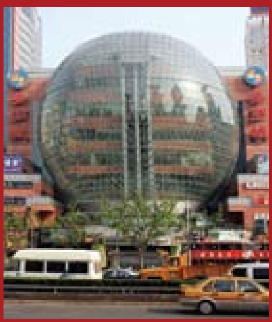
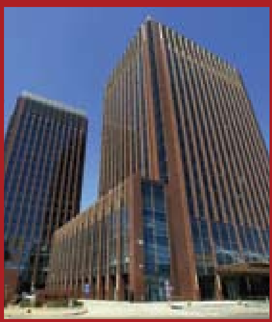




美羅 METRO

metro holdings limited annual report 2009

CONTENTS

Our Vision

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

Metro City, Beijing

Metro City, Shanghai

Metro Tower, Shanghai

Metro Store, Singapore

Corporate Profile

Listed on the Main Board of the SGX-ST in 1973, Metro Holdings was founded in 1957 by its former chairman, 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$200.3 million and net assets of S$936.6 million as at March 31, 2009.

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 China, Indonesia and Singapore.

Metropolis Tower, Beijing

1 Financial Street, Beijing

GIE Tower, Guangzhou

ECMall, Beijing

Gurney Park, Penang

Metro Store, Indonesia

Property Development and Investment

The Group's property arm owns and manages almost 320,000 square metres of prime retail and office properties in first-tier cities in China, such as Beijing, Shanghai and Guangzhou, and also holds significant investments in certain property businesses in China.
The property arm also has a small presence in Malaysia.

Retail

Metro's retail arm serves customers through a chain of three Metro department stores and four specialty "Accessorize" stores in Singapore, and another five department stores in Jakarta and Bandung, Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 821,000 square feet of downtown and suburban retail space in both Singapore and Indonesia.

Chairman's Statement

On behalf of the Board of Metro Holdings Limited, it is my pleasure to present our Annual Report for the financial year ended March 31, 2009 ("FY2009").

Notwithstanding high market volatility brought on by the unprecedented global financial turmoil, the Group remained resilient in FY2009. This is largely due to the synergies of Metro's strong foothold in property development and investment in China, strategic partnerships and rich retail heritage.

Our core **Property Development and Investment Division** continued to post healthy revenue growth in FY2009, buoyed by an increase in rental income and a strengthening of the Chinese yuan against the Singapore dollar. Our Group's five completed properties located in China's first-tier cities and Malaysia, with the exception of 1 Financial Street in Beijing (which was only completed in the fourth quarter of FY2009), continue to enjoy healthy occupancy rates averaging close to 88%.

The Group's pretax profit, however, dipped 55% to S$38.9 million in FY2009. This was largely because the FY2008 pretax profit included a gain of S$31.9 million arising on the disposal of Gurney Plaza (which was included in share of associated companies' results). In addition, a higher decline in the fair value of the Group's portfolio of short-term investments eroded our profits.

Our **Retail Division** posted lower profit because of the economic downturn and the fact that FY2008 profit included a five-month contribution from Metro Tampines, which closed in August 2007.

As such, the Group's FY2009 revenue fell 10.8% to S$200.3 million and net profit attributable to shareholders decreased by 40.3% to S$39.4 million.

Property Development and Investment

We are heartened to have achieved a commendable occupancy rate of close to 88% for our five completed properties – four in China's first-tier cities with a total lettable area of 191,342 square metres, and one in Penang, Malaysia, with a total lettable area of 12,577 square metres. As previously mentioned, the 1 Financial Street project is an exception to this trend and we expect that given the challenges of the external environment, it will take a while to achieve the desired leasing levels.

Metro Tower and Metro City, Shanghai continues to enjoy high occupancy whilst Metro City, Beijing is undergoing adjustments of its retail mix to further enhance tenant profile. Metro City, Beijing is located at Chaoyang District in East Beijing, which is gaining ground as a popular lifestyle retail destination for the surrounding residential neighbourhoods. We remain positive of the project's long- term prospects. GIE Tower in Guangzhou has also seen a 14.6 percentage point improvement in occupancy in FY2009.

Recently Completed/Upcoming Properties

In Malaysia, we are pleased with the progress at Gurney Plaza Extension, Penang. Completed in November 2008, occupancy rate for the extension reached a commendable 98.1% within a short span of four months, buoyed by its excellent location.

The other recently completed property is 1 Financial Street, located in Beijing's central business district with over 70,600 square metres of leasable space. It was completed in the fourth quarter of FY2009 and to-date, we have seen a slow take-up rate of 18%. However, we expect occupancy to increase progressively. Our two other properties in Beijing that are due for completion are ECMall and Metropolis Tower, coming on-stream in late 2QFY2010 , with a total lettable area of 29,000 square metres and 23,000 square metres respectively. This will bring the total lettable area in China to 314,017 square metres.

In **Property Investment**, we have sold off our entire stake in Hualing International Commerce and Trade Plaza in Urumqi, China, as at January 20, 2009. The Group still owns about 1.8% of Shui On Land Ltd as well as bonds worth about US$18 million (increased from US$15 million to US$18 million in April 2009), issued by the majority owners of the 360-room, 5-star Crowne Plaza hotel in Beijing, China.

Retail Operations

In FY2009, the Group's turnover declined by 10.8% to S$200.3 million from S$224.4 million in the previous year, as FY2008 included S$28.0 million of sales from Metro Tampines, which closed in August 2007. In addition, retail sales were affected by a slowdown in consumption as well as tourist and business traveller arrivals in both Singapore and Indonesia.

We now have three department stores in Singapore occupying 18,700 square metres of retail space, and five more in Jakarta and Bandung, Indonesia, with over 57,250 square metres of retail space. We also have four "Accessorize" specialty shops in Singapore under our retail portfolio.

Going forward, we will look at strategies to continually refresh our merchandise mix by introducing new brands. We will also look at adopting new marketing platforms, improving store layout and incorporating more lifestyle concepts in our stores to create a more exciting retail experience for our customers.

Outlook

For the **Property Division**, the global economic slowdown is expected to have an impact on the PRC's GDP growth rate in the short to medium term. This is expected to have a negative knock-on effect on our real estate operations and investments in this country. Notwithstanding the above, we expect rental income from our properties in China to remain relatively stable, although some short-term fluctuations in occupancy rates and rental rates are expected.

In general, we remain optimistic of the PRC's long-term growth prospects. Efforts by the authorities to stabilize the economy and to stimulate domestic consumption are expected to have a beneficial long-term impact on our projects in the PRC.

The commercial and retail property markets in China remain relatively resilient for Grade A properties in prime locations. We will continue to leverage on our strong reputation, extensive network of contacts, track record of over 20 years of experience in China and experienced personnel for long-term growth in this country. The Group's two new properties, ECMall and Metropolis Tower, are also expected to contribute to the Group's top-line by 3QFY2010.

As for our **Retail Division**, we expect the slowdown of the Singapore and Indonesian economies to continue to impact this division. With the new Metro City Square in Singapore due to open in 3QFY2010, sales performance for the **Retail Division** is likely to be sustained but we expect margins to be squeezed in tandem with the broader retail sector in these countries.

The Group's balance sheet remains strong, exemplified by a healthy cash position of S$193.0 million and a low and stable gearing remaining at 0.01 times as at March 31, 2009. We will prudently leverage on this to invest in new projects when suitable opportunities arise.

Our Appreciation

On behalf of the Board, we warmly welcome Fang Ai Lian, a well-regarded professional figure in the business world, as our Independent Director. With her wealth of experience and track record working with listed companies, we believe she will be an invaluable asset to the Group. Mrs Fang has also been appointed as Chairman of the Audit Committee in place of Mr Jackson Lee Chik Sin, who has stepped down as the Chairman of the Audit Committee and will also be stepping down from the Board to pursue his personal interests. We wish to record our sincere appreciation to Mr Jackson Lee for his many years of wise counsel, and to wish him the very best in his future endeavours.

Our founder, Mr Ong Tjoe Kim, will be retiring from the Board at the forthcoming Annual General Meeting. Having established the first Metro store in 1957, Mr Ong played a pivotal role in the listing of Metro on the Singapore Stock Exchange in 1973. We would like to extend our deepest appreciation to Mr Ong for his pioneering foresight and years of invaluable counsel and contribution, laying the foundation for the Group's success today. Mr Ong will continue to play a critical role as Senior Advisor to the Group.

I would also like to take this opportunity to thank our business partners, associates and shareholders for their confidence in the Group in the past year. To reward our loyal shareholders, the Directors have proposed an ordinary final dividend of two Singapore cents per share, translating to a payout ratio of 31.8% of the Group's net profit attributable to shareholders for FY2009.

In closing, I wish to put on record, our gratitude to our fellow Board members for their invaluable insights. Last but not least, I wish to commend the management and staff of Metro for their unwavering dedication and diligence in the face of unprecedented economic uncertainties over the past financial year. Moving forward, we continue to count on and rely upon their continuing support and commitment, as we face the forthcoming challenges and opportunities, together as a team.

Lt-Gen (Retd) Winston Choo
Chairman

June 5, 2009

董事长报告-第七稿

我很荣幸代表美罗董事会呈报截止于2009年3月31日(“2009财政年度”)的年度报告。

尽管前所未有的环球经济风暴导致市场剧烈波动，集团在2009财政年度里仍然保持了稳健的发展。这主要应归功于美罗在中国房地产开发和投资领域的稳固地位、战略投资伙伴关系以及丰富的零售百货传统之间的协同效应。

受惠于租金收入的增长以及人民币对新元的汇率增长，集团核心业务房地产开发和投资在2009财政年度里持续健康的收益增长。除北京金融街 1 号（于2009财政年度第4季度完成）以外，我集团在中国一线城市和马来西亚完成的5个房地产项目都继续享有近88%的良好出租率。

集团的税前盈利在2009财政年度却滑落55%至3,890万新元。这主要因为2008财政年度的税前盈利包括因脱售合您广场（Gurney Plaza）（包含在所占关联公司的业绩当中）所产生的3,190万新元的盈利。另外，集团短期投资组合公允价值的大幅下跌也削减了我们的盈利。

集团零售业务的盈利则下滑，这是因为经济持续低迷以及基于 2008 财政年度盈利包含已于2007年8月关闭的美罗淡滨尼（Metro Tampines） 5个月的盈利。

因此，集团2009财政年度的收益下降10.8%至2.003亿新元，而股东应占净盈利也下降40.3%至3,940万新元。

房地产开发和投资

我们为集团 5 个已经完成的房地产项目达到近88%的良好出租率而感到鼓舞（其中，在中国一线城市的 4 个项目拥有共191,342平方米的总租赁面积以及在马来西亚槟城的 1 个项目中拥有共12,577平方米的总租赁面积）。如前所述，北京金融街 1 号的情况属于例外，我们预计该物业因将面临外部环境的严峻挑战，要达到理想中的租赁水平尚需时日。

上海的美罗城和美罗大厦持续享有高出租率，而北京美罗城目前正在调整其零售业态以提升租户的整体水平。北京美罗城位于北京市东部的朝阳区，渐渐成为广受周围居住社区欢迎的生活与商业一体的购物目的地。我们对此项目的长期前景感到乐观。广州国际电子大厦的出租率在2009财政年度中提升了14.6个百分点。

近期完工/即将完工的物业

在马来西亚，我们对位于槟城的合您广场扩建部分的进展感到满意。于2008年11月完成之后，合您广场扩建部分的出租率由于物业的优越地理位置在短短的4个月里就达到了98.1%。

另外一个在近期已经完成的物业是金融街1号，该项目拥有位于北京中央商务区总约70,600平方米的租赁面积。于2009财政年度的第四季度完工，至今出租率增长缓慢，仅为18%。但是，我们预计出租率将逐步递增。我们在北京即将完工的另外两个项目欧美汇（ECMall）以及都会大厦（Metropolis Tower），预计将在2010财政年度的第二季度开始投入使用，其分别拥有29,000平方米和23,000平方米的租赁面积。我们在中国的总租赁面积将因此增至314,017平方米。

在房地产投资方面，我们已于2009年1月20日脱售了位于中国乌鲁木齐市的华凌国际商贸广场的全部股权。集团仍然拥有瑞安房地产有限公司1.8%的股权，以及持有坐落于中国北京拥有360间客房的5星级皇冠假日酒店的主要股东发行的约1,800万美元的债券 （于2009年4月从原来的1,500万美元增至1,800万美元）。

零售业的运营

在2009财政年度中，集团的营业额从去年的2.244 亿 新元下降10.8%至2.003 亿新元， 因为2008财政年度包含了已于2007年8月关闭的美罗淡滨尼2,800万新元的销售额。另外，消费下降以及到新加坡和印尼的游客和商务旅客的锐减也对零售业销售额造成了影响。

集团目前在新加坡共拥有3家百货商店，零售总面积达到18,700平方米，在印尼雅加达和万隆共拥有5家百货商店，零售总面积达到57,250平方米。在新加坡，集团另有4家美罗零售业旗下的“Accessorize” 专卖店。

在未来，集团将继续考虑相关策略和引进新的品牌来更新商品的组合。我们也将采用新的营销平台、提升商店的布置以及融合更多的生活理念来为我们的顾客营造更新颖的购物体验。

展望

在房地产方面，全球的经济萧条将在中短期对中国的GDP增长造成影响。这也将对集团在中国的房地产运作和投资造成负面影响。尽管如此，我们预计，在出租率和租金短期内仍会有波动的情况下，集团在中国房地产项目中获得的租金收入将相对保持平稳。

总体而言，我们对中国长期的增长前景持有乐观态度。当局对稳定经济以及鼓励国内消费所作出的努力将有利于集团在中国项目的长期发展。

中国商业零售房地产市场中拥有中心位置的A级物业仍然保持相对稳健的发展。我们将继续凭借自身良好的声誉、广泛的关系网、超过20年在中国的业绩以及拥有丰富经验的团队拓展集团在中国的长期发展。集团的两个新物业，欧美汇（ECMall）以及都会大厦（Metropolis Tower）预计将于2010财政年度的第三季度为集团的收益作出贡献。

在零售方面，我们预计新加坡和印尼的经济放缓将继续影响零售业的表现。即将在2010财政年度第三季度开业的新加坡美罗城广场将可能提升零售方面的销售表现，但是我们预计零售利润将随着新加坡和印尼零售业态的增加而降低。

截止于2009年3月31日，0.01倍的稳定财务杠杆率以及拥有1.93亿新元的良好现金状况充分说明了集团实力雄厚的资产负债表。我们将谨慎地运用资金并在合适的机遇到来时投资新的项目。

致谢

我谨代表美罗的董事会热烈欢迎在商界备受尊敬的方爱莲女士成为我们的独立董事。我们相信她在众多上市公司中的丰富经验和工作业绩将成为集团的宝贵财富。方爱莲女士也已被委任为审计委员会的主席以接替李积善先生。李积善先生在卸任审计委员会主席的同时也将退出董事会以寻求个人的发展。我们衷心感谢他过去多年来的贤明指导，并祝福他一切顺利。

集团的创始人，王梓琴先生将在即将到来的年度股东大会上宣布从董事会退休。在1957年创建了第一家美罗商店后，王先生在美罗于1973年在新加坡交易所上市中扮演了举足轻重的角色。我们衷心感谢王先生的杰出领导以及多年来的贤明指导和无私贡献，为集团今日的成功打下了良好的基础。王先生将作为集团资深顾问继续肩负指导集团的重任。

我也希望利用这次机会感谢我们的商业合作伙伴，公司同事以及广大股东过去多年来对集团的信心与支持。为了回报股东，董事提议以每股0.02新元，并按照2009财政年度集团股东应占净盈利31.8%的派息率派发期末普通股息。

作为总结，我希望对我们董事会所有成员的宝贵见解表示敬意。最后我要感谢美罗集团全体员工和管理人员在上一个财政年度里，尤其是在我们共同面对这次前所未有的经济动荡时期中所表现出坚定的奉献精神以及敬业尽职。今后我们仍然要依靠他们的持续支持和投入，以一个团队的精神去面对未来的挑战和机遇。

朱维良中将
董事长

2009年6月5日

注： 董事长报告的中文译本和英文文本如有相异， 则以英文文本为准。

Portfolio Review

The Group's balance sheet remained strong, exemplified by a healthy cash position of S$193.0 million. Total shareholders' equity improved to S$934.0 million as at March 31, 2009. Gearing remained stable at 0.01 times as at March 31, 2009.

Year in Review

The Group's turnover for FY2009 fell 10.8% to S$200.3 million from S$224.4 million in FY2008, as the previous year included S$28.0 million of sales from Metro Tampines, which closed in August 2007.

Profit before tax for FY2009 declined by 55% from S$86.5 million in FY2008 to S$38.9 million, as FY2008 recorded a gain of S$31.9 million arising from the disposal of Gurney Plaza in Penang, as well as gains of S$14.9 million from the fair value adjustments on the Group's investment properties. In comparison, FY2009 registered a net gain of S$9.0 million from fair value adjustments of the Group's investment properties, which was insufficient to offset the higher extraordinary gains achieved in FY2008.

Consequently, the Group's net profit attributable to shareholders decreased by 40.3% from S$66.0 million in FY2008 to S$39.4 million in FY2009.

The Group's balance sheet remained strong, exemplified by a healthy cash position of S$193.0 million. Total shareholders' equity improved to S$934.0 million as at March 31, 2009. Gearing remained stable at 0.01 times as at March 31, 2009.

Property Division Performance Review

The Group's Property Division continued to grow steadily, with revenue increasing by 9% from S$48.0 million in FY2008 to S$52.3 million in FY2009. The growth was attributable to an increase in rental income and a strengthening of the Chinese yuan against the Singapore dollar during the year under review.

