asset classified as held for sale $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 April 2012	169,717	(1,768)	–	19,073	6,039	(26,733)	947,953	–	1,114,281	3,338	1,117,619
Dividends paid (Note 29)	–	–	–	–	–	–	(49,682)	–	(49,682)	–	(49,682)
Reserve attributable to asset held for sale	–	–	–	(9,119)	–	–	–	9,119	–	–	–
Total comprehensive income/(expense) for the financial year	–	–	–	–	15,949	(443)	64,813	–	80,319	274	80,593
At 31 March 2013	169,717	(1,768)	–	9,954	21,988	(27,176)	963,084	9,119	1,144,918	3,612	1,148,530
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 (Note 29)	–	–	–	–	–	–	(24,659)	–	(24,659)	–	(24,659)
Dividends paid to non-controlling shareholder	–	–	–	–	–	–	–	–	–	(599)	(599)
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

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 2013

(In Singapore dollars)

	Share capital $'000	Treasury shares $'000	Warrants reserve $'000	Revaluation reserve $'000	Revenue reserve $'000	Reserve of asset classified as held for sale $'000	Total equity $'000
Company							
At 1 April 2012	169,717	(1,768)	–	9,119	160,351	–	337,419
Dividends paid (Note 29)	–	–	–	–	(49,682)	–	(49,682)
Reserve attributable to asset held for sale	–	–	–	(9,119)	–	9,119	–
Total comprehensive income for the financial year	–	–	–	–	9,504	–	9,504
At 31 March 2013	169,717	(1,768)	–	–	120,173	9,119	297,241
At 1 April 2011	142,432	(1,397)	2,688	9,119	152,434	–	305,276
Dividends paid (Note 29)	–	–	–	–	(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

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 2013

(In Singapore dollars)	Note	2013 $'000	2012 $'000
Cash flows from operating activities:			
Operating cash flows before changes in working capital			
Operating profit before reinvestment in working capital	(a)	45,773	39,665
Increase in development property		(226,077)	–
Decrease/(increase) in inventories		65	(3,834)
Decrease/(increase) in accounts and other receivables		1,892	(3,986)
(Decrease)/increase in accounts and other payables		(3,458)	123,882
Cash (used in)/generated from operations		(181,805)	155,727
Interest expense paid		(4,862)	(12,261)
Interest income received		12,423	2,564
Income taxes paid		(20,212)	(11,067)
Net cash flows (used in)/generated from operating activities		(194,456)	134,963
Cash flows from investing activities:			
Purchase of property, plant and equipment	11	(3,197)	(3,723)
Subsequent expenditure on investment properties	12	(154)	(248)
Increase in investments		(3,013)	(4,590)
Loan to a joint venture partner		(29,608)	–
Disposal of jointly controlled entity, net of cash disposed	(b)	–	132,050
Purchase of short term investments		(930)	(8,017)
Proceeds from disposal of property, plant and equipment		6	53
Proceeds from disposal of short term investment		4,341	–
Proceeds from disposal of available-for-sale investments		1,760	–
Proceeds from liquidation of an associate		–	460
Proceeds from loan notes	18(a)	15,248	9,312
Investment in an associate	15	(48,000)	–
Decrease/(increase) in amounts due from associates		3,586	(23,873)
Additional loans to jointly controlled entities		(1,121)	(1,404)
Dividends received from associates		4,900	38,000
Dividends received from quoted and unquoted investments		10,686	7,816
Changes in pledged fixed and bank deposits		1,025	(1,132)
Net cash flows (used in)/generated from investing activities		(44,471)	144,704
Cash flows from financing activities:			
Drawdown of bank borrowings		108,570	216
Repayment of bank borrowings		(11,208)	(109,597)
Purchase of treasury shares		–	(371)
Proceeds from issue of shares		–	24,660
Dividends paid to non-controlling interests		–	(599)
Dividends paid	29	(49,682)	(24,659)
Net cash flows generated from/(used in) financing activities		47,680	(110,350)
Net (decrease)/increase in cash and cash equivalents		(191,247)	169,317
Effect of exchange rate changes in cash and cash equivalents		(695)	1,319
Cash and cash equivalents at beginning of financial year	23	543,547	372,911
Cash and cash equivalents at end of financial year	23	351,605	543,547

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 2013

(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	2013 $'000	2012 $'000
Profit before taxation		82,049	115,270
Adjustments for:			
Deficit/(gain) from fair value adjustments on investment properties	12	3,931	(4,526)
Interest expense	8	4,862	12,261
Depreciation of property, plant and equipment	11	3,146	3,435
Share of results of associates		1,939	(1,739)
Interest and investment income		(23,109)	(10,380)
Loss/(gain) on disposal of property, plant and equipment		10	(50)
Inventories written down	20	993	1,159
Write-back of allowance for doubtful debts	21	(1)	(13)
Property, plant and equipment written off		20	–
Allowance for obsolete inventories	20	90	173
Changes in fair value of short term investments		(29,553)	3,151
Foreign exchange adjustments		2,920	1,744
Gain on disposal of short term investments	6	(1,012)	–
Gain on disposal of available-for-sale investments		(512)	–
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)
Operating cash flows before changes in working capital		45,773	39,665

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

Consolidated Statement of Cash Flow

For the financial year ended 31 March 2013

(In Singapore dollars)

(b) **Disposal of interest in jointly controlled entity**

The fair value of net assets of jointly controlled entity disposed was as follows:

	2012
	$'000
Investment properties	166,810
Property, plant and equipment	42
Other receivables	3,496
Cash and bank balances	4,046
	174,394
Accounts payables	(121,095)
Deferred taxation	(15,868)
	37,431
Net identifiable assets	37,431
Gain on disposal of interest in jointly controlled entity	98,665
Net cash disposed with jointly controlled entity	(4,046)
Net cash inflow on disposal	132,050

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

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

Notes to the Financial Statements

31 March 2013

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 that are effective for annual periods beginning on or after 1 April 2012. The adoption of these standards 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 not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*	1 July 2012
Revised FRS 19 *Employee Benefits*	1 January 2013
FRS 113 *Fair Value Measurement*	1 January 2013
Amendments to FRS 107 Disclosures – *Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Improvements to FRSs 2012	1 January 2013
– Amendment to FRS 1 *Presentation of Financial Statements*	1 January 2013
– Amendment to FRS 16 *Property, Plant and Equipment*	1 January 2013
– Amendment to FRS 32 *Financial Instruments: Presentation*	1 January 2013

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

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

Description	**Effective for annual periods beginning on or after**
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities	1 January 2014

Except for the Amendments to FRS 1, FRS 111, 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 1, FRS 111, Revised FRS 28 and FRS 112 are described below.

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 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures are effective for financial periods beginning on or after 1 January 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have rights to the assets and obligations for the liabilities 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 statement. The Group will adopt the standard from 1 April 2014.

Notes to the Financial Statements

31 March 2013

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 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

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. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2014.

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 2013

2. Summary of significant accounting policies (Cont'd)

2.4 *Basis of consolidation and business combination (Cont'd)*

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

Basis of consolidation prior to 1 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 April 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 April 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 April 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.

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 2.9. 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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.4 *Basis of consolidation and business combination (Cont'd)*

(b) *Business combinations (Cont'd)*

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.

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.6 *Foreign currency (Cont'd)*

(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) *Consolidated financial statements*

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.

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.7 *Property, plant and equipment (Cont'd)*

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.

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.8 *Investment properties (Cont'd)*

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

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 *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 April 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 April 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.

2.10 *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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.10 *Impairment of non-financial assets (Cont'd)*

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.

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.

2.11 *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.

2.12 *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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.12 *Associates (Cont'd)*

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 based on the profit attributable to equity holders of the associate and, therefore is 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.

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.

2.13 *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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.14 *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.

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.14 ***Financial assets (Cont'd)***

(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.

The Group has not designated any financial assets upon initial recognition as held-to-maturity investments.

(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.

Regular way purchase or sale of a financial asset

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.15 ***Impairment of financial assets***

The Group assesses at 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.

If there is objective evidence that an impairment loss on financial assets carried at amortised 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 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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.15 *Impairment of financial assets (Cont'd)*

(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.

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.

2.16 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

(a) *Properties under development*

Properties under development are stated at cost plus attributable profits, less foreseeable losses and progress payments received and receivable. An allowance is made where the estimated net realisable value of the properties has fallen below their carrying value.

Cost includes cost of land and other direct and related expenditure, including interest on borrowings incurred in developing the properties. Interest and other related expenditure are capitalised as and when the activities that are necessary to get the asset ready for its intended development are in progress.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.17 *Development properties (Cont'd)*

(a) *Properties under development (Cont'd)*

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The revenue recognition method for sale of development properties under construction is disclosed in Note 2.27(c) to the financial statements.

The carrying amounts of the assets and liabilities of development properties are disclosed in Note 19 to the financial statements.

(b) *Properties held for sale*

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

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 2013

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.

Notes to the Financial Statements

31 March 2013

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 2013

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 April 2005, the date of inception is deemed to be 1 April 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*

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.26 *Non-current assets held for sale (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*

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) *Sale of development property under construction*

Where development property is under construction and agreement has been reached to sell such property, the Directors consider whether the contract comprises:

- A contract to construct a property; or
- A contract for the sale of completed property

(i) Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.27 ***Revenue (Cont'd)***

(c) *Sale of development property under construction (Cont'd)*

(ii) Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).

(ii-a) If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses.

(ii-b) In Singapore context, INT FRS 115 includes an accompanying note on application of INT FRS 115 in Singapore which requires the percentage of completion method of revenue recognition to be applied to sale of private residential properties in Singapore prior to completion of the properties that are regulated under the Singapore Housing Developers (Control and Licensing) Act (Chapter 130) and uses the standard form of sale and purchase agreements (SPAs) prescribed in the Housing Developers Rules.

In the above situations (ii-a) and (ii-b), the stage of completion is measured by reference to the physical surveys of construction work completed as certified by the architects or quantity surveyors for the individual units sold. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

(d) *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.

(e) *Dividend income*

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

(f) *Interest income*

Interest income is recognised using the effective interest method.

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.28 *Taxes (Cont'd)*

(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.

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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.28 *Taxes (Cont'd)*

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

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 34, 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. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Notes to the Financial Statements

31 March 2013

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.

(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.

Notes to the Financial Statements

31 March 2013

2. Summary of significant accounting policies (Cont'd)

2.34 ***Related parties (Cont'd)***

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

The Group 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 judgment. In making this judgment, 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. There is no impairment loss recognised for available-for-sale financial assets during the financial year (2012:$17,839,000).

(b) *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.

(c) *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 2013

3. Significant accounting judgements and estimates (Cont'd)

3.1 *Judgements made in applying accounting policies (Cont'd)*

(d) *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 2013, the carrying amount of the Group's current and deferred tax provisions amounted to $5,748,000 and $79,091,000 (2012: $16,459,000 and $71,508,000) respectively and the carrying amount of the Group's tax recoverable was $269,000 (2012: $259,000).

(e) *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 35.

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. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(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 2013 was $611,199,000 (2012: $413,122,000).

(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.

Notes to the Financial Statements

31 March 2013

3. Significant accounting judgements and estimates (Cont'd)

3.2 *Key sources of estimation uncertainty (Cont'd)*

(b) *Impairment of loans and receivables (Cont'd)*

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.

(d) *Revenue recognition on development property under construction*

The Group recognises revenue for pre-completion sales of certain types of properties by reference to the stage of completion using the percentage of completion method. The stage of completion is measured by reference to the physical surveys of construction work completed as certified by the architects or quantity surveyors for the individual units sold. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the revenue respectively. In making these estimates, management has relied on past experience and the work of specialists. There was no revenue on development property under construction recognised during the year.

4. Revenue

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

	Group	
	2013	**2012**
	$'000	$'000
Retail - Sale of goods	128,792	120,034
Property - Rental income and related service income (Note 12)	58,328	66,961
	187,120	186,995

Revenue of the Group comprises sales of goods and services and net commission from concessionaires.

Revenue of the Group reported on a gross transaction basis, which represents the value of the overall activity of the Group based on the gross value achieved by the concessionaire on the sale, is presented as follows:

Retail	210,847	200,039
Property	58,328	66,961
	269,175	267,000

Rental income includes contingent rents recognised for the financial year ended 31 March 2013 of $1,100,000 (2012: $1,261,000).

Notes to the Financial Statements

31 March 2013

5. Cost of revenue

	Group 2013 $'000	Group 2012 $'000
Retail	119,392	110,854
Property	10,506	15,887
	129,898	126,741

6. Other income including interest income

	Group 2013 $'000	Group 2012 $'000
Interest income from:		
- Loans and receivables	12,423	2,564
Dividends, gross from:		
- Available-for-sale financial assets	4,923	2,317
- Held-for-trading financial assets	5,763	5,499
	10,686	7,816
Net gains on financial instruments:		
- Held-for-trading financial assets	1,012	–
- Available-for-sale financial assets		
• Transferred from equity	482	–
• Realised gain on disposal	30	–
	1,524	–
Management fee income from associates	2,127	1,981
Foreign exchange gain	179	15
Gain on disposal of jointly controlled entity	–	98,665
Other rental income	2,123	1,875
Government grant from Jobs Credit Scheme	–	2
Sundry income	1,863	1,729
	30,925	114,647

Notes to the Financial Statements

31 March 2013

7. Profit from operating activities

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

	Note	Group 2013 $'000	Group 2012 $'000
Salaries, bonuses and other related costs		32,766	36,172
Contributions to CPF and other defined contribution schemes		3,088	2,635
Provision for long-service benefits		45	417
Staff costs (including Directors' emoluments)		35,899	39,224
Staff costs includes Directors' emoluments as follows:			
Directors' emoluments:			
Directors of the Company			
- Other emoluments		3,944	8,826
- Fees payable		484	432
- Professional fees paid and payable to a company in which a Director has an interest		120	202
Directors of subsidiaries		1,542	1,733
		6,090	11,193
Foreign exchange (gain)/loss			
Included in other income		(179)	(15)
Included in general and administrative expenses		55	518
Foreign exchange (gain)/loss, net		(124)	503
Depreciation of property, plant and equipment	11	3,146	3,435
Audit fees:			
- Auditors of the Company		462	451
- Other auditors		197	266
Non-audit fees:			
- Auditors of the Company		113	99
- Other auditors		123	183
Allowance for obsolete inventories	20	90	173
Write-back of allowance for doubtful debts, net	21	(1)	(13)
Property, plant and equipment written off		20	–
Loss/(gain) on disposal of property, plant and equipment		10	(50)
Rental expense		23,862	22,345
Inventories written down	20	993	1,159

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2013 amounting to $1,308,000 (2012: $1,008,000).