In particular, the Group recorded a 38% increase in the share of results of associated companies for the Property Division, from S$24.1 million in FY2008 to S$33.2 million in FY2009. The stronger performance was due to the revaluation of the recently completed 1 Financial Street in Beijing, China and the Gurney Plaza Extension in Penang conducted by the Group's associates, through which the Group gained its share of S$53.6 million of surpluses arising from the revaluation. This more than offset the previous year's one-off gain of S$31.9 million from the divestment of Gurney Plaza.

However, the higher rental income enjoyed in FY2009 was weighed down by a decline of S$6.9 million in the fair value of the Group's portfolio of short-term investments. In addition, a S$44.6 million deficit from the fair value adjustments arising from the revaluation of the Group's investment properties was recorded in FY2009, as compared to a gain of S$14.9 million in FY2008. As such, profit before tax for this division dipped 55% from S$75.6 million in FY2008 to S$34.1 million in FY2009.

Completed Properties

The Group achieved a commendable average occupancy rate of almost 88% for its portfolio of five completed properties, excluding the recently completed 1 Financial Street, which was handed over to the Group in the fourth quarter of FY2009. The healthy average occupancy rate, an improvement over FY2008's average occupancy rate of 86.6%, was boosted by the Group's newly completed Gurney Plaza Extension, which enjoyed almost full occupancy as at March 31, 2009. GIE Tower in Guangzhou has also seen a 14.6 percentage point improvement in occupancy following the success of the tenant remixing scheme in FY2009. Metro City, Beijing saw a dip in its occupancy rate as it is undergoing adjustments of its retail mix to further enhance tenant profile.

	FY2008 (%)	**FY2009 (%)**
Metro City, Shanghai	99.4	94.2
Metro City, Beijing	81.1	65.6
GIE Tower, Guangzhou	68.1	82.7
Metro Tower, Shanghai	97.9	98.6
Gurney Plaza Extension, Penang (1)	–	98.1
1 Financial Street, Beijing (2)	–	18.0

(1) Completed in late 3QFY2009
(2) Completed in late 4QFY2009

The Group's investment properties, which had been independently appraised by professional valuers as at March 31, 2009, reflected an overall increase due to the strengthening of the Chinese yuan against the Singapore dollar, although the valuations in Chinese yuan showed a slight decline year-on-year.

	FY2008 (S$'m)	**FY2009 (S$'m)**	**Percentage owned by Group**
Metro City, Shanghai	209	226	60
Metro City, Beijing	345	334	50
GIE Tower, Guangzhou	92	99	100
Metro Tower, Shanghai	173	181	60
Gurney Plaza Extension, Penang (1)	–	88	49
1 Financial Street, Beijing (2)	–	557	45

(1) Completed in late 3QFY2009
(2) Completed in late 4QFY2009

Note: Above figures represent 100% of the property valuations

Tenants from Metro Tower, Shanghai constitute the majority of leases expiring by the end of 2009. However, with indicative signs of China leading the way for the recovery in the global economy, the Group believes that the property rental market in China should remain stable in the near to mid-term.

	1HFY2010 (%)	**2HFY2010 (%)**
Metro City, Shanghai	18.23	15.85
Metro City, Beijing	0.26	–
GIE Tower, Guangzhou	11.50	9.30
Metro Tower, Shanghai	57.71	22.23
Gurney Plaza Extension, Penang (1)	–	–
1 Financial Street, Beijing (2)	–	–

(1) Completed in late 3QFY2009
(2) Completed in late 4QFY2009

Portfolio Review

Metro City, Shanghai

Xujiahui, Shanghai, PRC

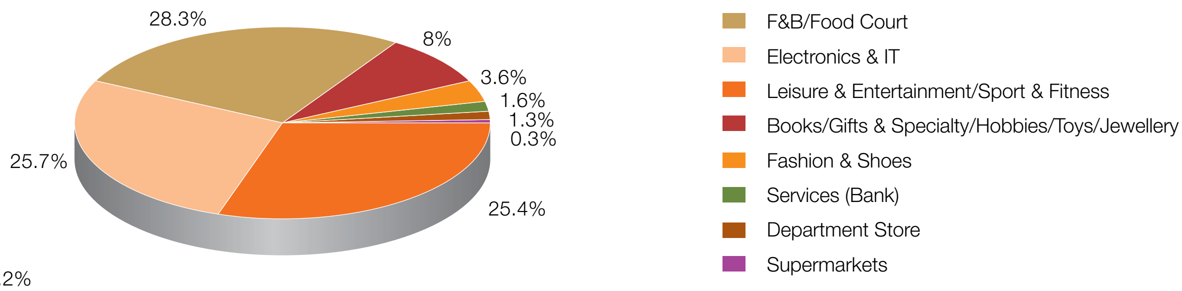
% owned by Group	60%
Site area (sqm)	15,342
Lettable Area (sqm)	**38,560**
Tenure	36 year term from 1993
No. of Tenants	114
Occupancy Rate (%)	94.2
Valuation (100%)	S$226 million

Project Description

Strategically located at Xujiahui, Shanghai, Metro City, Shanghai is a lifestyle entertainment centre with 9 levels of retail space spanning almost 38,500 square metres. It is directly linked to an underground MRT, which draws in high shopper traffic.

As at March 31, 2009, Metro City, Shanghai enjoys a healthy occupancy rate of 94.2%, with a diversified retail mix.

Tenant Mix by Lettable Area (As at March 31, 2009)



Total: 94.2%

Top 10 Tenants (As at March 31, 2009)

Name of Tenant	Trade Sector	% of Total Lettable Area
Buynow Computer World	Electronics & IT	19.18%
Physical Fitness & Beauty Centre	Leisure & Entertainment/Sport & Fitness	10.22%
Kodak Cinema World	Leisure & Entertainment/Sport & Fitness	8.76%
Popular Bookmall	Books/Gifts & Specialty/Hobbies/Toys/Jewellery	7.61%
Megabite	F&B/Food Court	7.48%
HAOLEDI KTV	Leisure & Entertainment/Sport & Fitness	4.72%
DAGAMA	F&B/Food Court	2.4%
Pizza Hut	F&B/Food Court	1.92%
Starbucks	F&B/Food Court	1.86%
KFC	F&B/Food Court	1.8%

Metro Tower, Shanghai

Xujiahui, Shanghai, PRC

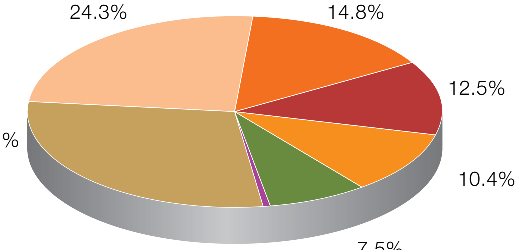
% owned by Group	60%
Site area (sqm)	5,247
Lettable Area (sqm)	**40,002**
Tenure	50 year term from 1993
No. of Tenants	25
Occupancy Rate (%)	98.6
Valuation (100%)	S$181 million

Project Description

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

Metro Tower enjoys the highest occupancy rate of 98.6% amongst the completed properties as at March 31, 2009, supported by a strong multi-national tenant base.

Tenant Mix by Lettable Area (As at March 31, 2009)



Total: 98.6%

Top 10 Tenants (As at March 31, 2009)

Name of Tenant	Trade Sector	% of Total Lettable Area
Microsoft	IT Services & Telecommunication	24.82%
Exxon Mobil	Petroleum & Chemicals	20.68%
Swatch Group	Consumer Products	9.83%
KFC	F&B	8.51%
AIA	Banking, Insurance and Financial Services	6.6%
Pizza Hut	F&B	5.99%
Agricultural Bank of China	Banking, Insurance and Financial Services	3.77%
Cummins	Others	3.71%
Lucite International	Petroleum & Chemicals	1.95%
He Yong	IT Services & Telecommunication	1.95%

Portfolio Review

Metro City, Beijing

Chaoyang District, Beijing, PRC

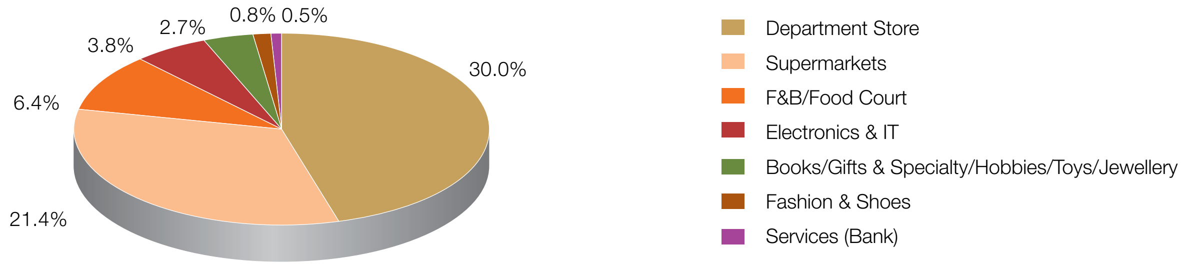
% owned by Group	50%
Site area (sqm)	32,484
Lettable Area (sqm)	**84,390**
Tenure	40 year term from 2004
No. of Tenants	21
Occupancy Rate (%)	65.6
Valuation (100%)	S$334 million

Project Description

Metro City, Beijing is a 5-storey, 2-basement retail mall with almost 85,000 square metres of space. It is located in East Beijing in the Chaoyang District, a major district with a population of over 1.7 million.

Metro City, Beijing, which is still undergoing adjustments of its retail tenant mix, achieved an occupancy rate of 65.6% as at March 31, 2009.

Tenant Mix by Lettable Area (As at March 31, 2009)



Total: 65.6%

Top 10 Tenants (As at March 31, 2009)

Name of Tenant	Trade Sector	% of Total Lettable Area
Parkson Department Store	Department Store	29.79%
Walmart Supercentre	Supermarkets	21.39%
Gome Electrical	Electronics & IT	3.79%
Lucky Time Food Court	F&B/Food Court	2.76%
Han Nan Shan	F&B/Food Court	0.91%
Bosi Music Instruments	Books/Gifts & Specialty/Hobbies/Toys/Jewellery	0.86%
NIKE	Fashion & Shoes	0.78%
Pizza Hut	F&B/Food Court	0.62%
Huang Da Meng	Books/Gifts & Specialty/Hobbies/Toys/Jewellery	0.61%
Wen Jia Restaurant	F&B/Food Court	0.59%

GIE Tower, Guangzhou

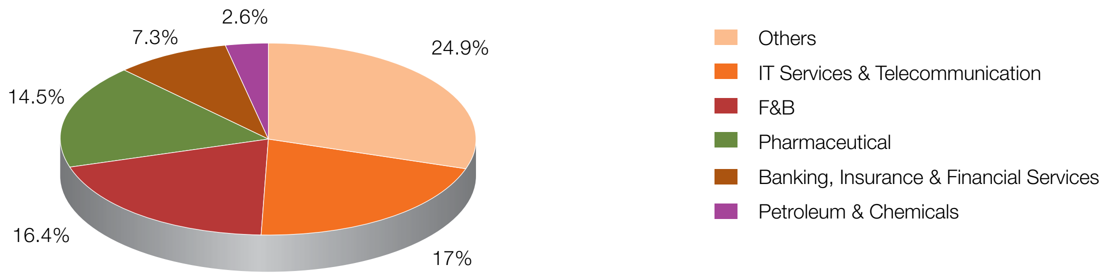
Dongshan District, Guangzhou, PRC

% owned by Group	100%
Site area (sqm)	–
Lettable Area (sqm)	**28,390**
Tenure	50 year term from 1994
No. of Tenants	37
Occupancy Rate (%)	82.7
Valuation (100%)	S$99 million

Project Description

Part of a 7-storey shopping podium and 35-storey office tower, GIE Tower is located in 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 this building, and as at March 31, 2009, GIE Tower enjoys over 80% occupancy.

Tenant Mix by Lettable Area (As at March 31, 2009)



Total: 82.7%

Top 10 Tenants (As at March 31, 2009)

Name of Tenant	Trade Sector	% of Total Lettable Area
Jin Yu Restaurant	F&B	12.68%
Ericsson	IT Services & Telecommunication	11.89%
Guang Dong Bank	Banking, Insurance & Financial Services	6.34%
Swiss Ya Pei	Pharmaceutical	4.17%
Roche	Pharmaceutical	4.17%
Carat Advert GZ Company	Others	4.17%
Evergreen	Others	3.53%
APL Cruise Ship	Others	3.09%
Toshiba	IT Services & Telecommunication	2.92%
Total PetroChemicals	Petroleum & Chemicals	2.64%

Portfolio Review

G Hotel, Penang

Gurney Drive, Penang, Malaysia

% owned by Group	49%
Site area (sqm)	7,880
Lettable Area (sqm)	**304 rooms**
Tenure	Freehold
No. of Tenants	–
Occupancy Rate (%)	–
Valuation (100%)	S$60 million*

* as at March 31, 2008

Project Description

G Hotel, the 19-level hotel component of Gurney Park, is a minimalist-styled hotel unique to Penang. It features 304 stylishly appointed rooms, amongst which includes 16 different types of suites.

Recently Completed Properties

1 Financial Street, Beijing

Xi Cheng District, Beijing, PRC

% owned by Group	45%
Site area (sqm)	12,420
Lettable Area (sqm)	**70,675**
Tenure	50 year term from 2002
No. of Tenants	2
Occupancy Rate (%)	18.0
Valuation (100%)	S$557 million

Project Description

1 Financial Street is located in the Financial Street Area, Xi Cheng District, Beijing's central business district. Completed in the fourth quarter of FY2009, 1 Financial Street, which comprises three portions – a 4-storey podium connecting two office towers and three levels of basement - offers over 70,600 square metres of leasable space.

Two tenants, CZ Bank and New Times Securities, taking up 18% of lettable area, have moved in as at end March 2009, and occupancy is expected to increase progressively.

Gurney Plaza Extension, Penang

Gurney Drive, Penang, Malaysia

% owned by Group	49%
Site area (sqm)	7,660
Lettable Area (sqm)	**12,577**
Tenure	Freehold
No. of Tenants	52
Occupancy Rate (%)	98.1
Valuation (100%)	S$88 million

Project Description

Completed in November 2008, the extension of the 8-storey, 1-basement Gurney Plaza retail mall added over 12,500 square metres of leasable space and several floors of carpark spaces. Within a short span of four months, the occupancy rate for the extension has climbed to 98.1% as at March 31, 2009.

Properties Under Development

The Group currently has two properties under development in China. Construction progress for both the Metropolis Tower and ECMall, both located in Beijing, are on track for their scheduled opening in late 2QFY2010.

As at January 7, 2009, the Group has increased its effective interest in both projects from 20.0% to 31.5%.

Metropolis Tower, Beijing

Haidian District, Beijing, PRC

% owned by Group	31.5%
Lettable Area (sqm)	**23,000**
Tenure	50 year term from 2001
Expected Completion	2QFY2010

Project Description

Located in ZhongGuanCun, Haidian District, in North West Beijing, Metropolis Tower is a 19-storey, 4-basement office tower which will offer about 23,000 square metres of leaseable Grade A office space upon completion. ZhongGuanCun, also known as Beijing's "Silicon Valley", is an IT-orientated zone with many universities, science academies and research institutions.

Portfolio Review

ECMall, Beijing

Haidian District, Beijing, PRC

% owned by Group	31.5%
Lettable Area (sqm)	**29,000**
Tenure	40 year term from 2001
Expected Completion	2QFY2010

Project Description

Located next to Metropolis Tower at ZhongGuanCun, Haidian District, ECMall is a 6-storey, 4-basement retail mall, which will offer 29,000 square metres of leaseable retail space upon completion.

Property Investments

In January 2009, the Group sold off its entire stake in Hualing International Commerce and Trade Plaza in Urumqi, China. The capital contribution of RMB144.6 million has been returned and shareholders' loans of US$10.5 million have been repaid.

The Group owns about 1.8% of Shui On Land Ltd, a leading property developer in China, and remains optimistic of its long-term investment prospects. Other property investments of the Group include bonds worth about US$18 million, issued by the majority owners of the 360-room, 5-star Crowne Plaza hotel in Beijing, China.

Retail Division Performance Review

Impacted by the global economic recession, the Retail Division faced difficult trading conditions in FY2009, with revenue falling 16.1% from S$176.4 million in FY2008 to S$147.9 million in FY2009. The comparative lower revenue was also because FY2008 revenue included a S$28 million contribution from Metro Tampines which closed in August 2007.

In line with the lower revenue, the Retail Division's profit before tax declined 55.3% from S$10.9 million in FY2008 to S$4.9 million in FY2009.

Corporate Social Responsibility

Metro believes in, and remains committed to, being a socially responsible corporate citizen. Apart from its belief of building a brighter future for underprivileged children in the region, the Group is also an advocator of going green.

Social Responsibility

At Metro, we believe that every child deserves to enjoy a healthy childhood. Over the past 10 years, the Group has continuously supported students from below poverty lines in the Xujahui District in Shanghai, China through monetary contributions and the refurbishing of a 50-year-old primary school of 450 students in the poorer province of Anhui.

In Singapore, Metro, together with the Singapore International Foundation and Raffles Junior College, launched an annual Christmas Fundraising Charity Event in 2001 – "Metro For Children", which reaches out to help children and women from needy communities in developing countries such as Cambodia, Laos, India and Vietnam.