Notes to the Financial Statements

31 March 2013

8. Finance costs

	Group 2013 $'000	Group 2012 $'000
Interest expense on:		
- Bank loans	4,862	12,261
Total finance costs	4,862	12,261

9. Taxation

(a) *Major components of income tax expense*

The major components of income tax expense for the financial years ended 31 March 2013 and 2012 are:

Consolidated income statement

	Group 2013 $'000	Group 2012 $'000
Current taxation		
- Current income taxation	10,887	22,114
- Over provision in respect of prior financial years	(1,494)	(2,071)
	9,393	20,043
Deferred taxation		
- Origination and reversal of temporary differences	7,710	3,080
- (Over)/under provision in respect of prior financial years	(46)	212
	7,664	3,292
Withholding tax	31	20
Income tax expense recognised in the consolidated income statement	17,088	23,355

Notes to the Financial Statements

31 March 2013

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	
	2013	**2012**
	$'000	$'000
Profit before taxation	82,049	115,270
Taxation calculated at Singapore statutory income tax rate of 17% (2012: 17%)	13,948	19,596
Expenses not deductible for tax purposes	3,498	7,525
Difference arising from tax rates applicable to foreign entities	1,882	(1,448)
Income not subject to tax	(2,760)	(2,960)
Utilisation of previously unrecognised tax assets	(123)	(318)
Deferred tax assets not recognised	2,055	3,161
Over provision in respect of prior financial years	(1,540)	(1,859)
Share of associates' results	330	(296)
Withholding tax	31	20
Others	(233)	(66)
Taxation expense recognised in the consolidated income statement	17,088	23,355

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	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Balance at beginning of financial year	71,508	81,159	320	321
Exchange adjustments	(81)	2,925	–	–
Charged/(credited) to income statement	7,664	3,292	(1)	(1)
Disposal of interest in jointly controlled entities	–	(15,868)	–	–
Balance at end of financial year	79,091	71,508	319	320

The Group's share of jointly controlled entities' deferred tax liability balances amounted to $62,136,000 (2012: $60,106,000) (Note 32).

Notes to the Financial Statements

31 March 2013

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	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities						
Differences in depreciation	26,663	24,686	1,759	1,805	–	–
Fair value changes	6,514	2,819	3,695	(215)	–	–
Revaluation surplus on investment properties	46,050	44,788	1,351	2,915	–	–
Unremitted foreign sourced income	3,465	3,137	330	352	319	320
	82,692	75,430			319	320
Deferred tax assets						
Deferred income and other deferred tax assets	(3,601)	(3,922)	529	(1,565)	–	–
	79,091	71,508			319	320
Deferred income tax expense			7,664	3,292		

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 $24,706,000 and $27,000 (2012: $31,299,000 and $4,000) respectively, available for offset against future taxable profits of certain subsidiaries in which $20,660,000 (2012: $21,383,000) 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.

Notes to the Financial Statements

31 March 2013

9. Taxation (Cont'd)

(c) ***Deferred tax (Cont'd)***

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 $3,146,000 (2012: $2,797,000) 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 further Singapore income tax consequences (2012: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

10. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit 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	
	2013	**2012**
	$'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	64,813	91,892
	No. of shares	**No. of shares**
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation*	828,036	813,541

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

As at 31 March 2013, there are no dilutive potential ordinary shares (2012: Nil).

Notes to the Financial Statements

31 March 2013

11. Property, plant and equipment

Group **Cost or valuation**	**Freehold land** $'000	**Freehold buildings** $'000	**Leasehold land and buildings** $'000	**Plant, equipment, furniture and fittings** $'000	**Motor vehicles** $'000	**Total** $'000
At 1 April 2011						
Cost	–	–	307	26,801	1,993	29,101
Valuation	9,210	790	–	–	–	10,000
	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 and 1 April 2012						
Cost	–	–	320	26,778	1,695	28,793
Valuation	9,210	790	–	–	–	10,000
	9,210	790	320	26,778	1,695	38,793
Exchange adjustments	–	–	–	(1)	–	(1)
Additions	–	–	–	3,197	–	3,197
Disposals/write-offs	–	–	–	(801)	–	(801)
Transfer to asset held for sale (Note 24)	(9,210)	(790)	–	–	–	(10,000)
At 31 March 2013						
Cost	–	–	320	29,173	1,695	31,188
Accumulated depreciation						
At 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 and 1 April 2012	–	49	31	21,229	994	22,303
Charge for 2013	–	50	6	2,827	263	3,146
Disposals/write-offs	–	–	–	(765)	–	(765)
Transfer to asset held for sale (Note 24)	–	(99)	–	–	–	(99)
At 31 March 2013	–	–	37	23,291	1,257	24,585
Net book value						
At 31 March 2012	9,210	741	289	5,549	701	16,490
At 31 March 2013	–	–	283	5,882	438	6,603

Notes to the Financial Statements

31 March 2013

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 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 and 1 April 2012					
Cost	–	–	1,828	915	2,743
Valuation	9,210	790	–	–	10,000
	9,210	790	1,828	915	12,743
Additions	–	–	9	–	9
Disposals	–	–	(52)	–	(52)
Transfer to asset held for sale (Note 24)	(9,210)	(790)	–	–	(10,000)
At 31 March 2013					
Cost	–	–	1,785	915	2,700
Accumulated depreciation					
At 1 April 2011	–	–	1,749	320	2,069
Charge for 2012	–	49	76	184	309
Disposals	–	–	(44)	–	(44)
At 31 March 2012 and 1 April 2012	–	49	1,781	504	2,334
Charge for 2013	–	50	23	169	242
Disposals	–	–	(52)	–	(52)
Transfer to asset held for sale (Note 24)	–	(99)	–	–	(99)
At 31 March 2013	–	–	1,752	673	2,425
Net book value					
At 31 March 2012	9,210	741	47	411	10,409
At 31 March 2013	–	–	33	242	275

Notes to the Financial Statements

31 March 2013

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	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Freehold land				
Cost and net carrying amount	–	1,231	–	1,231
Freehold buildings				
Cost	–	637	–	637
Accumulated depreciation	–	(446)	–	(446)
Net carrying amount	–	191	–	191

Share of property, plant and equipment in jointly controlled entities

As at 31 March 2013, the Group's share of property, plant and equipment in jointly controlled entities amounted to $596,000 (2012: $618,000) (Note 32).

12. Investment properties

	Group	
	2013	**2012**
	$'000	$'000
Statement of Financial Position:		
Balance at 1 April	550,194	688,452
Subsequent expenditure	154	248
Adjustment to fair value	(3,931)	4,526
Disposal of interest in jointly controlled entity	–	(166,810)
Exchange adjustments	(12,546)	23,778
Balance at 31 March	533,871	550,194
Consolidated Income Statement:		
Rental from investment properties (Note 4)	58,328	66,961
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	(10,330)	(15,725)

Notes to the Financial Statements

31 March 2013

12. Investment properties (Cont'd)

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

Name of building	Description	Tenure of land	Fair value 2013 $'000	Fair value 2012 $'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 (31 years remaining)	97,100	95,000
Metro Tower, Shanghai	60% of a 26-storey office tower, along Tianyaoqiao Road, Xuhui District, Shanghai	50 years' lease from 22 February 1993 (30 years remaining)	109,380	107,400
Metro City, Shanghai	60% of a 9-storey entertainment centre along ZhaoJiaBang Road, Xuhui District, Shanghai	36 years' lease from 13 April 1993 (16 years remaining)	143,040	152,040
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 (58 years remaining)	5,480	5,420
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 (58 years remaining)	459	456
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 (38 years remaining)	112,117	106,187
Frontier Koishikawa Building	A 9-storey office building, located in the Bunkyo District, Tokyo	Freehold	66,295	83,691
			533,871	550,194

Notes to the Financial Statements

31 March 2013

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 $275,512,000 (2012: $284,878,000) are pledged as security for bank loans (Note 25(a), (b) and (c)). 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 2013, the Group's share of investment properties in jointly controlled entities amounted to $364,996,000 (2012: $366,083,000) (Note 32).

Restrictions on investment property

As at the end of the reporting period, an investment property amounting to $143,040,000 (2012: $152,040,000) 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	
	2013	**2012**
	$'000	$'000
Unquoted equity shares, at cost	21,828	21,828
Impairment losses	(4,038)	(4,654)
Carrying amount of investments	17,790	17,174

Details of subsidiaries are shown in Note 37.

Movement in impairment loss is as follows:

Balance at beginning of financial year	4,654	4,654
Write-back for the year	(616)	–
Balance at end of financial year	4,038	4,654

14. Amounts due from subsidiaries

	Company	
	2013	**2012**
	$'000	$'000
Amounts due from subsidiaries	622,180	426,094
Impairment losses	(28,771)	(30,146)
	593,409	395,948

Notes to the Financial Statements

31 March 2013

14. Amounts due from subsidiaries (Cont'd)

Movement in impairment loss is as follows:

	Company 2013 $'000	Company 2012 $'000
Balance at beginning of financial year	30,146	27,643
(Write-back)/charge for the year	(1,375)	2,503
Balance at end of financial year	28,771	30,146

Amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest free, except for an amount of $91,527,302 (2012: $95,160,852) which bears interest ranging from 1.15% to 2.47% (2012: 1.09% to 2.58%) per annum. These are considered quasi-equity in nature and are expected to be settled in cash.

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 5.10% to 9.00% (2012: 4.90% to 7.05%) 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 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Unquoted equity shares, at cost	54,730	6,730	500	500
Share of post-acquisition reserves				
- revenue reserve	1,497	10,834	–	–
- foreign currency translation reserve	1,111	496	–	–
	2,608	11,330	–	–
	57,338	18,060	500	500

Details of the associates are shown in Note 37.

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

	Group 2013 $'000	Group 2012 $'000
Assets and liabilities:		
Total assets	257,361	175,876
Total liabilities	200,023	157,816

Notes to the Financial Statements

31 March 2013

15. Associates

The summarised financial information of the associates, adjusted for the proportion of ownership interest by the Group, is as follows: (Cont'd)

	Group	
	2013	**2012**
	$'000	$'000
Results:		
Revenue	47,364	38,826
Cost of revenue	(40,744)	(33,027)
Gross profit	6,620	5,799
Other income including interest income	5,373	4,000
Adjustment of negative goodwill on acquisition	–	(2,566)
(Deficit)/gain from fair value adjustments on investment properties	(4,799)	3,471
Goodwill written off	(821)	–
General and administrative expenses	(7,400)	(6,040)
(Loss)/profit from operating activities	(1,027)	4,664
Finance costs	(2,536)	(1,829)
(Loss)/profit from operations before taxation	(3,563)	2,835
Taxation	1,624	(1,096)
(Loss)/profit net of taxation	(1,939)	1,739

Share of revenue of the associates reported on a gross transaction basis, which represents the value of the overall activity of the associates based on the gross value achieved by the concessionaire on the sale, is $105,178,000 (2012: $93,644,000).

16. Amounts due from associates

	Group	
	2013	**2012**
	$'000	$'000
Amounts due from associates	72,448	75,992

The amounts due from associates are interest-free, 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

	Group	
	2013	**2012**
	$'000	$'000
Amounts due from jointly controlled entities	2,555	1,245

The amounts due from jointly controlled entities are interest-free, 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.

Notes to the Financial Statements

31 March 2013

18. Investments

	Note	Group 2013 $'000	Group 2012 $'000
Current:			
Financial assets at fair value through profit and loss			
- Held-for-trading investments			
Shares (quoted)		99,291	72,137
Loans and receivables			
- Secured loan notes (unquoted)	(a)	–	15,248
		99,291	87,385
Non-current:			
Available-for-sale investments			
Shares (unquoted), at cost		54	53
Shares (unquoted), at fair value		11,331	8,025
Shares (quoted)	(b)	78,617	64,907
		90,002	72,985

(a) The unquoted secured loan notes in Datawin Trading Limited incorporated in the British Virgin Islands amounted to $15,248,000 in 2012. The Singapore dollar denominated loan notes were fully liquidated during the year. The loan notes were reclassified from collateral assets in the previous financial year (Note 22).

(b) An impairment loss of $17,839,000 was recognised on available-for-sale investments as there was "significant" and "prolonged" decline in the fair value of the investment below its cost in the previous financial year ended 31 March 2012. No impairment loss was recognised for the current financial year ended 31 March 2013.

Investments pledged as security

The Group's investment in quoted shares amounting to $26,060,000 (2012: $30,403,100) have been pledged as security for bank loans (Note 25). 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.

19. Development property

	Group 2013 $'000	Group 2012 $'000
Leasehold land, at cost	206,520	–
Development costs	19,557	–
	226,077	–

During the financial year, borrowing costs of $2,148,000 (2012: Nil) arising from borrowings obtained specifically for the development property were capitalised under "Development costs". The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 1.27% to 1.35%, which are interest rates of the specific borrowing.

The leasehold land under development has been pledged as security for bank loans (Note 25).

Notes to the Financial Statements

31 March 2013

19. Development property (Cont'd)

Details of the Group's development property is as follows:

Description and location	Tenure of land	Site area (square metre)	Stage of development (expected completion date)	Interest held by the Group 2013 %	Interest held by the Group 2012 %
Condominium development comprising of 4 blocks of 5-storey and 3 blocks of 24-storey residential buildings at Prince Charles Crescent, Singapore	99 years' lease from 21 December 2012 (99 years remaining)	23,785	Nil% (2017)	40	–

As at 31 March 2013, the Group's share of development property in jointly controlled entities amounted to $226,077,000 (2012: Nil) (Note 32).

20. Inventories

	Note	Group 2013 $'000	Group 2012 $'000
Consolidated Statement of Financial Position:			
Inventories held for resale		14,826	15,938
Raw materials		151	187
Total inventories at lower of cost and net realisable value		14,977	16,125
Inventories are stated after deducting allowance for obsolete inventories of		748	658
Balance at 1 April		658	485
Charged to the consolidated income statement	7	90	173
Balance at 31 March		748	658
Consolidated Income Statement:			
Inventories recognised as an expense in cost of sales		64,862	58,079
Inventories recognised as an expense in cost of sales is inclusive of the following charge:			
- Inventories written down	7	993	1,159
- Allowance for obsolete inventories	7	90	173

Notes to the Financial Statements

31 March 2013

21. Accounts and other receivables

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Current					
Trade receivables	(a)	6,339	8,184	–	–
Deposits	(b)	8,089	7,737	149	149
Other receivables					
- Recoverables and sundry debtors	(c)	1,926	2,181	32	95
		16,354	18,102	181	244
Non-current					
Amounts due from subsidiaries	14	–	–	593,409	395,948
Amounts due from associates	16	72,448	75,992	–	–
Amounts due from jointly controlled entities	17	2,555	1,245	–	–
Other receivable	(d)	29,981	–	–	–
Total receivables (current and non-current)		121,338	95,339	593,590	396,192
Add: Secured loan notes (unquoted)	18	–	15,248	–	–
Pledged fixed and bank deposits	23	34,982	36,007	–	–
Cash and cash equivalents	23	351,605	543,547	35,355	61,452
Total loans and receivables		507,925	690,141	628,945	457,644

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 $4,131,000 (2012: $4,810,000) (Note 32).