Environment

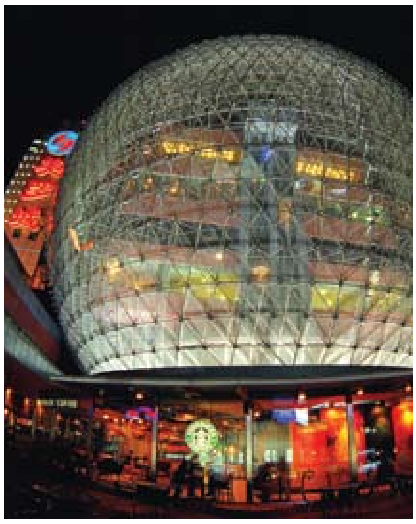
Metro has been active on the green movement scene since 2004 with the distribution of reusable bags to shoppers for their purchases. As the effects of climate change started unravelling, the need to save our planet became increasingly crucial. The pressing call for more emphasis on environmental protection inspired the launch of the "Metro Green Project" in 2008, with the aim of reducing Metro's carbon footprint. With the support of the Singapore Environment Council, Metro became the first department store to join "Bring Your Own Bag Day", which kickstarted on August 20, 2008.

Metro will continue to commit itself to the highest level of corporate social responsibility, to bring about positive contributions and improvements to the societies within which it operates.

Outlook

Whilst rental income from the Group's four completed properties located in China's first-tier cities (excluding the recently completed 1 Financial Street) are expected to remain stable, the decline in the Gross Domestic Product growth rate of the Chinese economy is expected to have a consequential effect on the Group's real estate operations and investments in China. The Group's two other properties, Metropolis Tower and ECMall, scheduled to come onstream in late 2QFY2010, are expected to contribute to the Group's topline by 3QFY2010.

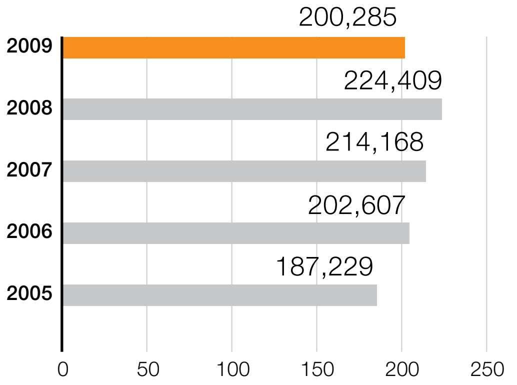
On the retail front, the Group is experiencing a gradual stabilising of the trading environment in Singapore and Indonesia, and will continue to monitor the



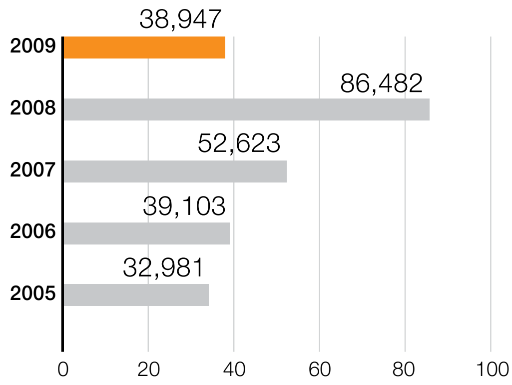
situation closely. Two new outlets will be added to the Group's existing retail portfolio – the new Metro City Square in Singapore in 3QFY2010 and Metro Grandaria in Jakarta, Indonesia in QFY2011. With the opening of Metro City Square scheduled for 3QFY2010, sales performance of the Retail Division is expected to be sustained.

Financial Highlights

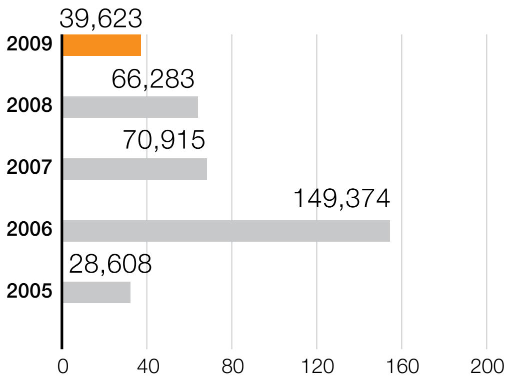
Turnover
(S$'000)



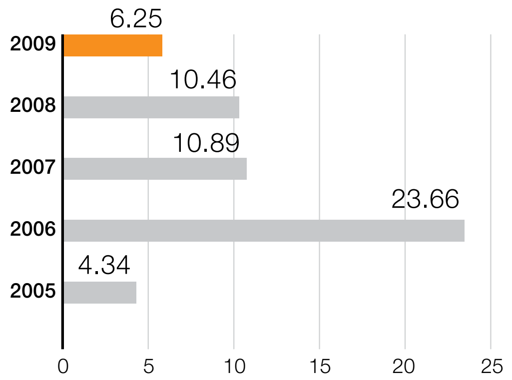
Profit/(Loss) from operating activities (before exceptional items and tax)
(S$'000)



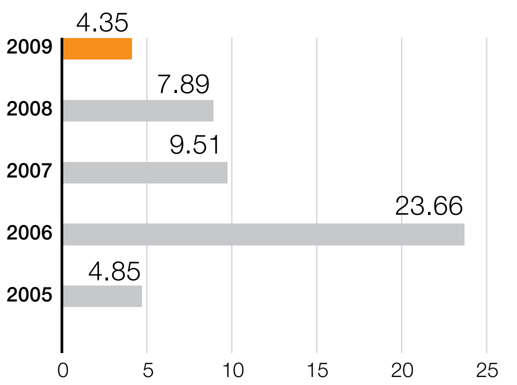
Profit from continuing operations after taxation
(S$'000)



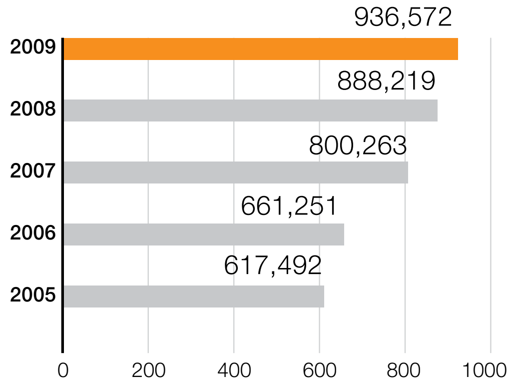
Earnings per share
(cents)



Return on shareholders' funds
(%)

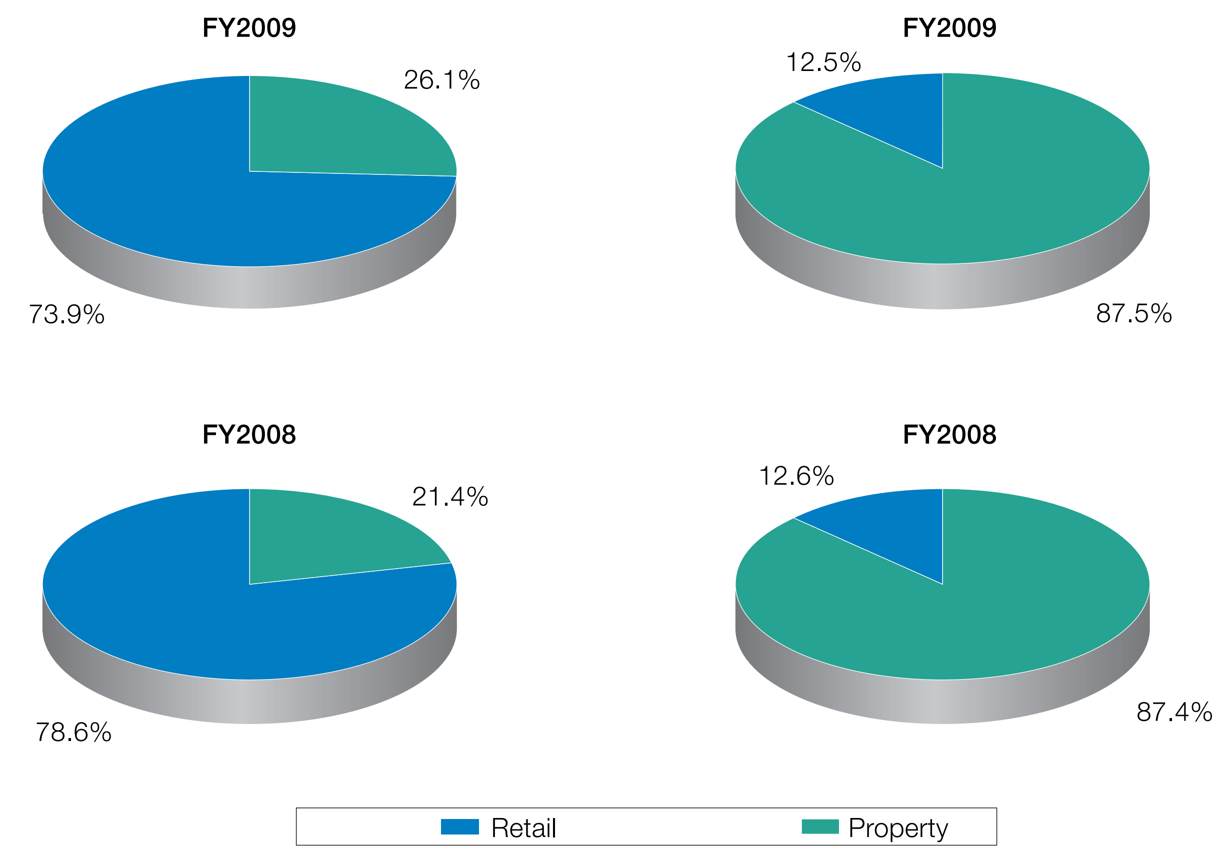


Total net assets
(S$'000)

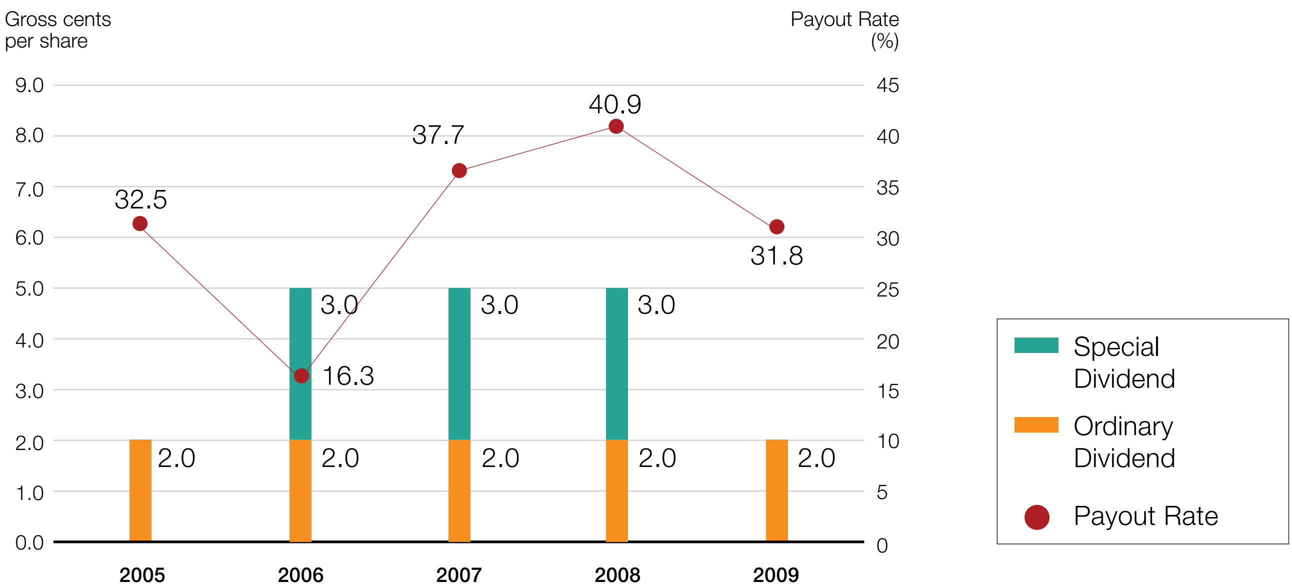


Turnover by business segments
(%)

PBT by business segments
(%)



Dividend Payout



Financial Summary

	2009	2008	2007	2006	2005
Financial Results ($'000)					
Turnover	200,285	224,409	214,168	202,607	187,229
Profit/(Loss) before exceptional items and tax	38,947	86,482	52,623	39,103	32,981
Exceptional items	–	–	29,078	119,160	2,605
Net profit from operating activities before tax	38,947	86,482	81,701	158,263	35,586
Taxation	676	(20,199)	(10,786)	(8,889)	(6,978)
Profit from continuing operations after taxation	39,623	66,283	70,915	149,374	28,608
Profit/(Loss) from discontinued operations	–	–	–	6,060	3,849
Profit after tax	39,623	66,283	70,915	155,434	32,457
Minority interests	(212)	(315)	(2,232)	(1,006)	(1,408)
Net profit attributable to shareholders	39,411	65,968	68,683	154,428	31,049
Net final dividend proposed	12,600	6,308	10,345	10,092	10,092
Net interim dividend paid	–	5,172	–	–	–
Net special dividend paid/proposed	–	15,517	15,517	15,139	–
Balance Sheets ($'000)					
Property, plant and equipment	11,965	11,874	109,980	112,962	174,615
Investment properties	514,480	498,568	356,759	88,003	89,017
Non-current assets	515,731	417,409	266,208	289,940	247,904
Current assets	271,266	306,073	378,610	415,983	301,997
Total assets	1,313,442	1,233,924	1,111,557	906,888	813,533
Current liabilities	(196,254)	(199,233)	(203,623)	(128,035)	(134,008)
Long term and deferred liabilities	(180,616)	(146,472)	(107,671)	(117,602)	(62,033)
Total net assets	936,572	888,219	800,263	661,251	617,492
Financed by:					
Share capital	126,155	126,155	126,155	126,155	126,155
Treasury shares	(266)	–	–	–	–
Reserves	808,103	753,421	665,552	526,601	482,888
Shareholders' funds	933,992	879,576	791,707	652,756	609,043
Minority interests	2,580	8,643	8,556	8,495	8,449
	936,572	888,219	800,263	661,251	617,492

	2009	2008	2007	2006	2005
Financial Ratios					
Earnings per share after tax, minority interests and extraordinary items (cents)^	6.25	10.46	10.89	23.66	4.34
Earnings per share after tax, minority interests but before extraordinary items (cents)^	6.25	10.46	10.89	23.66	4.34
Return on shareholders' funds (%)^*	4.35	7.89	9.51	23.66	4.85
Return on total assets (%)^*	3.09	5.63	6.81	17.35	3.63
Dividends proposed/paid					
Special net dividend per share (cents)	–	2.46	2.46	2.40	–
Interim net dividend per share (cents)	–	0.82	–	–	–
Final net dividend per share (cents)	2.0	1.00	1.64	1.60	1.60
Dividend cover (times)^	3.13	2.44	2.66	5.92	2.71
Net assets per share ($)	1.48	1.39	1.26	1.03	0.97
Debt/equity ratio (net of cash)(times)	0.01	0.02	(0.12)	(0.20)	(0.08)
Total liabilities to shareholders' funds (times)	0.40	0.39	0.39	0.38	0.32
Interest cover (times)^	4.79	8.70	14.34	32.90	26.59

Notes

^ *The financial ratios are based on continuing operations.*

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

Board of Directors

Lt-Gen (Retd) Winston Choo Wee Leong   Jopie Ong Hie Koan

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 a member of both the Nominating and Remuneration Committees.

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 and Cougar Logistics Corporation Ltd.

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

朱维良中将

主席，非执行独立董事

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，在2007年7月开始受委为公司主席一职。他也是提名委员会和薪酬委员会的成员。

朱维良中将曾于1959年至1992年期间拥有卓越辉煌的军事生涯，并于1974年至1992年间担任新加坡国防部队的总参谋长。 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。他现为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。至今， 他仍是Foodfare Catering Pte Ltd和Cougar Logistics Corporation Ltd公司的董事会成员。

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. 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.

Mr Ong is also a member of the Nominating Committee.

王晞權

集团总裁，执行董事

王晞權先生是美罗集团的集团总裁，执行董事，自1973年便担任此职至今。他曾经担任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年加入美罗并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，同时领导美罗在1973年成功上市。他作为董事会的一员拥有包括零售、房地产开发、建筑、酒店以及时尚休闲业的广泛经验。

王先生也是提名委员会的成员。

Ong Tjoe Kim

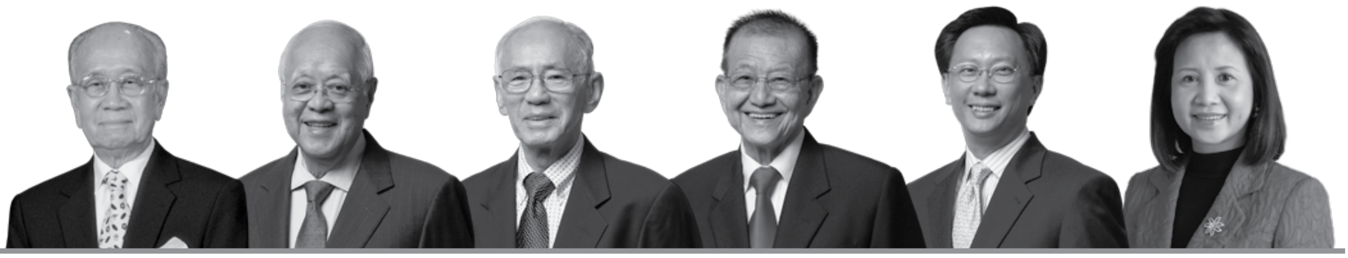
Director, Senior Adviser, Non-Executive

Mr Ong Tjoe Kim has served as Executive Chairman of Metro since its incorporation and listing on the Stock Exchange of Singapore in 1973 up till 2007. He has extensive experience in the retail trade, having founded the first Metro store in High Street in 1957.