(a) *Receivables that are impaired*

As at 31 March 2013, the Group has trade receivables amounting to $15,000 (2012: $79,000) 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 2013 $'000	Group 2012 $'000
Individually impaired		
Trade receivables – nominal amounts	9	2,199
Less: Allowance for impairment	(9)	(2,199)
	–	–

Notes to the Financial Statements

31 March 2013

21. Accounts and other receivables (Cont'd)

(a) *Receivables that are impaired (Cont'd)*

Movement in allowance for doubtful debts is as follows:

	Group	
	2013	**2012**
	$'000	$'000
Balance at 1 April	2,199	2,212
Write-back to the income statement	(1)	(13)
Bad debts written off	(2,189)	–
Balance at 31 March	9	2,199

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 $1,000 (2012: $13,000) was recognised in the consolidated income statement subsequent to a debt recovery assessment performed on trade and other receivables as at 31 March 2013.

(b) *Deposits*

The Group's share of jointly controlled entities' deposits amounted to $4,324,000 as at 31 March 2013 (2012: $4,355,000) (Note 32).

(c) *Other current receivables*

The Group's share of jointly controlled entities' other receivables amounted to $727,000 as at 31 March 2013 (2012: $1,125,000) (Note 32).

(d) *Other non-current receivable*

The unsecured loan was extended to a joint venture partner. The Chinese Renminbi denominated loan is interest-bearing at 10% per annum and repayable in full in 2016.

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

	Group	
	2013	**2012**
	$'000	$'000
United States dollar	4,286	4,981
Chinese renminbi	6,262	6,489
Japanese yen	251	283
	10,799	11,753

Notes to the Financial Statements

31 March 2013

22. Collateral assets

	Note	Group 2013 $'000	Group 2012 $'000
Balance at 1 April		–	24,560
Redeemed during the financial year		–	(9,312)
Reclassification to investments	18	–	(15,248)
Balance at 31 March		–	–

During the previous financial 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 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Fixed deposits	311,926	543,006	32,038	59,445
Cash on hand and at bank	74,661	36,548	3,317	2,007
	386,587	579,554	35,355	61,452
Less: Fixed and bank deposits pledged as security	(34,982)	(36,007)	–	–
Cash and cash equivalents	351,605	543,547	35,355	61,452

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 0.03% to 3.50% (2012: 0.05% to 3.5%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.4% (2012: 0.5%) per annum.

Fixed deposits of $33,687,000 (2012: $33,656,000) and bank deposits of $1,295,000 (2012: $2,351,000) have been pledged to financial institutions as security for bank loans (Note 25).

The Group's share of jointly controlled entities' cash and bank balances as at the financial year end amounted to $53,670,000 (2012: $42,022,000) (Note 32).

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

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
United States dollar	14,059	31,571	1,341	244
Chinese renminbi	93,067	61,544	–	–
Japanese yen	3,244	3,798	–	–
Hong Kong dollar	2	3	–	–
	110,372	96,916	1,341	244

Notes to the Financial Statements

31 March 2013

24. Asset held for sale

Asset held for sale of $9,901,000 represents the Group's and the Company's carrying value of a freehold property, which was reclassified from property, plant and equipment (Note 11) as the property had been marketed for sale. On 4 April 2013, an option was exercised to sell the property at a consideration of $39,800,000. Completion of the proposed disposal is scheduled to take place within three months from the date of the exercise of the option. The related revaluation reserve in respect of the above freehold property amounting to $9,119,000 will be transferred to revenue reserve on the disposal of the asset.

25. Bank borrowings

	Note	Group 2013 $'000	Group 2012 $'000
Current			
Bank revolving credit facilities, denominated in:			
- Hong Kong dollar, secured	(a)	11,379	15,420
- Japanese yen, secured	(b)	27,226	35,889
Share of jointly controlled entities' Chinese Renminbi-denominated bank loans, secured	(c)	3,260	2,276
		41,865	53,585
Non-current			
Bank loans, denominated in Japanese yen	(b)	43,098	50,949
Share of jointly controlled entities' bank loans, denominated in:			
- Chinese Renminbi, secured	(c)	43,315	46,948
- Singapore dollar, secured	(d)	108,570	–
		194,983	97,897
Maturity of bank borrowings			
Repayable:			
Within 1 year		41,865	53,585
After 1 year but within 5 years		86,413	97,897
More than 5 years		108,570	–
		236,848	151,482

(a) The Hong Kong dollar denominated revolving credit facility bears interest at rates ranging from 1.76% to 2.16% (2012: 1.57% to 2.03%) per annum. These bank loans are secured by charges over an investment property of $97,100,000 (2012: $95,000,000) (Note 12), investments of $26,060,000 (2012: $30,403,100) (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.

(b) The Japanese yen denominated revolving credit facilities and loans bear interest at rates ranging from 2.42% to 2.45% (2012: 2.44% to 2.45%) per annum. These bank loans are secured by charges over an investment property of $66,295,000 (2012: $83,691,000) (Note 12), fixed deposits of $33,687,000 (2012: $33,656,000) (Note 23) and a pledge over 50.1% of the issued preference share capital of a subsidiary owned by Bunkyo Property Pte Ltd. The loans were refinanced in April 2013 and are due for full repayment by 2016.

Notes to the Financial Statements

31 March 2013

25. Bank borrowings (Cont'd)

(c) Chinese Renminbi denominated loans amounting to $46,575,000 (2012: $49,224,000) (Note 32) are secured against jointly controlled entities' investment property of $112,117,000 (2012: $106,187,000) (Note 12) and $1,295,000 in bank deposits (2012: $2,351,000) (Note 23) and bear interest at rates ranging from 6.21% to 6.69% (2012: 6.03% to 6.69%). The loans are due in 2015 with an exercisable option for a 2 year extension.

(d) Singapore dollar denominated loans amounting to $108,570,000 (2012: Nil) (Note 32) are secured by a first legal mortgage over a jointly controlled entity's properties under development (Note 19) and assignment of all rights and benefits with respect to the properties. The bank loans bear interest at rates ranging from 1.27% to 1.35% (2012: Nil). The loans are due for full repayment by 2018.

26. Accounts and other payables

		Group		Company	
	Note	2013	2012	2013	2012
		$'000	$'000	$'000	$'000
Current					
Trade payables		14,206	14,447	–	–
Other payables					
- Sundry creditors		30,918	30,081	1,490	579
- Accruals		16,188	22,633	5,357	10,280
- Refundable deposits		14,667	13,055	–	–
		75,979	80,216	6,847	10,859
Non-current					
Deferred income		779	–	–	–
Amounts due to subsidiaries		–	–	352,935	136,994
Total accounts payables (current and non-current)		76,758	80,216	359,782	147,853
Add: Total bank borrowings	25	236,848	151,482	–	–
Total financial liabilities carried at amortised cost		313,606	231,698	359,782	147,853

Trade payables

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

Notes to the Financial Statements

31 March 2013

26. Accounts and other payables (Cont'd)

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 2013 amounted to $38,019,000 (2012: $36,169,000) (Note 32).

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

	Group	
	2013	**2012**
	$'000	$'000
United States dollar	2,543	2,133
Chinese renminbi	40,871	40,332
Sterling pound	277	265
Hong Kong dollar	31	147
Euro	53	45
Japanese yen	2,129	1,953
	45,904	44,875

27. Share capital and treasury shares

(a) ***Share capital***

	Group and Company			
	2013		**2012**	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
Ordinary shares				
Balance at beginning of the financial year	831,549	169,717	654,029	142,432
Bonus issue	–	–	134,068	–
Exercise of warrants	–	–	43,452	27,285
Balance at end of the financial year	831,549	169,717	831,549	169,717

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 7 July 2011, 134,067,963 bonus shares was allocated and issued pursuant to the bonus issue at one bonus share for every five existing 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 2013, the Company has fully utilised the total net proceeds of $39,309,000 for its portion of equity contribution in respect of the investment in the associate, Nanchang Top Spring Property Development Company Limited.