王梓琴

非执行董事，资深顾问

王梓琴先生自从公司成立及于1973年在新加坡证券交易所上市以来就一直担任美罗的执行董事长，直至2007年。他有着丰富的零售贸易经验，并于1957年在谐街建立了第一家美罗百货商店。



Ong Tjoe Kim | Chan U Seek | Jackson Lee Chik Sin | Phua Bah Lee | Gerald Ong Chong Keng | Fang Ai Lian

Chan U Seek

Director, Non-Executive and Independent

Mr Chan U Seek has been a Director of Metro since 1973. He is Chairman of the Remuneration Committee and a member of the Audit Committee.

Mr Chan has over 50 years of experience covering a wide spectrum of trading in Southeast Asia in products ranging from native produce to defence equipment and aviation, and manufacturing of optics.

陈有锡

非执行独立董事

陈有锡先生自1973年起就受委担任美罗的董事。他是薪酬委员会的主席以及审计委员会的成员。

陈先生拥有超过50年在东南亚区域的经商经验， 其贸易涉及到土特产品、国防设备、航空业以及光学器件的生产。

Jackson Lee Chik Sin

Director, Non-Executive and Independent

Mr Jackson Lee has been a Director of Metro since 1983. He was the Chief Executive of Transmarco Limited from December 1983 until 1995 when Metro disposed of its controlling interest in that company. He is a member of the Audit, Nomination and Remuneration Committees. Mr Lee also serves on the boards of City e-Solutions Ltd, Hong Leong Finance Ltd and Hong Fok Corporation Ltd. Mr Lee is a Fellow of the Institute of Chartered Accountants in Australia.

李积善

非执行独立董事

李积善先生自1983年起受委担任美罗的董事。他曾在1983年开始担任淡锡马可有限公司的总裁直至1995年美罗集团转让其拥有淡锡马可有限公司的控股为止。他是审计、提名及薪酬委员会的成员。李先生同时也在城市e-Solutions有限公司；丰隆金融有限公司以及鸿福实业有限公司担任董事职务。李先生是澳大利亚特许会计师协会的成员。

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 Nominating Committee and a member of the Audit and Remuneration Committees. He is also a Director of GP Batteries International Ltd, GP Industries Ltd, Pan United Corporation Ltd, Singapura Finance Ltd and Wing Tai Holdings Ltd.

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

潘峇厘

非执行独立董事

潘峇厘先生于1993年加入美罗董事会。他是提名委员会的主席及审计、薪酬委员会的成员。他也是金山电池国际有限公司、GP工業有限公司、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。

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 currently the Chief Executive Officer of PrimePartners Corporate Finance Group and has more than 20 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.

Mr Ong is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

Board of Directors

王宗庆先生
非执行董事

王宗庆先生于2007年6月受委为美罗的董事。他现在是建力企业财务策划有限公司的总裁，拥有超过20年金融领域的经验。他曾经在多家金融企业担任资深职务，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。王先生在以上事业机构任职期间，其责任覆盖广泛，包括金融顾问，企业并购，通过资本、债务、资本关联以及强化衍生债权的企业融资服务。

王先生是新加坡国立大学、英属哥伦比亚大学及哈佛大学商学院的校友会成员。

Fang Ai Lian
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.

Mrs Fang is the Chairman of Great Eastern Holdings Ltd, a listed company on the Singapore Exchange since 2008. She is also the Chairman of Great Eastern Life Assurance Co Ltd, Overseas Assurance Corporation Ltd and the insurance subsidiaries in Malaysia.

Mrs Fang qualified as a Chartered Accountant in London in 1973 and is a Fellow of the Institute of Chartered Accountants in England & Wales.

In July 1981, she was made a Partner at Ernst & Young in Singapore. She was later appointed Managing Partner in 1996 and Chairman of the firm in 2005. Mrs Fang retired as Chairman of Ernst & Young in March 2008, after 34 years with the firm.

Mrs Fang is currently the Chairman of the Tax Academy of Singapore. She also sits on the Boards of Banyan Tree Holdings Ltd, Singapore Telecommunications Limited, Oversea-Chinese Banking Corporation Limited and several governmental, professional and educational institutions in Singapore.

A Justice of the Peace, Mrs Fang's community services include serving as President of the Breast Cancer Foundation and the Home Nursing Foundation, and as Chairman of the Charity Council. She was a former Nominated Member of Parliament.

方爱莲
非执行独立董事

方爱莲女士是于2008年7月受委为美罗的董事。她也是审计委员会的主席。

方爱莲女士自2008年起受委为新加坡交易所上市的大东方控股的主席。她同时也是大东方人寿保险有限公司、华侨保险有限公司以及在马来西亚的保险子公司的主席。

方爱莲女士在1973年在英国伦敦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。

1981年7月，她成为了新加坡安永会计事务所的合伙人。她随后在1996年成为该公司的管理执行合伙人并于2005年担任公司主席。方爱莲女士在为该公司服务了34年后于2008年3月以新加坡安永会计事务所主席的身份退休。

方爱莲女士现在是新加坡税务研究学院的主席。她同时也是悦榕控股、 新加坡电信公司、华侨银行有限公司以及多个新加坡政府、专业及教育院校的董事。

身为太平绅士，方爱莲女士的社区服务包含成为乳癌基金会及家庭护理基金会的总裁，同时也是慈善理事会的主席。她曾是国会官委议员。

注： 以上的中文译本和英文文本如有相异， 则以英文文本为准。

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 31 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel and trading operations. Mr Chiang was a member of the Institute of Chartered Accountants of New Zealand, the Institute of Certified Public Accountants of Singapore, ACCA and the Institute of Chartered Secretaries and Administrators.

Wong Sioe Hong
Managing Director,
Metro (Private) Limited

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

Mrs Wong first joined Metro's retail organisation in 1971. Prior to her appointment as Managing Director, she was the Director of Merchandise for the previous 15 years. She has played an instrumental role in transforming the Metro retail arm into a major retail operator in Singapore and continues to oversee the Group's retail expansion in the region. Mrs Wong holds a Bachelor of Science (Commerce) from the University of Santa Clara, USA.

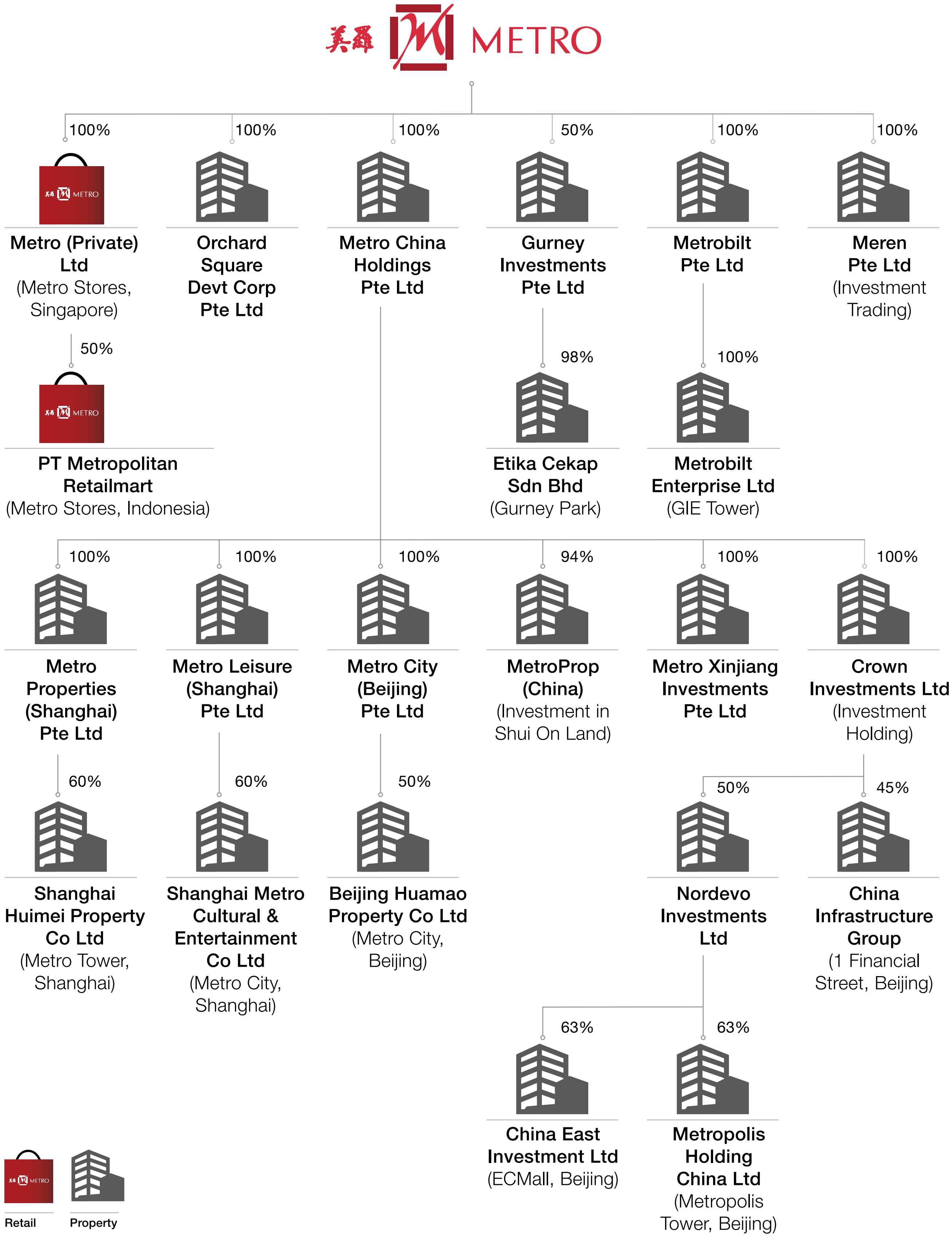
David Lee Chin Yin
Group Financial Controller
and Joint Company Secretary

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

Goh Leng Seng
Head, Property Development
Technical Services

Mr Goh Leng Seng has been with the Metro Group of companies for the last 31 years. He oversees the technical aspects of the Metro Group's property development. He has vast experience in the building construction industry and project development and management. Mr Goh is a member of Singapore Institute of Surveyors and Valuers and Singapore Institute of Building Limited.

Corporate Structure



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

Ong Tjoe Kim
Director, Non-Executive

Chan U Seek
Director, Non-Executive and Independent

Jackson Lee Chik Sin
Director, Non-Executive and Independent

Phua Bah Lee
Director, Non-Executive and Independent

Gerald Ong Chong Keng
Director, Non-Executive

Fang Ai Lian
Director, Non-Executive and Independent

Audit Committee

Fang Ai Lian
Chairman

Chan U Seek

Jackson Lee Chik Sin

Phua Bah Lee

Gerald Ong Chong Keng

Nominating Committee

Phua Bah Lee
Chairman

Lt-Gen (Retd) Winston Choo Wee Leong

Jopie Ong Hie Koan

Jackson Lee Chik Sin

Gerald Ong Chong Keng

Remuneration Committee

Chan U Seek
Chairman

Lt-Gen (Retd) Winston Choo Wee Leong

Jackson Lee Chik Sin

Phua Bah Lee

Gerald Ong Chong Keng

Secretaries

Tan Ching Chek

Lee Chin Yin

Auditors

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

Principal Bankers

DBS Bank Ltd
United Overseas Bank Ltd
Huaxia Bank Company Ltd
The Hongkong and Shanghai Banking Corporation Limited

Registrars

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
8 Cross Street
#11-00 PWC Building
Singapore 048424
Tel : (65) 6236 3333

Registered Office

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Tel : (65) 6733 3000
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Website : www.metro.com.sg

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Corporate Governance Report

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

BOARD MATTERS

Principle 1 : Board's Conduct of its Affairs

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

Principle 2 : Board Composition and Guidance

The Board comprises 8 directors. Lt-Gen (Retd) Winston Choo Wee Leong is the non-executive, independent Chairman. The Group Managing Director, Mr Jopie Ong Hie Koan is the executive director. Mr Ong Tjoe Kim and Mr Gerald Ong Chong Keng are the non-executive directors. Mr Chan U Seek, Mr Jackson Lee Chik Sin, Mr Phua Bah Lee and Mrs Fang Ai Lian are the non-executive, independent directors.

The Board 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 experience of the directors to govern and manage the Group's affairs and that a majority of the Board size is independent.

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

Corporate Governance Report

Principle 3 : Chairman and Group Managing Director

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

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

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

Principle 4 : Board Membership

Principle 5 : Board Performance

The Nominating Committee comprised five directors, three of whom, including the Chairman, are independent directors. The Committee Chairman is Mr Phua Bah Lee and the other members are Lt-Gen (Retd) Winston Choo Wee Leong, Mr Jopie Ong Hie Koan, Mr Jackson Lee Chik Sin and Mr Gerald Ong Chong Keng.

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

The Nominating Committee has recommended that Mr Jopie Ong Hie Koan and Mr Gerald Ong Chong Keng, who are retiring by rotation pursuant to Article 94 of the Company's Articles of Association at the forthcoming AGM, be re-elected.

The Nominating Committee has also recommended the re-appointment of Mr Chan U Seek and Mr Phua Bah Lee who are retiring under Section 153(6) of the Companies Act, Chapter 50 at the forthcoming AGM.

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

Mr Ong Tjoe Kim and Mr Jackson Lee Chik Sin who are also due for retirement at the forthcoming AGM have indicated to the Company they will not seek re-appointment under Section 153(6) of the Companies Act, Chapter 50.

Corporate Governance Report

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

Name of director	Appointment	Date of initial appointment	Date of last re-election/ Re-appointment
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive/ Independent Director	18 June 2007	16 July 2008
Jopie Ong Hie Koan	Executive Director	21 September 1973	Not Applicable *
Ong Tjoe Kim	Non-Executive Director	21 September 1973	16 July 2008
Chan U Seek	Non-Executive/ Independent Director	21 September 1973	16 July 2008
Jackson Lee Chik Sin	Non-Executive/ Independent Director	11 July 1983	16 July 2008
Phua Bah Lee	Non-Executive/ Independent Director	5 October 1993	16 July 2008
Gerald Ong Chong Keng	Non-Executive Director	18 June 2007	20 July 2007
Mrs Fang Ai Lian	Non-Executive/ Independent Director	16 July 2008	16 July 2008

* Jopie Ong Hie Koan is the Group Managing Director and need not retire by rotation as previously provided by the Articles of Association (the "Articles"). The Articles have now been aligned with current best practice to provide for such retirement by rotation.

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.

Informal reviews of a Board's member's performance are undertaken on a continuous basis by the Nominating Committee with inputs from the other Board members and the Group Managing Director. Renewals or replacement of Board members do not necessarily reflect their contributions to-date, but may be driven by the need to position or shape the Board to be in line with the medium-term needs of the Company and its businesses.

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.

Corporate Governance Report

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. Where a decision has to be made before a formal Board meeting is scheduled, a circulating Directors Resolution is done in accordance with the Company's Articles of Association and all necessary information is provided. The Company supports the directors, either individually or as a group, if they require independent professional advice in furthering their duties to the Company. The Company Secretary attends Board meetings of 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 Chan U Seek with Lt-Gen (Retd) Winston Choo Wee Leong, Mr Jackson Lee Chik Sin and Mr Phua Bah Lee, 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. 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.

Breakdown of directors remuneration for current financial year:

Remuneration Band & Name of Director	Base Salary etc/Directors' Fees	Performance-Related/ Bonuses	Long Term Incentive
$3,250,000 to $3,499,999			
Jopie Ong Hie Koan	34%	66%	–
Below $250,000			
Lt-Gen (Retd) Winston Choo Wee Leong	100%	–	–
Ong Tjoe Kim	100%	–	–
Chan U Seek	100%	–	–
Jackson Lee Chik Sin	100%	–	–
Phua Bah Lee	100%	–	–
Gerald Ong Chong Keng	100%	–	–
Mrs Fang Ai Lian	100%	–	–

Corporate Governance Report

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

Remuneration Band & Name of Key Executive	Base Salary etc	Performance-Related/ Bonuses	Long Term Incentive
$1,000,000 to $1,249,999			
Lawrence Chiang Kok Sung	47%	50%	3%
$750,000 to $999,999			
Wong Sioe Hong	59%	24%	17%
Lee Chin Yin	54%	36%	10%
$500,000 to $749,999			
Goh Leng Seng	44%	51%	5%
$250,000 to $499,999			
Pang Say Kong	67%	33%	–

Number of employees who are immediate family members of a director, Mr Ong Tjoe Kim, and the Group Managing Director in remuneration bands:

Remuneration Band	2009	Base Salary etc	Performance-Related/ Bonuses	Long Term Incentive
$750,000 to $999,999	1	59%	24%	17%
$250,000 to $499,999	1	80%	17%	3%
Below $250,000	1	82%	18%	–
	3			

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

ACCOUNTABILITY AND AUDIT

Principle 10 : Accountability

Principle 11 : Audit Committee

Principle 12 : Internal Controls

Principle 13 : Internal Audit

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

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

Corporate Governance Report

The Audit Committee comprises four non-executive independent directors and a non-executive director. It is chaired by Mrs Fang Ai Lian and the members are Mr Chan U Seek, Mr Jackson Lee Chik Sin, 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. It also reviews the independence and objectivity of the External Auditors taking into consideration the non-audit services provided to the Company. It has reviewed the effectiveness of the system of internal controls with the External and Internal Auditors and is satisfied that there are adequate internal controls.

In addition, the Group has also put in place appropriate risk management policies and processes to evaluate the operating, investment and financial risks of the Group. In evaluating a new investment proposal or business opportunity, several factors will be considered by management and the Board before a decision is being taken. These factors, which are essentially designed to ensure that the rate of returns commensurate with the risk exposure taken, including evaluating (i) return on investment; (ii) the pay back period; (iii) cash flow generated from the operation; (iv) potential for growth; (v) investment climate; and (vi) political stability.

The main areas of financial risk faced by the Group are foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. Further details of the financial risks and how the Group manages them are set out in Note 36 of the annual report.

Quarterly and full year results are reviewed by the Audit Committee prior to their submission to the Board as are interested person transactions. Provision is made at least once annually for the Audit Committee to meet with the External and Internal Auditors without the presence of management.

The Audit Committee has undertaken a review of fees paid to the External Auditors for non-audit services and is satisfied with the independence and objectivity of the External Auditors. It has recommended to the Board the re-appointment of Ernst & Young LLP as the External Auditors.

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

COMMUNICATION WITH SHAREHOLDERS

Principle 14 : Communication with Shareholders

Principle 15 : Greater Shareholder Participation

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

Corporate Governance Report

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

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

DEALINGS IN SECURITIES

The Group has adopted an internal code which prohibits dealings in securities of the Company by directors and employees while in possession of price-sensitive information, and during the period beginning two weeks and one month before the announcement of the quarterly and annual results respectively, and ending on the date of announcement.

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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Jopie Ong Hie Koan/Ong Tjoe Kim				
Rental and property management income received from Eng Kuan Company Pte Ltd Group	169	139	–	–
Gerald Ong Chong Keng				
Corporate advisory fees paid or payable to OEC Holdings Pte Ltd	290	71	290	71
Professional fees paid or payable to PrimePartners Corporate Finance Pte Ltd	–	110	–	110

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, Ong Tjoe Kim and Gerald Ong Chong Keng.
(Please refer to above item on Director's Interest in Contracts entered with the Group).

Corporate Governance Report

BOARD COMPOSITION

As at 5 June 2009

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Lt-Gen (Retd) Winston Choo Wee Leong	Chairman	–	Member	Member
Ong Tjoe Kim	Member	–	–	–
Jopie Ong Hie Koan	Member	–	Member	–
Chan U Seek	Member	Member	–	Chairman
Jackson Lee Chik Sin	Member	Member	Member	Member
Phua Bah Lee	Member	Member	Chairman	Member
Gerald Ong Chong Keng	Member	Member	Member	Member
Mrs Fang Ai Lian	Member	Chairman	–	–

DIRECTORS' ATTENDENCE AT BOARD AND COMMITTEE MEETINGS HELD DURING FINANCIAL YEAR

	MHL Board		Audit Committee		Nominating Committee		Remuneration 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
Lt-Gen (Retd) Winston Choo Wee Leong	4	4	–	–	1	1	1	1
Ong Tjoe Kim	4	–	–	–	–	–	–	–
Jopie Ong Hie Koan	4	4	–	–	1	1	–	–
Chan U Seek	4	4	4	4	–	–	1	1
Jackson Lee Chik Sin	4	4	4	4	1	1	1	1
Phua Bah Lee	4	3	4	3	1	1	1	1
Gerald Ong Chong Keng*	4	4	3	3	–	–	–	–
Mrs Fang Ai Lian@	3	3	3	3	–	–	–	–

* appointed as a member of Audit Committee, Nominating and Remuneration Committees on 16 July 2008.

@ appointed as Chairman of the Audit Committee on 16 July 2008.

Financial Statements Contents

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2009.

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)
Ong Tjoe Kim	
Chan U Seek	
Jackson Lee Chik Sin	
Phua Bah Lee	
Gerald Ong Chong Keng	
Fang Ai Lian	

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, Cap. 50 (the "Act"), 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 1.4.2008**	**As at 31.3.2009**	**As at 1.4.2008**	**As at 31.3.2009**
Ordinary shares				
Ong Tjoe Kim	40,448,160	40,448,160	141,471,060	141,471,060
Jopie Ong Hie Koan	–	–	191,810,104	191,810,104
Chan U Seek	–	–	2,670,996	2,670,996
Phua Bah Lee	–	–	60,480	60,480
Warrants				
Ong Tjoe Kim	–	–	–	18,191,920
Jopie Ong Hie Koan	–	–	–	23,478,353
Chan U Seek	–	–	–	267,099

There was no change in any of the abovementioned interests between the end of the financial year and 21 April 2009.

By virtue of Section 7 of the Act, Mr Ong Tjoe Kim and Mr Jopie Ong Hie Koan with the above shareholdings are 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

Warrants

On 23 June 2008, the Company announced a Rights Issue of Warrants (the "Warrants") to its shareholders on the basis of one Warrant for every ten existing ordinary shares in the capital of the Company held by the entitled shareholders at the books closure date. Each Warrant shall confer on the holder the right to subscribe, in cash, for one new ordinary share (the "New Share") at an exercise price of $0.63 for each New Share and expiring on the 22 September 2011.

The date of listing of the Warrants is 24 September 2008. During the year, none of the Warrants was exercised and a total of 63,077,667 Warrants were outstanding as at 31 March 2009.

Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive benefits under contracts required to be disclosed by Section 201(8) of the Act except those disclosed in Note 7 to the financial statements.

Audit Committee

The Audit Committee comprises non-executive and independent directors, Mrs Fang Ai Lian, who chairs the Audit Committee, Mr Jackson Lee Chik Sin, Mr Chan U Seek, Mr Phua Bah Lee and Mr Gerald Ong Chong Keng.

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

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

The Committee has also reviewed the fees paid to the external auditors and are of the opinion that their independence has not been impaired.

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

Auditors

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

On behalf of the Board,

Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan
Group Managing Director

Singapore
5 June 2009

Statement by Directors

Pursuant to Section 201(15) of the Singapore Companies Act, Cap. 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 balance sheets, consolidated income statement, statements of changes in equity, and consolidated cash flow statement 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 2009 and 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
5 June 2009

Independent Auditors' Report

To the Members of Metro Holdings Limited

We have audited the accompanying financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 41 to 110, which comprise the balance sheets of the Group and the Company as at 31 March 2009, the statements of changes in equity of the Group and the Company, and the income statement and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes 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 account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 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 judgement, 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 and fair presentation of the financial statements 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,

(i) the consolidated financial statements of the Group, and the balance sheet 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 2009 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; and

(ii) 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
5 June 2009

Consolidated Income Statement

for the financial year ended 31 March 2009

(In Singapore dollars)

	Note	2009 $'000	2008 $'000
Revenue	4	200,285	224,409
Cost of revenue	5	(155,074)	(176,999)
Gross profit		45,211	47,410
Other income including interest income	6	39,978	41,828
(Deficit)/gain from fair value adjustments on investment properties	12	(44,589)	14,941
General and administrative expenses		(26,192)	(33,666)
Profit from operating activities	7	14,408	70,513
Finance costs	8	(10,283)	(11,232)
Share of associates' results, net of tax		34,822	27,201
Profit from operations before taxation		38,947	86,482
Tax benefit/(expense)	9	676	(20,199)
Profit net of taxation		39,623	66,283
Attributable to:			
Shareholders of the Company		39,411	65,968
Minority interests		212	315
		39,623	66,283
		Cents	**Cents**
Earnings per share	10		
Basic and diluted		6.25	10.46

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

Balance Sheets

as at 31 March 2009

(In Singapore dollars)

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	11,965	11,874	8,525	9,162
Investment properties	12	514,480	498,568	–	–
Properties under development	13	134,782	–	–	–
Subsidiaries	14	–	–	16,874	17,174
Amounts due from subsidiaries	15	–	–	447,589	530,903
Associates	16	65,252	47,917	500	500
Amounts due from associates	17	211,660	203,975	–	–
Amounts due from jointly controlled entities	18	41,311	–	–	–
Investments	19	62,726	165,517	–	–
		1,042,176	927,851	473,488	557,739
Current assets					
Inventories	20	10,868	11,303	–	–
Deposits and prepayments		3,629	3,272	171	158
Accounts receivable	21	16,670	14,780	759	17,660
Tax recoverable		426	1,426	426	1,426
Short term investments	19	22,072	101,549	–	–
Collateral assets	22	24,560	–	–	–
Cash and bank balances	23	193,041	173,743	29,245	39,391
		271,266	306,073	30,601	58,635
Total assets		1,313,442	1,233,924	504,089	616,374
EQUITY AND LIABILITIES					
Current liabilities					
Bank borrowings	24	86,693	108,039	–	46,125
Accounts payable	25	94,853	77,697	4,899	43,501
Other liabilities	26	2,352	–	–	–
Provision for taxation		12,356	13,497	–	–
		196,254	199,233	4,899	89,626
Net current assets/(liabilities)		75,012	106,840	25,702	(30,991)
Non-current liabilities					
Bank borrowings	24	111,122	80,770	–	–
Amounts owing to subsidiaries	25	–	–	276,912	300,273
Financial guarantees	27	447	–	447	–
Deferred taxation	9	69,047	65,702	440	424
		180,616	146,472	277,799	300,697
Total liabilities		376,870	345,705	282,698	390,323
Net assets		936,572	888,219	221,391	226,051
Equity attributable to equity holders of the Company					
Share capital	28	126,155	126,155	126,155	126,155
Treasury shares	28	(266)	–	(266)	–
Reserves	29	808,103	753,421	95,502	99,896
		933,992	879,576	221,391	226,051
Minority interests		2,580	8,643	–	–
Total equity		936,572	888,219	221,391	226,051
Total equity and liabilities		1,313,442	1,233,924	504,089	616,374

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 2009

(In Singapore dollars)

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Share capital					
Balance at beginning and end of financial year	28(a)	126,155	126,155	126,155	126,155
Treasury shares					
Balance at beginning of financial year		–	–	–	–
Purchase of treasury shares		(266)	–	(266)	–
Balance at end of financial year	28(b)	(266)	–	(266)	–
Warrants					
Balance at beginning of financial year		–	–	–	–
Proceeds from issue of warrants		4,415	–	4,415	–
Expenses relating to warrants issue		(100)	–	(100)	–
Balance at end of financial year	29(e)	4,315	–	4,315	–
Revaluation reserve					
Balance at beginning of financial year					
- as previously reported		8,740	138,028	6,301	2,017
- effects of adopting FRS 40		–	(136,011)	–	–
- as restated		8,740	2,017	6,301	2,017
Surplus on revaluation of land and buildings		–	4,310	–	4,310
Deferred tax on revaluation of land and buildings	9	–	(26)	–	(26)
Surplus on revaluation of properties under development		10,868	–	–	–
Deferred tax on revaluation of properties under development	9	(2,717)	–	–	–
Share of associate's surplus on revaluation of land and buildings		–	2,439	–	–
Balance at end of financial year	29(a)	16,891	8,740	6,301	6,301
Fair value reserve					
Balance at beginning of financial year		58,194	49,378	–	–
Fair value adjustment on available-for-sale investments		(62,584)	8,816	–	–
Balance at end of financial year	29(d)	(4,390)	58,194	–	–

Statements of Changes in Equity

for the financial year ended 31 March 2009

(In Singapore dollars)

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Foreign currency translation reserve					
Balance at beginning of financial year		(27,598)	(15,988)	–	–
Foreign currency translation for the financial year		71,697	(11,610)	–	–
Balance at end of financial year	29(b)	44,099	(27,598)	–	–
Net gains/(losses) recognised directly in equity					
- revaluation reserve		8,151	6,723	–	4,284
- foreign currency translation reserve		71,697	(11,610)	–	–
- fair value reserve		(62,584)	8,816	–	–
Total gains recognised directly in equity attributable to equity holders of the Company		17,264	3,929	–	4,284
Revenue reserve					
Balance at beginning of financial year					
- as previously reported		714,085	494,133	93,595	41,001
- effects of adopting FRS 40		–	200,535	–	–
- as restated		714,085	694,668	93,595	41,001
Dividend paid, less income tax	30	(6,308)	(46,551)	(6,308)	(46,551)
Profit attributable for the year		39,411	65,968	(2,401)	99,145
Balance at end of financial year	29(c)	747,188	714,085	84,886	93,595
Total shareholders' equity		933,992	879,576	221,391	226,051
Total gains/(losses) for the year attributable to equity holders of the Company		56,675	69,897	(2,401)	103,429
Minority interests					
Balance at beginning of financial year		8,643	8,556	–	–
Net profit for the year		212	315	–	–
Foreign currency translation for the year		834	(790)	–	–
Minority interest share of quasi-equity loans repaid		(2,402)	–	–	–
Fair value adjustment on available-for-sale investments		(3,995)	562	–	–
Dividend paid to minority shareholder		(712)	–	–	–
Balance at end of financial year		2,580	8,643	–	–
Total losses recognised directly in equity attributable to minority interests		(3,161)	(228)	–	–
Total (losses)/gains for the year attributable to minority interests		(2,949)	87	–	–
Total equity		936,572	888,219	221,391	226,051

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 2009

(In Singapore dollars)

	Note	2009 $'000	2008 $'000
Cash flows from operating activities:			
Operating profit before reinvestment of working capital			
Operating profit before reinvestment in working capital	(a)	36,426	31,729
Increase in inventories		(1,002)	(251)
(Increase)/decrease in accounts receivable		(2,164)	372
Decrease in short term investments		1,798	12,041
Increase/(decrease) in accounts payable		25,870	(32,356)
Cash generated from operations		60,928	11,535
Interest expense paid		(10,283)	(11,232)
Interest income received		10,353	12,994
Income taxes paid		(9,929)	(9,249)
Net cash provided by operating activities		51,069	4,048
Cash flows from investing activities:			
Additions to property, plant and equipment		(2,054)	(1,869)
Proceeds from redemption of bonds		38,556	–
Proceeds from return of investment in investee company		32,684	–
Additional cost to investment property		–	(1,511)
Additional cost to properties under development		(75,555)	–
Additional investment in associate		–	(7)
Acquisition of jointly controlled entities, net of cash acquired	(b)	(8,636)	–
Proceeds from sale of property, plant and equipment		244	619
Increase in amount owing by associates		(20,705)	(165,100)
Additional loans to jointly controlled entities		(20,970)	–
Repayment of loan to investee company		15,834	7,610
Dividends received from associate		7,500	80,700
Dividends received from quoted and unquoted investments		11,322	9,336
Changes in fixed deposits held as security		23,902	13,718
Net cash provided by/(used in) investing activities		2,122	(56,504)
Cash flows from financing activities:			
Drawdown of bank borrowings		43,519	68,063
Repayment of bank borrowings		(50,986)	(17,805)
Purchase of treasury shares		(266)	–
Proceeds from issue of warrants		4,415	–
Repayment of minority interests' loan to subsidiaries		(2,402)	–
Dividend paid to minority shareholders		(712)	–
Dividend paid		(6,308)	(46,551)
Net cash (used in)/provided by financing activities		(12,740)	3,707
Net increase/(decrease) in cash and cash equivalents		40,451	(48,749)
Effect of exchange rate changes in cash and cash equivalents		2,749	(469)
Cash and cash equivalents at beginning of financial year	23	118,458	167,676
Cash and cash equivalents at end of financial year	23	161,658	118,458

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 2009

(In Singapore dollars)

NOTES TO THE STATEMENT OF CASH FLOWS

(a) Operating profit before reinvestment of working capital

Reconciliation between profit before taxation and operating profit before reinvestment in working capital:

	2009 $'000	2008 $'000
Profit before taxation	38,947	86,482
Adjustments for:		
Deficit/(gain) from fair value adjustments on investment properties	44,589	(14,941)
Interest expense	10,283	11,232
Depreciation of property, plant and equipment	1,981	2,588
Share of results of associates	(34,822)	(27,201)
Interest income	(32,538)	(27,792)
Dividend income	(11,323)	(9,383)
Net loss/(profit) on disposal of held for trading investments	3,714	(276)
Profit on disposal of property, plant and equipment	(172)	(266)
Inventories written down	1,423	2,281
Provision for doubtful debts	261	507
Property, plant and equipment written off	9	42
Allowance/(write-back) of obsolete inventory	14	(143)
Changes in fair value of short term investments	15,706	8,769
Changes in fair value of derivative financial instruments	(555)	–
Foreign exchange adjustments	413	(170)
Negative goodwill on acquisition of jointly controlled entities	(1,504)	–
Operating profit before reinvestment in working capital	36,426	31,729

(b) Acquisition of jointly controlled entities, net of cash acquired

On 7 January 2009, the Group's 50% associate, Nordevo Investments Ltd ("Nordevo") acquired an additional 23% interest in its then 40% owned associates, China East Investment Limited ("CEI") and Metropolis Holding China Limited ("MHC"). Notwithstanding its majority stake, Nordevo has accounted for CEI and MHC as jointly controlled entities as the new shareholders' agreement provides for major policy and operating decisions to be subject to joint consent of the shareholders. Following the new shareholding structure, the Group has similarly accounted for its interest in Nordevo as a jointly controlled entity with effect from 7 January 2009.

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2009

(In Singapore dollars)

(b) Acquisition of jointly controlled entities, net of cash acquired (cont'd)

The fair values of the identifiable assets and liabilities of CEI and MHC as at the date of acquisition were:

	Recognised on date of acquisition $'000	Carrying amount before combination $'000
Properties under development	47,784	37,674
Accounts receivable	78	78
Cash at bank	104	104
	47,966	37,856
Accounts payable	(32,922)	(37,697)
Derivative financial instruments	(2,907)	–
Deferred taxation	(1,893)	–
Net identifiable assets	10,244	159
Negative goodwill on acquisition of jointly controlled entities	(1,504)	–
Total purchase consideration *	8,740	159

Total cost of combination	**$'000**
Consideration for 20% equity interest previously held	15,365
Consideration for acquisition of additional 11.5% equity interest	8,740
	24,105

The effect of acquisition on cash flows is as follows:	
Total consideration for 11.5% equity interest acquired	8,740
Less: Cash and cash equivalents of jointly controlled entity acquired	(104)
Net cash outflow on acquisition	8,636

Impact of acquisition on income statement

From the date of acquisition, CEI and MHC has contributed a loss of $1,776,000 to the Group's profit net of tax. If the combination had taken place at the beginning of the financial year, the Group's profit from continuing operations, net of tax would have been $36,803,000.