Notes to the Financial Statements

31 March 2013

27. Share capital and treasury shares (Cont'd)

(b) ***Treasury shares***

	Group and Company			
	2013		2012	
	No. of shares '000	$'000	No. of shares '000	$'000
Balance at beginning of the financial year	3,513	1,768	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	3,513	1,768

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

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

28. Reserves

	Note	Group		Company	
		2013 $'000	2012 $'000	2013 $'000	2012 $'000
Revaluation reserve	(a)	9,954	19,073	–	9,119
Foreign currency translation reserve	(b)	(27,176)	(26,733)	–	–
Revenue reserve	(c)	963,084	947,953	120,173	160,351
Fair value reserve	(d)	21,988	6,039	–	–
Warrants reserve	(e)	–	–	–	–
		967,850	946,332	120,173	169,470

(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.

During the year, the Group and Company has reclassified the revaluation reserve in respect of a freehold property amounting to $9,119,000 to reserve of asset held for sale as an option has been entered into to sell the property for $39,800,000 (Note 24).

Included in the revaluation reserve as at 31 March 2013 is an amount of $9,954,000 (2012: $9,954,000) relating to fair value adjustments on acquisition of jointly controlled entities relating to previously held interest.

Notes to the Financial Statements

31 March 2013

28. Reserves (Cont'd)

(a) ***Revaluation reserve (Cont'd)***

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Net surplus on revaluation of:				
- Freehold land and buildings	–	9,119	–	9,119
- Revaluation on acquisition of jointly controlled entities	9,954	9,954	–	–
	9,954	19,073	–	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.

(c) ***Revenue reserve***

Included in the Group's revenue reserve is a balance of approximately $2,552,000 (2012: $2,138,000), 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.

As of 31 March 2013, there was no warrant outstanding (2012: Nil).

Notes to the Financial Statements

31 March 2013

29. Dividends

	Group and Company	
	2013	**2012**
	$'000	$'000
Dividends paid during the financial year:		
Final exempt (one-tier) dividend of 2.0 cents per ordinary share for 2012 (2011: 2.0 cents)	16,561	16,439
Final special exempt (one-tier) dividend of 4.0 cents per ordinary share for 2012 (2011: 1.0 cent)	33,121	8,220
	49,682	24,659
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 (2012: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend of 2.0 cents (2012: 4.0 cents) per ordinary share	16,561	33,121
	33,122	49,682

30. 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	
	2013	**2012**
	$'000	$'000
Capital commitments in respect of investment in available-for-sale financial assets	7,076	14,630
Capital commitments in respect of investment in loans and receivables	43,619	4,754

(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 2017. 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:

Not later than one year	16,698	20,293
Later than one year but not later than five years	12,182	16,563
	28,880	36,856

Notes to the Financial Statements

31 March 2013

30. Commitments (Cont'd)

(ii) ***Operating lease commitments (Cont'd)***

(b) As lessor

The Group has entered into commercial property leases on its property portfolio. These non-cancellable leases have remaining lease terms of between 1 and 12 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	
	2013	**2012**
	$'000	$'000
Not later than one year	42,829	41,161
Later than one year but not later than five years	76,615	60,442
Later than five years	19,059	13,803
	138,503	115,406

31. 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 2013 and 2012.

32. 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:

		Group's share	
	Note	**2013**	**2012**
		$'000	$'000
Property, plant and equipment	11	596	618
Investment properties	12	364,996	366,083
Investments		54	53
Loans to jointly controlled entities	17	2,555	1,245
Development property	19	226,077	–
Prepayments		–	123
Trade receivables	21	4,131	4,810
Deposits	21(b)	4,324	4,355
Other receivables	21(c)	727	1,125
Cash and bank balances	23	53,670	42,022
Bank borrowings	25	(155,145)	(49,224)
Accounts and other payables	26	(38,019)	(36,169)
Provision for taxation		(2,877)	(2,732)
Deferred tax liabilities	9	(62,136)	(60,106)
		398,953	272,203

Notes to the Financial Statements

31 March 2013

32. Jointly controlled entities (Cont'd)

(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	
	2013	**2012**
	$'000	$'000
Income statement		
Revenue	47,710	54,716
Direct operating expenses	(8,055)	(13,415)
Property income	39,655	41,301
Other income including interest income	2,197	1,536
(Deficit)/gain from fair value adjustments on investment properties	(293)	7,389
General and administrative expenses	(3,070)	(3,666)
Profit from operating activities	38,489	46,560
Finance costs	(3,003)	(10,218)
Profit from operations before taxation	35,486	36,342
Taxation	(10,675)	(9,171)
Profit net of taxation	24,811	27,171

Details of the Group's jointly controlled entities are shown in Note 37.

33. 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.

Notes to the Financial Statements

31 March 2013

33. Related party disclosures (Cont'd)

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 2013 $'000	Group 2012 $'000
Interest income from an associate	(2,926)	(2,662)
Management fee received from associates	(2,127)	(1,981)
Rental income from a company in which a Director has an interest *	(169)	(177)
Corporate advisory fee paid to a company that is controlled by a Director	120	202

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

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

	2013 $'000	2012 $'000
Salary, bonus and other benefits	6,983	13,358
Contributions to CPF	49	49
Total compensation paid to key management personnel	7,032	13,407
Comprise amounts paid to:		
Directors of the Company	3,997	8,874
Other key management personnel	3,035	4,533
	7,032	13,407

34. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

(i) The property sector is involved in the leasing of shopping and office spaces owned by the Group and investing in property-related investments.

(ii) The retail segment is involved in the business of retailing and operating of departmental stores.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

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

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

Notes to the Financial Statements

31 March 2013

34. Segment information (Cont'd)

Business segments

	Property $'000	Retail $'000	Inter-segment elimi-nations $'000	Total $'000
2013				
Sales to external customers	58,328	128,792	–	187,120
Inter-segment sales	190	–	(190)	–
Segment revenue	58,518	128,792	(190)	187,120
Segment results	57,115	6,113	–	63,228
Finance costs	(4,862)	–	–	(4,862)
Changes in fair value of short term investments	29,553	–	–	29,553
Deficit from fair value adjustments on investment properties	(3,931)	–	–	(3,931)
Share of results of associates	(3,671)	1,732	–	(1,939)
Segment profit before taxation	74,204	7,845	–	82,049
Taxation	(16,360)	(728)	–	(17,088)
Profit for the year	57,844	7,117	–	64,961
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

Notes to the Financial Statements

31 March 2013

34. Segment information (Cont'd)

Business segments (Cont'd)

	Property $'000	**Retail** $'000	**Total** $'000
Assets and liabilities			
2013			
Segment assets	1,346,694	70,226	1,416,920
Investment in associates	119,359	10,427	129,786
Tax recoverable	269	–	269
Total assets	1,466,322	80,653	1,546,975
Segment liabilities	288,187	25,419	313,606
Provision for taxation	3,998	1,750	5,748
Deferred taxation	78,487	604	79,091
Total liabilities	370,672	27,773	398,445
Other segment information			
Additions to non-current assets			
- Property, plant and equipment	121	3,076	3,197
- Investment properties	154	–	154
	275	3,076	3,351
Interest expense	4,862	–	4,862
Interest income	(12,346)	(77)	(12,423)
Depreciation of property, plant and equipment	411	2,735	3,146
Other material non-cash items			
Write-back of doubtful debts, net	–	(1)	(1)
Inventories written down	–	993	993
Fair value gain on held-for-trading investments (unrealised)	(29,553)	–	(29,553)
Deficit from fair value adjustments on investment properties	3,931	–	3,931
Allowance for obsolete inventories	–	90	90

Notes to the Financial Statements

31 March 2013

34. 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 2013

34. 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
2013					
Segment revenue from external customers	128,792	–	54,793	3,535	187,120
Non-current assets					
- Property, plant and equipment	6,003	–	600	–	6,603
- Investment properties	–	–	467,576	66,295	533,871
- Investment in associates	–	7,084	50,254	–	57,338
	6,003	7,084	518,430	66,295	597,812
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

35. 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 (2012: 1 to 3 months) from the end of the reporting period.