* The purchase consideration includes $7,313,000 of shareholders' loans assumed from the vendor.

Notes to the Financial Statements

31 March 2009

(In Singapore dollars)

1. CORPORATE INFORMATION

Metro Holdings Limited (the "Company") is a limited liability company, which is incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("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.

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year, except for the changes in accounting policies below.

2.2 Changes in accounting policies

Adoption of new and revised FRS and INT FRS

On 1 April 2008, the Group adopted the new and revised FRS and INT FRS mandatory for annual periods beginning on or after 1 January 2008. The adoption of these new and revised FRS and INT FRS did not have any financial impact.

Notes to the Financial Statements

31 March 2009

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

2.3 Future changes in accounting policies

The Group has not applied the following FRS and INT FRS that have been issued but not yet effective:

Reference	Description	Effective for annual periods beginning on or after
FRS 1	Presentation of Financial Statements – Revised presentation	1 January 2009
	Presentation of Financial Statements – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23	Borrowing Costs	1 January 2009
FRS 27	Consolidated and Separate Financial Statement – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 32	Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 39	Financial Instruments: Recognition and Measurement – Amendments relating to Eligible Hedged Items	1 July 2009
FRS 101	First-time Adoption of Financial Reporting Standards – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 102	Share-based payment – Vesting conditions and cancellations	1 January 2009
FRS 107	Financial Instruments: Disclosures – Amendments Relating to Improving Disclosures about Financial Instruments	1 January 2009
FRS 108	Operating Segments	1 January 2009
FRS 39 and INT FRS 109	Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives	30 June 2009
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2009

Notes to the Financial Statements

31 March 2009

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

2.3 Future changes in accounting policies (cont'd)

Reference	Description	Effective for annual periods beginning on or after
INT FRS 112	Service Concession Arrangements	1 January 2009
INT FRS 113	Customer Loyalty Programmes	1 July 2008
INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1 October 2008
INT FRS 117	Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118	Transfers of Assets from Customers	1 July 2009
Various	Improvements to FRS	1 January 2009

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application, except for FRS 1, FRS 23 and FRS 108 as indicated below.

FRS 1 Presentation of Financial Statements – Revised presentation

The revised FRS 1 – Presentation of Financial Statements requires the separation of owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of income and expense, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements. The Group will apply the revised FRS 1 from annual period beginning 1 April 2009.

Amendment to FRS 23, Borrowing Costs

FRS 23 Borrowing costs has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 April 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

FRS 108 Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in the year ending 31 March 2010.

Notes to the Financial Statements

31 March 2009

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

2.4 Foreign currency

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 closing rate of exchange ruling at the balance sheet date. 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 balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in a separate component of equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the subsidiaries.

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. 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 are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. The accounting policy for goodwill is set out in Note 2.9. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the income statement on the date of acquisition.

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.

Notes to the Financial Statements

31 March 2009

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

2.6 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.

Details of the Group's subsidiaries are shown in Note 38.

2.7 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. 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.

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.

Details of the Group's jointly controlled entities are shown in Note 38.

2.8 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. The 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 associate is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. 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 deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of profit or loss of the associate in the period in which the investment is acquired.

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.

The financial statements of the associate 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.

Details of the Group's associates are shown in Note 38.

Notes to the Financial Statements

31 March 2009

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

2.9 Business combination and goodwill

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the income statement on the date of acquisition.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date.

Notes to the Financial Statements

31 March 2009

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

2.9 Business combination and goodwill (cont'd)

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

The Group does not reverse in a subsequent period, any impairment loss recognised for goodwill.

2.10 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with equity holders. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.11 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. 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.

Subsequent to recognition, property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses after the date of revaluation. Valuations are made every three years to ensure that their carrying amount does not differ materially from their fair value at the balance sheet date.

Any revaluation surplus is credited directly to the revaluation reserve in equity except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, 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:

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

Notes to the Financial Statements

31 March 2009

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

2.11 Property, plant and equipment (cont'd)

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 to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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 income statement in the year the asset is derecognised.

2.12 Investment properties

Investment properties are initially recorded at cost. Subsequent to recognition, investment properties are measured at fair value and gains or losses arising from changes in the fair value of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement 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 2.11 up to the date of change in use.

2.13 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.

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

Notes to the Financial Statements

31 March 2009

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

2.14 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 such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

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. 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 income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.15 Financial assets

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

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.

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 has been recognised directly in equity is recognised in the income statement.

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 2009

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

2.15 Financial assets (cont'd)

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

Financial assets at fair value through profit or loss are financial assets classified as held-for-trading. Financial assets classified as held-for-trading are derivatives (including separated embedded derivatives) or are acquired principally for the purpose of selling or repurchasing it in the near term.

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 income statement. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences.

(b) Loans and receivables

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. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of available-for-sale financial assets are taken to equity. Impairment losses, foreign exchange gains and losses from revaluation of monetary items and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in equity is recognised in the income statement when the financial asset is derecognised.

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

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash 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.

Notes to the Financial Statements

31 March 2009

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

2.17 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) Assets carried at amortised cost

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. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial asset 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 been 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 income statement.

(b) Assets carried at cost

If there is objective evidence that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals of impairment losses in respect of equity instruments are not recognised in the income statement. Reversals of impairment losses on debt instruments are recognised in the income statement if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

Notes to the Financial Statements

31 March 2009

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

2.18 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, 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 each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 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.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement 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 income statement.

2.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. 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 which generally coincides with their delivery and acceptance. 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.

Notes to the Financial Statements

31 March 2009

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

2.21 Revenue recognition (cont'd)

(b) Rental income

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

(c) Fee and service income

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

(d) Dividend income

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

(e) Interest income

Interest income is recognised using the effective interest method.

2.22 Borrowing costs

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised 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.

2.23 Employee benefits

(a) Defined contribution plans

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

(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 balance sheet date.

Notes to the Financial Statements

31 March 2009

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

2.24 Income taxes

(a) Current tax

Current 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 balance sheet date.

Current taxes are recognised in the income statement except that tax relating to items recognised directly in equity is recognised directly in equity.

(b) Deferred tax

Deferred income tax is provided, using the liability method on temporary differences at the balance sheet date 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 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;

– In respect of temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date 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 each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 balance sheet date.

Deferred taxes are recognised in the income statement except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the Financial Statements

31 March 2009

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

2.24 Income taxes (cont'd)

(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 balance sheet.

2.25 Leases

(a) As lessee

Operating lease payments are recognised as an expense in the income statement 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 2.21).

2.26 Segment reporting

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

2.27 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.

2.28 Collateral assets

Collateral assets acquired for loans and advances are stated at the lower of the net realisable value of the loans and the current fair value of such assets at the date of acquisition. Gain or losses on disposal or unrealised losses on revaluation are recognised in the consolidated income statement.

2.29 Contingencies

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

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

Notes to the Financial Statements

31 March 2009

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

2.30 Government grant

Government grant is recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. In particular, the Group is entitled to receive a cash grant under the Job Credit Scheme to defray staff costs.

Where the grant relates to an expense item, it is recognised to the income statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Grant relating to income is recognised as a credit in the income statement under "other income".

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.

3.1 Judgements made in applying accounting policies

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

(a) Operating lease commitments – As lessor

The Group has entered into commercial property leases on its property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(b) Determination of functional currency

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

(c) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 March 2009, the carrying amount of the Group's current and deferred tax provisions was $81,403,000 (2008: $79,199,000) and the carrying amount of the Group’s tax recoverable was $426,000 (2008: $1,426,000).

Notes to the Financial Statements

31 March 2009

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

(d) Valuation of investments

Management exercises judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process. Also, judgement may be applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions can also materially affect these estimates and the resulting fair value estimates.

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

The Group classifies certain assets as available-for-sale financial assets and recognises changes in their fair value in equity. When the fair value declines below cost, management exercises judgement based on the observable data relating to the possible events that may have caused the decline in value to determine whether the decline in value is an impairment that should be recognised in the income statement.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of subsidiaries

The Company determines whether its investment in subsidiaries and amounts due from subsidiaries are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units ("CGU") to which the investment in subsidiaries and amounts due from subsidiaries are allocated. The value-in-use calculations requires 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 2009 was $464,463,000 (2008: $565,680,000).

(b) Impairment of loans and receivables

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

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

Notes to the Financial Statements

31 March 2009

4. REVENUE

Revenue of the Group represents invoiced trading sales, including concessionaire sales and services (after allowance for goods returned and trade discounts) and rental income. It excludes dividends, interest income and intra-group transactions.

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

	Group	
	2009 $'000	**2008 $'000**
Retail	147,944	176,384
Property	52,341	48,025
	200,285	224,409
Comprises:		
Sales of goods	147,944	176,384
Rental income and related service income	52,341	48,023
Provision of services	–	2
	200,285	224,409

Revenue from retail operations stated on the income statement included gross revenue from concessionaire sales. Revenue for retail operations inclusive of concessionaire sales proceeds on a net basis for the financial year ended 31 March 2009 amounted to $86,167,000 (2008: $99,449,000).

Rental income includes contingent rents recognised for the year ended 31 March 2009 of $1,181,000 (2008: $923,000).

5. COST OF REVENUE

	Group	
	2009 $'000	**2008 $'000**
Retail	141,459	167,432
Property	13,615	9,567
	155,074	176,999

Notes to the Financial Statements

31 March 2009

6. OTHER INCOME INCLUDING INTEREST INCOME

	Group 2009 $'000	Group 2008 $'000
Interest income from:		
- Loans and receivables	32,538	27,792
Dividends, gross from:		
- Available-for-sale financial assets	7,838	6,561
- Held-for-trading investments	3,485	2,822
	11,323	9,383
Net (losses)/gains on disposal of held-for-trading investments	(3,714)	276
Net fair value gains/(losses) on financial instruments		
- Held-for-trading investments	(15,706)	(8,769)
- Derivatives	555	–
Advisory fees from third party	2,371	2,499
Trademark fees from third party	–	1,342
Management fee income from associates	1,656	1,715
Foreign exchange gain	3,440	1,769
Profit on disposal of property, plant and equipment	38	266
Other rental income	2,263	2,670
Government grant	532	–
Negative goodwill	1,504	–
Sundry income	3,178	2,885
	39,978	41,828

7. PROFIT FROM OPERATING ACTIVITIES

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

	Group 2009 $'000	Group 2008 $'000
Salaries, bonuses and other related costs	24,326	30,899
Contributions to CPF and other defined contribution schemes	1,772	1,825
Provision for long-service benefits	721	1,722
Gratuity paid to former Chairman	–	1,693
Staff costs (including Directors' emoluments)	26,819	36,139

Notes to the Financial Statements

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7. PROFIT FROM OPERATING ACTIVITIES (CONT'D)

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

	Group	
	2009 $'000	2008 $'000
Foreign exchange (gain)/loss		
Included in other income	(3,440)	(1,769)
Included in cost of revenue	1,888	–
Included in general and administrative expenses	(9)	608
Foreign exchange gain, net	(1,561)	(1,161)
Depreciation of property, plant and equipment (Note 11)	1,981	2,588
Non-audit fees paid to auditors of the Company	193	167
Allowance for/(write-back of) obsolete inventory (Note 20)	14	(143)
Provision for doubtful debts, net	261	507
Property, plant and equipment written off	9	42
Rental expense	16,847	17,513
Retrenchment benefits	–	1,524
Inventories written down (Note 20)	1,423	2,281
Staff costs includes directors' emoluments as follows:		
Directors' emoluments:		
Directors of the Company		
- Other emoluments	3,397	11,011
- Fees payable	489	379
- Professional fees paid and payable to companies in which a Director has an interest	290	181
Directors of subsidiaries	1,596	2,331
	5,772	13,902

Rental expense includes total contingent rents recognised as an expense for the year ended 31 March 2009 of $341,000 (2008: $98,000).

8. FINANCE COSTS

	Group	
	2009 $'000	2008 $'000
Interest expense on:		
Financial liabilities measured at amortised cost		
- Bank loans	10,283	11,232

Notes to the Financial Statements

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9. TAXATION

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

The major components of income tax expense for the years ended 31 March 2009 and 2008 are:

(i) *Income statement*

	Group	
	2009	**2008**
	$'000	**$'000**
Provision for taxation:		
Current taxation		
- Current income taxation	8,855	11,344
- Overprovision in respect of prior financial years	(1,096)	(63)
	7,759	11,281
Deferred taxation		
- Origination and reversal of temporary differences	(8,282)	7,673
- (Over)/underprovision in respect of prior financial years	(380)	783
	(8,662)	8,456
Withholding tax	227	462
Income tax (benefit)/expense recognised in the income statement	(676)	20,199

(ii) *Statements of changes in equity*

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax related to items charged directly to equity				
- Deferred tax on revaluation of property, plant and equipment	–	26	–	26
- Deferred tax on revaluation of properties under development	2,717	–	–	–
Income tax expense reported in equity	2,717	26	–	26

Notes to the Financial Statements

31 March 2009

9. TAXATION (CONT'D)

(b) ***Relationship between tax expense and accounting profit***

A 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 is as follows:

	Group	
	2009 **$'000**	**2008** **$'000**
Profit before taxation	38,947	86,482
Taxation calculated at Singapore statutory income tax rate of 17% (2008: 18%)	6,621	15,567
Expenses not deductible for tax purposes	2,630	7,581
Difference arising from tax rates applicable to foreign entities	(7,221)	115
Income not subject to tax	(3,040)	(2,589)
Utilisation of previously unrecognised tax assets	(147)	(100)
Utilisation of Group tax relief	(515)	–
Deferred tax assets not recognised	5,339	1,496
(Over)/underprovision in respect of prior financial years	(1,476)	720
Share of results of associates	(2,759)	(2,730)
Withholding tax	227	462
Effect of tax reliefs	(351)	(337)
Others	16	14
Taxation (benefit)/expense recognised in the income statement	(676)	20,199

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

The statutory income tax rate applicable to the Singapore companies of the Group was reduced to 17% for Year of Assessment 2010 from 18% for Year of Assessment 2009.

(c) ***Deferred income tax***

	Group		Company	
	2009 **$'000**	**2008** **$'000**	**2009** **$'000**	**2008** **$'000**
Balance at beginning of financial year	65,702	57,451	424	479
Exchange adjustments	7,397	(231)	–	–
(Reversal)/charge to income statement	(8,662)	8,456	16	(81)
Fair value adjustments on acquisition of jointly controlled entities	1,893	–	–	–
Charge to revaluation reserve	2,717	26	–	26
Balance at end of financial year	69,047	65,702	440	424

The Group's share of jointly controlled entities' deferred tax liability balances amounted to $58,480,000 (2008: $54,220,000) (Note 33).

Notes to the Financial Statements

31 March 2009

9. TAXATION (CONT'D)

(c) *Deferred income tax (cont'd)*

Deferred income tax as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated income statement		Company balance sheet	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deferred tax liabilities						
Differences in depreciation	18,099	16,116	2,094	1,722	170	170
Fair value changes	–	1,612	(1,612)	55	–	–
Revaluation surplus on investment properties	49,017	48,175	(11,241)	3,699	–	–
Unremitted foreign sourced income	3,184	1,953	1,179	1,638	270	254
	70,300	67,856			440	424
Deferred tax assets						
Deferred income and other deferred tax assets	(1,253)	(2,154)	918	1,342	–	–
	69,047	65,702			440	424
Deferred income tax (credit)/expense			(8,662)	8,456		

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.

One of the subsidiaries of the Group intends to transfer unutilised trade losses of $3,029,000 to another subsidiary under the group relief system, subject to compliance with the relevant rules and procedures and agreement of the Inland Revenue Authority of Singapore.

After the transfer of unutilised tax losses as mentioned above, there were estimated tax losses and unabsorbed capital allowances amounting to $49,024,000 and $31,000 (2008: $27,895,000 and $88,000) respectively, available for offset against future taxable profits of certain subsidiaries. No deferred tax asset is recognised 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 2009

9. TAXATION (CONT'D)

(c) ***Deferred income tax (cont'd)***

Temporary differences relating to investments in subsidiaries, jointly controlled entities and associates

As at the balance sheet date, the Group has recognised deferred tax liability of $1,902,000 (2008: $868,000) for taxes that would be payable on the undistributable earnings of certain of the Group's subsidiaries, jointly controlled entities and associates.

Tax consequences of proposed dividends

There are no income tax consequences (2008: 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 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.

63,077,667 (2008: Nil) of warrants have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current and previous financial periods presented.