Notes to the Financial Statements

31 March 2013

35. Financial instruments (Cont'd)

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

Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's floating rate loans and borrowings, with all other variables held constant and the impact on the Group's profit before tax.

	Increase/ decrease in basis points	**2013** $'000	**2012** $'000
Group			
- Singapore dollar	+100	(1,086)	–
- Chinese renminbi	+100	(466)	(492)
- Hong Kong dollar	+100	(114)	(154)
- Japanese yen	+100	(703)	(868)
- Singapore dollar	-100	1,086	–
- Chinese renminbi	-100	466	492
- Hong Kong dollar	-100	114	154
- Japanese yen	-100	703	868

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) and Hong Kong dollars (HKD). 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.

	2013		**2012**	
	Profit before tax $'000	**Equity** $'000	**Profit before tax** $'000	**Equity** $'000
RMB - strengthened 5% (2012: 5%)	966	1,505	(699)	3
- weakened 5% (2012: 5%)	(966)	(1,505)	699	(3)
USD - strengthened 5% (2012: 5%)	567	4,050	1,500	4,036
- weakened 5% (2012: 5%)	(567)	(4,050)	(1,500)	(4,036)
HKD - strengthened 5% (2012: 5%)	773	3,931	171	3,245
- weakened 5% (2012: 5%)	(773)	(3,931)	(171)	(3,245)

Notes to the Financial Statements

31 March 2013

35. Financial instruments (Cont'd)

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

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 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.

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	**Group** $'000
By country:					
At 31 March 2013					
Loans and receivables					
Amounts due from associates (Note 16)	–	5,280	67,168	–	72,448
Amounts due from jointly controlled entities (Note 17)	–	–	2,555	–	2,555
Accounts and other receivables (Note 21)	5,532	–	40,537	266	46,335
Pledged fixed and bank deposits (Note 23)	–	–	1,295	33,687	34,982
Cash and cash equivalents (Note 23)	244,959	–	103,332	3,314	351,605
Total	250,491	5,280	214,887	37,267	507,925

Notes to the Financial Statements

31 March 2013

35. Financial instruments (Cont'd)

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

Credit risk (Cont'd)

Credit risk concentration profile (Cont'd)

	Singapore $'000	Other Asean $'000	People's Republic of China /Hong Kong $'000	Japan $'000	Group $'000
By country:					
At 31 March 2012					
Loans and receivables					
Amounts due from associates (Note 16)	–	4,547	71,445	–	75,992
Amounts due from jointly controlled entities (Note 17)	–	–	1,245	–	1,245
Loan notes (Note 18)	–	–	15,248	–	15,248
Accounts and other receivables (Note 21)	6,516	–	11,328	258	18,102
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

Of the total financial assets disclosed above of $507,925,000 (2012: $690,141,000), 91.6% (2012: 94.8%) is invested in the property sector.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are 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 2013

35. 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.

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2013				
Financial assets:				
Accounts and other receivables	16,354	29,981	–	46,335
Amounts due from jointly controlled entities	–	2,555	–	2,555
Amounts due from associates	5,342	57,144	9,962	72,448
Pledged deposits	34,982	–	–	34,982
Cash and cash equivalents	351,605	–	–	351,605
Total undiscounted financial assets	408,283	89,680	9,962	507,925
Financial liabilities:				
Accounts payables	75,979	–	–	75,979
Loans and borrowings	47,214	96,943	108,913	253,070
Total undiscounted financial liabilities	123,193	96,943	108,913	329,049
Total net undiscounted financial assets/(liabilities)	285,090	(7,263)	(98,951)	178,876
2012				
Financial assets:				
Accounts and other receivables	18,102	–	–	18,102
Amounts due from jointly controlled entities	–	1,245	–	1,245
Amounts due from associates	4,547	61,362	10,083	75,992
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

Notes to the Financial Statements

31 March 2013

35. Financial instruments (Cont'd)

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

Liquidity risk (Cont'd)

	1 year or less $'000	1 to 5 years $'000	Total $'000
Company			
2013			
Financial assets:			
Accounts and other receivables	181	–	181
Amounts due from subsidiaries	–	593,409	593,409
Cash and cash equivalents	35,355	–	35,355
Total undiscounted financial assets	35,536	593,409	628,945
Financial liabilities:			
Trade and other payables	6,847	–	6,847
Amounts due to subsidiaries	–	352,935	352,935
Total undiscounted financial liabilities	6,847	352,935	359,782
Total net undiscounted financial assets	28,689	240,474	269,163
2012			
Financial assets:			
Accounts and other receivables	244	–	244
Amounts due from subsidiaries	–	395,948	395,948
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

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.

Notes to the Financial Statements

31 March 2013

35. Financial instruments (Cont'd)

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

Market price risk (Cont'd)

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably possible change in the Straits Times Index (STI) and Hang Seng Index (HSI), with all other variables held constant, on the fair value of equity instruments held by the Group. The correlation of variables will have a significant effect in determining the ultimate impact on equity price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

	2013		2012	
	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
HSI				
- 10% higher	766	7,862	771	6,491
- 10% lower	(766)	(7,862)	(771)	(6,491)
STI				
- 10% higher	9,163	–	6,442	–
- 10% lower	(9,163)	–	(6,442)	–

(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
2013				
Financial assets				
Financial assets held-for-trading				
- quoted equity shares	99,291	–	–	99,291
Financial assets available-for-sale				
- quoted equity shares	78,617	–	–	78,617
- unquoted equity shares	–	–	11,331	11,331
	177,908	–	11,331	189,239
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

Notes to the Financial Statements

31 March 2013

35. 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	
	2013	**2012**
	$'000	$'000
Opening balance	8,025	4,283
Additions during the financial year	2,949	3,752
Fair value adjustment	453	–
Currency realignment	(96)	(10)
Closing balance	11,331	8,025

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 2013

35. 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:

Notes to the Financial Statements

31 March 2013

35. Financial instruments (Cont'd)

		Group				Company			
		Carrying amount		Fair value		Carrying amount		Fair value	
	Note	2013	2012	2013	2012	2013	2012	2013	2012
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets:									
Amounts due from subsidiaries (non-current) [1]									
- non interest-bearing	14	–	–	–	–	501,882	300,787	(ii)	(ii)
Unquoted secured loan notes	18	–	15,248	–	15,248	–	–	–	–
Unquoted shares	18	54	53	(i)	(i)	–	–	–	–
Amounts due from associates (non-current) [1]									
- non interest-bearing	16	72,448	75,992	(ii)	(ii)	–	–	–	–
Financial liabilities:									
Amounts due to subsidiaries (non-current) [1]									
- non interest-bearing	26	–	–	–	–	352,935	136,994	(ii)	(ii)

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

(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.