The following table reflects the income statement and share data used in the computation of basic and diluted earnings per share from continuing operations for the years ended 31 March:

	Group	
	2009 $'000	**2008 $'000**
Profit for the year attributable to ordinary equity holders of the Company	39,411	65,968
	'000	**'000**
Weighted average number of ordinary shares for basic and diluted earnings per share computation	630,750	630,777

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

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31 March 2009

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Group						
At 1 April 2007						
Cost	–	–	–	23,009	1,757	24,766
Valuation	2,500	800	4,230	–	–	7,530
	2,500	800	4,230	23,009	1,757	32,296
Exchange adjustments	–	–	3	5	–	8
Additions	–	–	–	1,301	568	1,869
Disposals/write-offs	–	–	–	(2,599)	(556)	(3,155)
Revaluation surplus	4,060	140	–	–	–	4,200
Reclassification to investment properties (Note 12)	–	–	(3,918)	–	–	(3,918)
At 31 March 2008 and 1 April 2008						
Cost	–	–	–	21,716	1,769	23,485
Valuation	6,560	940	315	–	–	7,815
	6,560	940	315	21,716	1,769	31,300
Exchange adjustments	–	–	40	109	–	149
Additions	–	–	–	2,054	–	2,054
Disposals/write-offs	–	–	–	(2,114)	(152)	(2,266)
At 31 March 2009						
Cost	–	–	40	21,765	1,617	23,422
Valuation	6,560	940	315	–	–	7,815
	6,560	940	355	21,765	1,617	31,237

Notes to the Financial Statements

31 March 2009

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

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation						
At 1 April 2007	–	73	–	18,812	823	19,708
Charge for 2008	–	36	6	2,233	313	2,588
Disposals/write-offs	–	–	–	(2,358)	(403)	(2,761)
Elimination of accumulated depreciation on revaluation	–	(109)	–	–	–	(109)
At 31 March 2008 and 1 April 2008	–	–	6	18,687	733	19,426
Charge for 2009	–	49	7	1,614	311	1,981
Disposals/write-offs	–	–	–	(2,081)	(105)	(2,186)
Exchange adjustments	–	–	1	50	–	51
At 31 March 2009	–	49	14	18,270	939	19,272
Net book value						
At 31 March 2009	6,560	891	341	3,495	678	11,965
At 31 March 2008	6,560	940	309	3,029	1,036	11,874

Notes to the Financial Statements

31 March 2009

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

	Freehold land $'000	Freehold building $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company					
At 1 April 2007					
Cost	–	–	1,835	515	2,350
Valuation	2,500	800	–	–	3,300
	2,500	800	1,835	515	5,650
Additions	–	–	132	568	700
Disposals	–	–	(168)	–	(168)
Revaluation surplus	4,060	140	–	–	4,200
At 31 March 2008 and 1 April 2008					
Cost	–	–	1,799	1,083	2,882
Valuation	6,560	940	–	–	7,500
	6,560	940	1,799	1,083	10,382
Additions	–	–	85	–	85
Disposals	–	–	–	(153)	(153)
At 31 March 2009					
Cost	–	–	1,884	930	2,814
Valuation	6,560	940	–	–	7,500
	6,560	940	1,884	930	10,314
Accumulated depreciation					
At 1 April 2007	–	73	665	112	850
Charge for 2008	–	36	411	198	645
Disposals	–	–	(166)	–	(166)
Elimination of accumulated depreciation on revaluation	–	(109)	–	–	(109)
At 31 March 2008 and 1 April 2008	–	–	910	310	1,220
Charge for 2009	–	49	415	210	674
Disposals	–	–	–	(105)	(105)
At 31 March 2009	–	49	1,325	415	1,789
Net book value					
At 31 March 2009	6,560	891	559	515	8,525
At 31 March 2008	6,560	940	889	773	9,162

Notes to the Financial Statements

31 March 2009

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

Revaluation of freehold and leasehold land and buildings

Freehold land and buildings were last revalued on 31 March 2008 based on valuations performed by accredited independent valuers. The valuations were based on references to open market values on an existing use basis.

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	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Freehold land				
Cost and net carrying amount	1,231	1,231	1,231	1,231
Freehold buildings				
Cost	637	637	637	637
Accumulated depreciation	(408)	(395)	(408)	(395)
Net carrying amount	229	242	229	242
Leasehold land and buildings				
Cost	355	315	–	–
Accumulated depreciation	(14)	(6)	–	–
Net carrying amount	341	309	–	–

Share of property, plant and equipment in jointly controlled entities

As at 31 March 2009, the Group's share of property, plant and equipment in jointly controlled entities amounted to $1,005,000 (2008: $842,000) (Note 33).

Transfer to investment properties

In the previous financial year, the Group transferred its leasehold properties with a carrying amount of $3,918,000 (Note 12) that were held as owner-occupied properties to investment properties following the change of use to being held for rental income and capital appreciation purposes.

12. INVESTMENT PROPERTIES

	Group	
	2009 $'000	**2008 $'000**
Balance at beginning of financial year	498,568	479,687
Additions (subsequent expenditure)	(2,209)	1,511
Exchange adjustments	62,710	2,429
Net (deficit)/surplus from fair value adjustments recognised in income statement	(44,589)	14,941
Balance at end of financial year	514,480	498,568
Income statement:		
Rental income from investment properties	52,341	48,023
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	(11,091)	(9,399)

Notes to the Financial Statements

31 March 2009

12. INVESTMENT PROPERTIES (CONT'D)

The Group's investment properties as at 31 March 2009 are as follows:

Name of building	Description	Tenure of land	Fair value 2009 $'000	Fair value 2008 $'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 (35 years remaining)	98,679	91,723
Metro Tower, Shanghai	60% of a 26-storey office tower, along Tianyaoqiao Road, Xuhui District, Shanghai	50 years' lease from 22 February 1993 (34 years remaining)	108,345	104,016
Metro City, Shanghai	60% of a 9-storey entertainment centre along ZhaoJia Bang Road, Xuhui District, Shanghai	36 years' lease from 13 April 1993 (20 years remaining)	135,731	125,292
Metro City, Beijing	50% of a 5-storey 2 basement retail mall along south-western corner of Da Jiao Ting Bridge East 4th Ring Road, Chao Yang District, Beijing	40 years' lease from 6 August 2004 (35 years remaining)	166,833	172,769
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 (62 years remaining)	4,551	4,413
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 (62 years remaining)	341	355
			514,480	498,568

Valuation of investment properties

Investment properties are stated at fair value, which have been determined based on valuations at the balance sheet date. 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.

Notes to the Financial Statements

31 March 2009

12. INVESTMENT PROPERTIES (CONT'D)

Properties pledged as security

Investment properties amounting to $265,512,000 (2008: $172,769,000) are pledged as security for bank loans (Note 24(c), (e)). Under the terms and conditions of the loans, the Group is prohibited from disposing of these investment properties or subjecting them to further charges.

Share of investment properties in jointly controlled entities

As at 31 March 2009, the Group's share of investment properties in jointly controlled entities amounted to $411,250,000 (2008: $402,432,000) (Note 33).

Restrictions on investment property

As at the balance sheet date, an investment property amounting to $135,731,000 (2008: $125,292,000) 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. PROPERTIES UNDER DEVELOPMENT

	Group	
	2009 $'000	2008 $'000
Cost:		
Balance at beginning of financial year	–	–
Arising from acquisition of jointly controlled entities	47,784	–
Additions (subsequent expenditure)	86,998	–
Balance at end of financial year	134,782	–

During the financial year, borrowing costs of $29,802 arising from borrowings obtained specifically for properties under development were capitalised.

A property under development amounting to $102,597,000 is pledged as security for bank loans (Note 24(c)).

The Group's share of properties under development as at 31 March 2009 amounted to $134,782,000 (2008: Nil) (Note 33).

The Group's properties under development as at 31 March 2009 are as follows:

Description and location	% owned	Site area (in square metres)	Potential lettable area (in square metres)	2009 Stage of completion
A 19-storey 4-basement office building, and 6-storey 4-basement retail building development along Danleng Street, Zhongguancun Western area, Haidian District, Beijing, The People's Republic of China	31.5%	26,735	112,496	86 %

Notes to the Financial Statements

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14. SUBSIDIARIES

	Company 2009 $'000	Company 2008 $'000
Unquoted equity shares, at cost	21,828	21,828
Impairment losses	(4,954)	(4,654)
Carrying amount of investments	16,874	17,174

Details of subsidiaries are shown in Note 38.

Movement in impairment loss is as follows:

	Company 2009 $'000	Company 2008 $'000
Balance at beginning of financial year	4,654	4,654
Charge to provision	300	–
Balance at end of financial year	4,954	4,654

15. AMOUNTS DUE FROM SUBSIDIARIES

	Company 2009 $'000	Company 2008 $'000
Amounts due from subsidiaries (Note 21)	490,050	562,132
Impairment losses	(42,461)	(31,229)
	447,589	530,903
Movement in impairment loss is as follows:		
Balance at beginning of financial year	31,229	47,692
Charge/(write-back) to provision	11,232	(16,463)
Balance at end of financial year	42,461	31,229

Amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest free, except for an amount of $75,689,000 (2008: $144,998,000) which bears interest ranging from 1.42% to 6.50% (2008: 2.34% to 7.75%) per annum. These are considered quasi-equity in nature and are expected to be settled in cash.

An impairment loss of $11,232,000 was charged to the profit and loss, subsequent to an impairment assessment performed on amounts due from subsidiaries as at 31 March 2009.

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 companies in general, for a period of 5 years. A pre-tax discount rate of 7% (2008: 9%) 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.

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16. ASSOCIATES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Unquoted equity shares, at cost	7,280	7,280	500	500
Share of post-acquisition reserves				
- revaluation reserve	2,438	2,438	–	–
- revenue reserve	65,344	39,759	–	–
- foreign currency translation reserve	(9,810)	(1,560)	–	–
	57,972	40,637	–	–
	65,252	47,917	500	500

Details of the associates are shown in Note 38.

The summarised financial information of the associates, not adjusted for the proportion of ownership interest by the Group, is as follows:

	Group	
	2009 $'000	2008 $'000
Assets and liabilities:		
Current assets	230,136	271,243
Non-current assets	718,419	542,626
Total assets	948,555	813,869
Current liabilities	432,084	336,774
Non-current liabilities	449,174	405,812
Total liabilities	881,258	742,586
Results:		
Revenue	170,252	186,269
Fair value adjustment	151,655	–
Profit before taxation	70,903	50,178
Taxation	(39,484)	(2,640)
Profit after taxation	31,419	47,538

17. AMOUNTS DUE FROM ASSOCIATES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Amounts due from associates (Note 21)	211,660	203,975	–	–

The amounts due from associates are unsecured, not expected to be repaid within the next twelve months and interest free, except for an amount of $155,812,300 (2008: $143,307,000), which bears interest at 19% (2008: 19%) per annum. These are considered quasi-equity in nature and are expected to be settled in cash.

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18. AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Amounts due from jointly controlled entities (Note 21)	41,311	–	–	–

The amounts due from jointly controlled entities are interest free, except for an amount of $24,062,000 (2008: Nil) which bears interest at rates ranging from 15% to 20% per annum (2008: Nil).

19. INVESTMENTS

	Note	Group 2009 $'000	Group 2008 $'000
Current:			
Financial assets at fair value through profit and loss			
Held-for-trading investments			
Shares (quoted)		22,072	43,295
Loans and receivables			
Loan notes (unquoted)	(a)	–	36,777
Secured loan notes (unquoted)	(b)	–	21,477
		–	58,254
		22,072	101,549
Non-current:			
Loans and receivables			
Shareholders' loan	(c)	–	14,564
Secured loan notes (unquoted)	(b),(d)	21,477	24,560
		21,477	39,124
Available-for-sale investments			
Shares (unquoted), at cost	(c)	71	28,490
Shares (quoted)		41,178	97,903
		41,249	126,393
		62,726	165,517

(a) The unquoted senior notes in Shui On Development (Holdings) Limited, amounting to $36,777,000 matured on 12 October 2008.

(b) The unquoted secured loan notes in Chigwell Holdings Limited ("Chigwell"), incorporated in Hong Kong, amounted to $21,477,000 (2008: $21,477,000) and are denominated in Singapore dollars. They bear interest at 17.5% (2008: 16.0%) per annum and are secured by a charge over the entire issued share capital of Chigwell. During the year, the repayment date of the loan notes was extended from 7 December 2008 to 7 December 2010.

Notes to the Financial Statements

31 March 2009

19. INVESTMENTS (CONT'D)

(c) During the year, Xinjiang Hualing Industry and Trade (Group) Co. Ltd exercised its option to purchase the Group's unquoted shares of $28,490,000 in Hualing Asset Management Co. Ltd ("Hualing") at cost. In conjunction with this, the shareholders' loan of $14,564,000 was also repaid.

(d) The unquoted secured loan notes in Datawin Trading Limited ("Datawin") incorporated in the British Virgin Islands, amounted to $24,560,000 (2008: $24,560,000) and are denominated in Singapore Dollars. They bear interest at 16.0% per annum and mature on 4 January 2010. During the year, the loan notes were reclassified as collateral assets (Note 22).

Investments pledged as security

The Group's investment in quoted shares amounting to $18,806,000 (2008: Nil) have been pledged as security for bank loans (Note 24). Under the term and conditions of the bank facilities, the Group is prohibited from disposing those investments or subjecting them to further charges without furnishing a security of similar value.

20. INVENTORIES

	Group	
	2009	**2008**
	$'000	**$'000**
Balance sheet:		
Inventories held for resale	10,827	11,228
Raw materials	41	75
Total inventories at lower of cost and net realisable value	10,868	11,303
Inventories are stated after deducting allowance for obsolete inventories of	399	385
Balance at 1 April	385	528
Charge/(reversal) to the income statement	14	(143)
Balance at 31 March	399	385

During the financial year, the Group recorded $14,000 (2008: write back of $143,000) as part of an inventory write-down, as the inventories were sold below (2008: above) the carrying amounts in the current financial year. The charge was included in the income statement.

Income statement:		
Inventories recognised as an expense in cost of sales	105,913	125,850
Inventories recognised as an expense in cost of sales is inclusive of the following charge/(credit):		
- Inventories written down (Note 7)	1,423	2,281
- Allowance for/(write-back of) obsolete inventory (Note 7)	14	(143)

Notes to the Financial Statements

31 March 2009

21. ACCOUNTS RECEIVABLE

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Current					
Trade accounts receivable	(a)	4,325	3,538	–	–
Other accounts receivable	(b)				
- Amounts due from subsidiaries		–	–	–	17,603
- Recoverables and sundry debtors		11,880	11,242	95	57
- Others		465	–	664	–
		16,670	14,780	759	17,660
Non-current					
Amounts due from associates	17	211,660	203,975	–	–
Amounts due from subsidiaries	15	–	–	447,589	530,903
Amounts due from jointly controlled entities	18	41,311	–	–	–
Total accounts receivables (current and non-current)		269,641	218,755	448,348	548,563
Add: Investments	19				
- Current		–	58,254	–	–
- Non-current		21,477	39,124	–	–
Add: Collateral assets	22	24,560	–	–	–
Cash and bank balances	23	193,041	173,743	29,245	39,391
Total loans and receivables		508,719	489,876	477,593	587,954

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 accounts receivable balances amounted to $3,271,000 (2008: $2,816,000) (Note 33).

(a) ***Receivables that are impaired***

As at 31 March 2009, the Group did not hold any receivables that are past due but not impaired.

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Individually impaired				
Trade receivables – nominal amounts	1,937	1,706	–	–
Less: Allowance for impairment	(1,937)	(1,706)	–	–
	–	–	–	–

Notes to the Financial Statements

31 March 2009

21. ACCOUNTS RECEIVABLE (CONT'D)

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

Movement in allowance for doubtful debts is as follows:

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at 1 April	1,706	1,199	–	–
Charge to the profit and loss account	263	569	–	–
Bad debts written-off	(30)	–	–	–
Write-back of allowance	(2)	(62)	–	–
Balance at 31 March	1,937	1,706	–	–

Trade receivables that are individually determined to be impaired at the balance sheet date 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 year, an impairment loss of $263,000 (2008: $569,000) was recognised in the income statement subsequent to a debt recovery assessment performed on trade and other receivables as at 31 March 2009.

(b) ***Other accounts receivable***

The Group's share of jointly controlled entities' other receivables amounted to $1,086,000 as at 31 March 2009 (2008: $873,000) (Note 33).

Amounts due from subsidiaries bear interest at nil% (2008: 1.91% to 5.95%) per annum, are unsecured and are expected to be settled in cash and repayable within 12 months.

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

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
United States dollar	1,612	2,424	–	–
Chinese renminbi	10,125	6,970	–	–
	11,737	9,394	–	–

Notes to the Financial Statements

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22. COLLATERAL ASSETS

	Group	
	2009	2008
	$'000	$'000
Collateral assets	24,560	–

The collateral assets arise from the unquoted secured loan notes in Datawin Trading Limited ("Datawin") of $24,560,000 (2008: $24,560,000 (Note 19)) held by a subsidiary and secured by a charge over the entire share capital of Datawin and Wisdom Top International Limited ("Wisdom Top"), a related company of Datawin. The Subscription Agreement provides for a mandatory redemption of US$5 million on the principal amount by the issuer on 5 January 2009, being 24 months after the issue date. The loan notes are due for full redemption on 9 January 2010. The principal activities of Wisdom Top are those of property investment and investment holding.

As provided for in the Mortgage Agreement, the subsidiary registered 100% of the shares of Wisdom Top under its own name and appointed representatives to the board of directors in Wisdom Top. By virtue of these actions, the subsidiary is deemed to have control over the Wisdom Tops operations.

Pursuant to the Mortgage Agreement, the subsidiary's financial interest in the assets of Wisdom Top is restricted to the repayment of the principal amount of loan notes, and the interest due and cost incurred in connection with servicing the repayment of the loan notes. The subsidiary is obliged to return the shares in Wisdom Top to the original shareholders of Wisdom Top upon the settlement of the loan notes.

23. CASH AND BANK BALANCES

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

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Fixed deposits	159,650	154,091	28,002	38,062
Cash on hand and at bank	33,391	19,652	1,243	1,329
	193,041	173,743	29,245	39,391
Less: Fixed deposits pledged as security	(31,383)	(55,285)	(17,002)	–
Cash and cash equivalents	161,658	118,458	12,243	39,391

Fixed deposits are made for varying periods of not more than three months depending on the immediate cash requirements of the Group and bear interest ranging from 0.01% to 3.33% (2008: 0.25% to 6.18%) per annum. Cash on hand and at bank earns interest at floating rates based on daily bank deposit rates ranging from 0.36% to 1.44% (2008: 0.06% to 3.90%) per annum.