Notes to the Financial Statements

31 March 2013

36. 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 2012 and 31 March 2013.

As disclosed in Note 28(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 2012 and 31 March 2013.

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.

		Group	
	Note	**2013**	**2012**
		$'000	$'000
Loans and borrowings	25	236,848	151,482
Less: Cash and bank balances	23	(386,587)	(579,554)
Net cash		(149,739)	(428,072)
Equity attributable to the owners of the Company		1,144,918	1,114,281
Less: Statutory reserve fund	28(c)	(2,552)	(2,138)
Less: Fair value reserve	28(d)	(21,988)	(6,039)
Total capital		1,120,378	1,106,104
Debt-equity ratio (times)		–	–

37. Subsidiaries, associates and jointly controlled entities

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

	Group	
	2013	**2012**
	$'000	$'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 2013

37. 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 2013 %**	**2012 %**
	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
	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

Notes to the Financial Statements

31 March 2013

37. Subsidiaries, associates and jointly controlled entities (Cont'd)

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2013 %	2012 %
	Held by subsidiaries (Cont'd)			
	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
(2)	Metro Shanghai (HQ) Pte Ltd (Singapore)	People's Republic of China	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
+	Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0
Ω (2)	Firewave Management Limited (British Virgin Islands)	Hong Kong	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

Notes to the Financial Statements

31 March 2013

37. Subsidiaries, associates and jointly controlled entities (Cont'd)

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2013 %	2012 %
	Held by subsidiaries (Cont'd)			
	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

	Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2013	2012
	Retailers and department store operators			
+	PT Metropolitan Retailmart (Indonesia)	Indonesia	50.0	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
^	Unojaya Sdn Bhd (Malaysia)	Malaysia	–	49.0
(2)	Nanchang Top Spring Property Development Company Limited (People's Republic of China)	People's Republic of China	30.0	–

Notes to the Financial Statements

31 March 2013

37. Subsidiaries, associates and jointly controlled entities (Cont'd)

	Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2013	2012
	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	50.0
&	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
&	Barlo Development Company Limited (British Virgin Islands)	People's Republic of China	33.3	33.3

	Jointly controlled entities (Country of incorporation)	Place of business	Percentage of equity held by the Group 2013	2012
	Property			
(2)	Wingcrown Investment Pte. Ltd. (Singapore)	Singapore	40.0	–
+@	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
&	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

Notes to the Financial Statements

31 March 2013

37. Subsidiaries, associates and jointly controlled entities (Cont'd)

@ 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 25).

(2) Incorporated during the financial year.

^ Deregistered 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.

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

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

& Audited 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.

38. Subsequent event

Subsequent to the financial year end, the Company incorporated the following wholly-owned subsidiaries:

(i) Metro Development Holdings (S) Pte. Ltd. ("Metro Development"); and

(ii) Metro Prop Singapore Pte. Ltd. ("Metro Prop Singapore")

Metro Development is wholly-owned by the Company. Metro Prop Singapore is held by Metro Development. The principal activities of Metro Development and Metro Prop Singapore are those of investment holding.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 12 June 2013.

Statistics of Shareholdings

As at 03 June 2013

(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 AND SIZE OF SHAREHOLDINGS

No.	Shareholder's Name	Number of Shares Held
1	ENG KUAN COMPANY PTE LTD	133,555,636
2	NGEE ANN DEVELOPMENT PTE LTD	79,783,056
3	CITIBANK NOMINEES SINGAPORE PTE LTD	57,488,733
4	MAYBANK NOMINEES (SINGAPORE) PTE LTD	55,733,828
5	DYNAMIC HOLDINGS PTE LTD	48,293,203
6	LEROY SINGAPORE PTE LTD	47,758,905
7	DBS NOMINEES PTE LTD	33,958,642
8	ONG SIOE HONG	21,211,182
9	GAN TENG SIEW REALTY SDN BHD	20,746,796
10	BNP PARIBAS SECURITIES SERVICES PTE LTD	16,327,853
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	15,670,364
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	13,578,349
13	PHILLIP SECURITIES PTE LTD	9,948,173
14	LEE YUEN SHIH	8,998,200
15	HL BANK NOMINEES (SINGAPORE) PTE LTD	8,751,984
16	MORPH INVESTMENTS LTD	8,110,600
17	SHAW VEE KING	6,499,000
18	HSBC (SINGAPORE) NOMINEES PTE LTD	6,401,804
19	DBSN SERVICES PTE LTD	6,205,062
20	COMO HOLDINGS INC	4,804,800
	TOTAL	**603,826,170**

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 3 JUNE 2013

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	353	6.34	114,316	0.01
1,000 - 10,000	2,213	39.71	12,582,108	1.52
10,001 - 1,000,000	2,965	53.20	158,311,139	19.12
1,000,001 and Above	42	0.75	657,028,311	79.35
TOTAL	**5,573**	**100.00**	**828,035,874**	**100.00**

Note:
Percentage computed based on 828,035,874 shares in issue (excluding shares held as treasury shares) as at 3 June 2013. Treasury Shares as at 3 June 2013 are 3,512,800 shares.

Substantial Shareholders

As at 03 June 2013

Name	No of shares Direct Interest	Deemed 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.

Note 2 - Eng Kuan Company Private Limited's deemed interest is held through Maybank 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.

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.

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.

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.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

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 3 June 2013 is approximately 49.36% of the total issued shares, excluding treasury shares. Therefore, Company complies with Rule 723 of the Listing Manual.

TREASURY SHARES

As at 3 June 2013, the number of treasury shares held is 3,512,800 representing 0.42 % of the total number of issued shares excluding treasury shares.

Notice of Annual General Meeting and Notice of Books Closure Date

NOTICE IS HEREBY GIVEN that the Fortieth 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 17 July 2013 at 10.30 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 2013 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 2013. **(Resolution 2)**

3. To declare the payment of a special tax exempt (one tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2013. **(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 Mr Gerald Ong Chong Keng, a Director retiring pursuant to Article 94 of the Company's Articles of Association. [to refer to explanatory note (d)] **(Resolution 7)**

8. To approve the Directors' Fees of $464,000 for the year ended 31 March 2013. (2012: $412,226). **(Resolution 8)**

9. To re-appoint Ernst & Young LLP as the Company's Auditor and to authorise the Directors to fix their remuneration. **(Resolution 9)**

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

SPECIAL BUSINESS:

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

11. 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,

Notice of Annual General Meeting and Notice of Books Closure Date

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;

(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 10)**

Notice of Annual General Meeting and Notice of Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 24 July 2013 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 2013.

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 23 July 2013 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 23 July 2013 will rank for the Proposed Dividends.

The Proposed Dividends, if approved at the Fortieth Annual General Meeting of the Company to be held on 17 July 2013, will be paid on 1 August 2013.

By Order of the Board

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries

Singapore
1 July 2013

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) Mr Gerald Ong Chong Keng, if re-elected, will continue to serve as a member of the Audit, Remuneration and Nominating Committees. Mr Gerald Ong Chong Keng is considered by the Board of the Directors as a Non-Independent Director.

(e) The proposed ordinary resolution 10 in item 11 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.

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 17 July 2013 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 Mr Gerald Ong Chong Keng, a Director retiring under Article 94 of the Articles of Association		
8.	To approve Directors' Fees		
9.	To re-appoint Auditor and authorise the directors to fix their remuneration		
10.	Any other business		
	SPECIAL BUSINESS		
11.	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 __________________ 2013.

____

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

Total No. of Shares Held	

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.

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