Fixed deposits of $31,383,000 (2008: $55,285,000) have been pledged to financial institutions as security for bank loans (Note 24).

The Group's share of jointly controlled entities' cash and bank balances as at the financial year end amounted to $45,801,000 (2008: $18,090,000) (Note 33).

Notes to the Financial Statements

31 March 2009

23. CASH AND BANK BALANCES (CONT'D)

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

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
United States dollar	26,679	5,883	116	105
Chinese renminbi	31,757	21,665	3	–
	58,436	27,548	119	105

24. BANK BORROWINGS

	Note	Group		Company	
		2009	2008	2009	2008
		$'000	$'000	$'000	$'000
Current					
Secured bank loans, denominated in					
- US dollar	(a)	–	35,050	–	–
Bank revolving credit facilities, denominated in					
- HK dollar, secured	(b)	19,492	17,603	–	–
- US dollar, secured	(b)	38,000	–	–	–
- US dollar, unsecured	(b)	–	47,506	–	46,125
Share of jointly controlled entities' RMB-denominated bank loans, secured	(c)	19,655	2,955	–	–
Share of jointly controlled entities' RMB-denominated bank loans, unsecured	(d)	9,546	4,925	–	–
		86,693	108,039	–	46,125
Non-current					
Share of jointly controlled entities' RMB-denominated bank loans, secured	(c)	111,122	80,770	–	–
Maturity of bank borrowings					
Repayable:					
Within 1 year		86,693	108,039	–	46,125
After 1 year but within 5 years		66,167	21,670	–	–
More than 5 years		44,955	59,100	–	–
		197,815	188,809	–	46,125

Notes to the Financial Statements

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24. BANK BORROWINGS (CONT'D)

(a) The United States dollar denominated term loan of $35,050,000 in the previous year, which bore interest at rates ranging from 3.19% to 6.13% per annum, was secured by an equivalent amount in fixed deposits (Note 23) and was repaid during the year.

(b) The Hong Kong dollar and United States dollar denominated revolving credit facilities bear interest at rates ranging from 1.63% to 6.40% per annum and 1.66% to 5.35% per annum respectively. These bank loans are secured by charges over an investment property of $98,679,000 (Note 12), investments of $18,806,000 (Note 19) and a pledge over 100% of the issued share capital of subsidiaries, namely Metrobilt Enterprise Ltd and Guangzhou International Electronics Building Co Ltd.

In the previous financial year, the Hong Kong dollar and United States dollar denominated revolving credit facilities bore interest at rates ranging from 1.91% to 5.95% per annum and 3.44% to 7.12% per annum respectively and were re-financed and partially repaid during the year. The Hong Kong dollar revolving credit facility was secured by an equivalent amount in fixed deposits (Note 23).

(c) The Group's share of RMB denominated loans held by jointly controlled entities amounted to $130,777,000 (2008: $83,725,000). Loans amounting to $91,020,000 are secured against a jointly controlled entity's investment property of $166,833,000 (2008: $172,769,000) (Note 12) and bears interest at rates ranging from 4.37% to 8.00% (2008: 7.20% to 7.83%) per annum.

The balance of loans amounting to $39,757,000 (2008: Nil) are secured against a jointly controlled entity's properties under development of $102,597,000 (2008: Nil) (Note 12) and $14,377,000 (2008: Nil) in fixed deposits (Note 23) and bear interest at rates ranging from 4.37% to 4.78% (2008: Nil).

(d) The Group's share of unsecured RMB denominated loans held by a jointly controlled entity amounted to $9,546,000 (2008: $4,925,000) and bear interest at 6.93% (2008: 8.00%) per annum.

25. ACCOUNTS PAYABLE

	Group		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Current				
Trade accounts payable	21,568	22,310	–	–
Other accounts payable				
- Amounts owing to subsidiaries	–	–	–	30,323
- Sundry creditors	25,386	24,292	525	604
Other liabilities				
- Accruals	37,762	21,710	4,374	12,574
- Refundable deposits	10,137	9,385	–	–
	94,853	77,697	4,899	43,501
Non-current				
Amounts owing to subsidiaries	–	–	276,912	300,273
Total accounts payable	94,853	77,697	281,811	343,774
Add: Bank borrowings (Note 24)	197,815	188,809	–	46,125
Total financial liabilities carried at amortised cost	292,668	266,506	281,811	389,899

Notes to the Financial Statements

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25. ACCOUNTS PAYABLE (CONT'D)

Trade accounts payable

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

Other accounts payable

The amounts owing to subsidiaries (current) are interest-free (2008: 1.91% to 5.95% per annum) and have no fixed terms of repayment. These were unsecured and expected to be settled in cash.

The amounts due to subsidiaries (non-current) are non-trade related, unsecured, interest-free and have no fixed terms of repayment, except for an amount of nil (2008: $1,381,000) which bears interest at rates ranging from nil% (2008: 4.35% to 7.12%) per annum. These are expected to be settled in cash.

The Group's share of jointly controlled entities' accounts payable as at 31 March 2009 amounted to $67,470,000 (2008: $47,970,000) (Note 33).

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

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
United States dollar	675	217	–	69
Chinese renminbi	64,003	35,627	–	–
Sterling pound	126	39	–	–
Hong Kong dollar	47	29	–	–
	64,851	35,912	–	69

26. OTHER LIABILITIES

	Group	
	2009 $'000	2008 $'000
Derivative financial instruments		
Call option, representing total held for trading liabilities	2,352	–

The above represents the fair value of the Group's share of a call option granted to ECM Real Estate Investments AG ("ECM") which if exercised, requires its jointly controlled entity, Nordevo Investments Limited to sell 12.9% of the share capital and shareholders' loans of China East Investments Limited and Metropolis Holding China Limited to ECM for a consideration of US$6.45million plus the value of any new pro-rata shareholders' loans together with cost of financing accruing at 20% per annum, granted at any time within a period of twelve months after completion of the Sale and Purchase Agreement.

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27. FINANCIAL GUARANTEE

This represents the fair value of the financial liability assumed in connection with a corporate guarantee provided by the Group to a bank for an amount of up to US$9,450,000 in respect of its interests in share of loans undertaken by jointly controlled entities.

28. SHARE CAPITAL AND TREASURY SHARES

(a) *Share capital*

	Group and Company			
	2009		2008	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
Ordinary shares				
Balance at beginning and end of the year	630,777	126,155	630,777	126,155

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

(b) *Treasury shares*

	Group and Company			
	2009		2008	
	No. of shares '000	$'000	No. of shares '000	$'000
At 1 April	–	–	–	–
Acquired during the financial year	769	266	–	–
At 31 March	769	266	–	–

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

The Company acquired 769,000 (2008: Nil) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $266,000 (2008: Nil) and this was presented as a component within shareholders' equity.

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29. RESERVES

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Revaluation reserve	(a)	16,891	8,740	6,301	6,301
Foreign currency translation reserve	(b)	44,099	(27,599)	–	–
Revenue reserve	(c)	747,188	714,086	84,886	93,595
Fair value reserve	(d)	(4,390)	58,194	–	–
Warrants	(e)	4,315	–	4,315	–
		808,103	753,421	95,502	99,896

(a) ***Revaluation reserve***

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

Included in the revaluation reserve as at 31 March 2009 are amounts of $8,151,000 (2008: nil) relating to fair value adjustments attributed to previously held interest in certain associates which were classified to jointly controlled entities during the year (Note 38).

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Net surplus on revaluation of:				
- Freehold land and buildings	8,740	8,740	6,301	6,301
- Properties under development	8,151	–	–	–
	16,891	8,740	6,301	6,301

(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 $294,000 (2008: $238,000), which is restricted in use as required by the relevant laws and regulations of the People's Republic of China.

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29. RESERVES (CONT'D)

(d) ***Fair value reserve***

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

(e) ***Warrants reserve***

On 26 August 2008, the Company offered 63,077,667 warrants at an issue price of $0.07 per warrant. Each warrant carries the right to subscribe for one ordinary share at the issue price of $0.63 each in the capital of the Company. The warrants expire on 22 September 2011.

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.

As of 31 March 2009, 63,077,667 (2008: nil) warrants are outstanding.

30. DIVIDENDS

	Group and Company	
	2009	2008
	$'000	$'000
Dividends paid during the year:		
Final exempt (one-tier) dividend of 1.0 cent per ordinary share for 2008	6,308	–
Ordinary interim dividend of 1.0 cent per ordinary share for 2008 less income tax of 18%	–	5,172
Special interim dividend of 3.0 cents per ordinary share for 2008, less income tax of 18%	–	15,517
First and final ordinary dividend of 2.0 cents per ordinary share for 2007, less income tax of 18%	–	10,345
Special interim dividend of 3.0 cents per ordinary share for 2007 less income tax of 18%	–	15,517
	6,308	46,551
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 (2008: 1.0 cent) per ordinary share	12,600	6,308

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31. COMMITMENTS

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 2018. All leases include a clause to enable upward revision of the rental charge on a periodic basis based on prevailing market conditions. The future minimum rentals under these non-cancellable leases are:

	Group	
	2009	**2008**
	$'000	**$'000**
Not later than one year	12,882	14,142
Later than one year but not later than five years	26,258	12,699
Later than five years	9,102	–
	48,242	26,841

(b) ***As lessor***

The Group has entered into commercial property leases on its property portfolio. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 19 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	
	2009	**2008**
	$'000	**$'000**
Not later than one year	31,516	30,616
Later than one year but not later than five years	62,787	68,971
Later than five years	37,602	42,287
	131,905	141,874

32. CONTINGENT LIABILITIES

The Group and Company has undertaken to provide financial support to certain subsidiaries and associates for deficiencies in their shareholders' funds and to extend adequate funding to meeting their net current liability positions for the years ended 31 March 2009 and 2008.

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33. 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	
	2009	**2008**
	$'000	**$'000**
Investment properties	411,250	402,432
Property, plant and equipment	1,005	842
Investments	71	63
Properties under development	134,782	–
Trade receivables	3,271	2,816
Other receivables	1,086	873
Cash at bank	45,801	18,090
Bank borrowings	(140,323)	(88,650)
Other payables	(67,470)	(47,970)
Provision for taxation	(4,164)	(2,953)
Deferred tax liabilities	(58,480)	(54,220)
	326,829	231,323

(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	
	2009	**2008**
	$'000	**$'000**
Income statement		
Revenue	45,844	41,528
(Deficit)/gain from fair value adjustments on investment properties	(40,043)	11,290
Other income	5,494	1,141
Expenses	(23,381)	(18,940)
(Loss)/profit before taxation	(12,086)	35,019
Tax benefit/(expense)	819	(12,131)
(Loss)/profit after taxation	(11,267)	22,888
Equity		
Share of revaluation surplus on property under development, net of tax	8,151	–

Details of the Group's jointly controlled entities are shown in Note 38.

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34. RELATED PARTY DISCLOSURES

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

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

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

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

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

	Group	
	2009	**2008**
	$'000	**$'000**
Interest income from an associate	(20,781)	(21,485)
Purchases from an associate	15	97
Management fee received from associates	(3,366)	(3,427)
Sales to an associate	(4,084)	(3,459)
Rental income from a company in which Directors have an interest*	(169)	(139)
Rental income from an associate	(6)	(6)
Corporate advisory fee paid to a company that is controlled by a Director	290	71
Professional fees paid to a company in which a Director has an interest	–	110

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

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

Short-term employee benefits	6,569	14,560
Contributions to CPF	52	43
Provision for long-service benefits	302	1,508
Gratuity paid to former Chairman	–	1,693
Total compensation paid to key management personnel	6,923	17,804
Comprise amounts paid to:		
Directors of the Company	3,337	11,111
Other key management personnel	3,586	6,693
	6,923	17,804

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35. SEGMENT INFORMATION

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the activities, namely property, retail and others, with each segment representing a strategic business unit that offers different products and serves different markets.

Business segments

The property segment is involved in the leasing of shopping and office spaces owned by the Group, operating of hotels and investing in property-related investments.

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

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Business segments

	Property $'000	Retail $'000	Inter-segment eliminations $'000	Total $'000
2009				
Sales to external customers	52,341	147,944	–	200,285
Inter-segment sales	810	–	(810)	–
Segment revenue	53,151	147,944	(810)	200,285
Segment results	839	3,286	–	4,125
Share of results of associates	33,249	1,573	–	34,822
Profit before taxation	34,088	4,859	–	38,947
Taxation				676
Profit for the year				39,623

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35. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

	Property $'000	Retail $'000	Inter-segment eliminations $'000	Total $'000
2008				
Sales to external customers	48,025	176,384	–	224,409
Inter-segment sales	1,160	–	(1,160)	–
Segment revenue	49,185	176,384	(1,160)	224,409
Segment results	51,503	7,778	–	59,281
Share of results of associates	24,097	3,104	–	27,201
Profit before taxation	75,600	10,882	–	86,482
Taxation				(20,199)
Profit for the year				66,283

	Property $'000	Retail $'000	Total $'000
Assets and liabilities			
2009			
Segment assets	1,002,938	33,166	1,036,104
Tax recoverable	426	–	426
Investment in associates	265,788	11,124	276,912
Total assets	1,269,152	44,290	1,313,442
Segment liabilities	269,489	25,979	295,468
Provision for taxation	11,755	601	12,356
Deferred taxation	68,531	515	69,046
Total liabilities	349,775	27,095	376,870
Other segment information			
Capital expenditure	357	1,689	2,046
Significant non-cash items			
Depreciation of property, plant and equipment	918	1,063	1,981
Provision for doubtful debts, net	–	261	261
Inventories written down	–	1,423	1,423
Fair value losses on held-for-trading investments	15,706	–	15,706
Deficit from fair value adjustments on investment properties	44,589	–	44,589
Negative goodwill	(1,504)	–	(1,504)
Fair value gains on derivatives	(555)	–	(555)
Allowance for obsolete inventory	–	14	14

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35. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

	Property $'000	Retail $'000	Total $'000
Assets and liabilities			
2008			
Segment assets	949,811	30,795	980,606
Tax recoverable	1,426	–	1,426
Investment in associates	239,646	12,246	251,892
Total assets	1,190,883	43,041	1,233,924
Segment liabilities	239,474	27,032	266,506
Provision for taxation	10,134	3,363	13,497
Deferred taxation	65,377	325	65,702
Total liabilities	314,985	30,720	345,705
Other segment information			
Capital expenditure	815	1,054	1,869
Significant non-cash items			
Depreciation of property, plant and equipment	889	1,699	2,588
Provision for doubtful debts, net	–	1,706	1,706
Inventories written down	–	2,281	2,281
Fair value losses on held-for-trading investments	8,769	–	8,769
Gain from fair value adjustments on investment properties	(14,941)	–	(14,941)
Write-back of obsolete inventory	–	(143)	(143)

Geographical segments

The following table presents revenue and expenditure information regarding the Group's geographical segments for the financial years ended 31 March 2009 and 2008 and certain asset information regarding geographical segments as at 31 March 2009 and 2008:

	Asean $'000	Hong Kong and China $'000	Group $'000
2009			
Segment revenue	147,944	52,341	200,285
Other geographical information:			
Segment assets	198,341	837,763	1,036,104
Investment in associates	77,187	199,725	276,912
Capital expenditure	1,774	272	2,046
2008			
Segment revenue	176,387	48,022	224,409
Other geographical information:			
Segment assets	192,212	788,394	980,606
Investment in associates	60,903	190,989	251,892
Capital expenditure	1,754	115	1,869

Notes to the Financial Statements

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36. 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.

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 Company's loans at floating rate given to related parties form a natural hedge for its non-current floating rate bank loan.

The Group is also exposed to interest rate risk from loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually repriced at intervals of 1 to 3 months (2008: 1 to 3 months) from the balance sheet date.

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 and equity.

		2009		2008	
	Increase/ decrease in basis points	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
Group					
- Chinese renminbi	+100	(1,403)	(1,403)	(887)	(887)
- United States dollar	+100	(380)	(380)	(826)	(826)
- Hong Kong dollar	+100	(195)	(195)	(176)	(176)
- Chinese renminbi	-100	1,403	1,403	887	887
- United States dollar	-100	380	380	826	826
- Hong Kong dollar	-100	195	195	176	176

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

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

Foreign currency risk

The Group is exposed to the effects of foreign currency exchange rate fluctuations, primarily in relation to Chinese renminbi (RMB), United States dollars (USD), 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.

		2009		2008	
		Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
RMB	- strengthened 5% (2008: 5%)	(8,122)	10,484	(4,782)	7,646
	- weakened 5% (2008: 5%)	8,122	(10,484)	4,782	(7,646)
USD	- strengthened 5% (2008: 5%)	(519)	1,366	79	663
	- weakened 5% (2008: 5%)	519	(1,366)	(79)	(663)
HKD	- strengthened 5% (2008: 5%)	(354)	2,208	149	4,895
	- weakened 5% (2008: 5%)	354	(2,208)	(149)	(4,895)

The method used for deriving sensitivity information and significant variables did not change from the previous period.

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 accounts receivables and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

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

Credit risk (cont'd)

Credit risk concentration profile

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

By country:	**Singapore $'000**	**People's Republic of China/ Hong Kong $'000**	**Other countries $'000**	**Total $'000**
At 31 March 2009				
Loans and receivables				
Amounts due from jointly controlled entities (Note 18)	–	41,311	–	41,311
Amounts due from associates (Note 17)	–	211,660	–	211,660
Secured loan notes (unquoted) (Note 19)	–	21,477	–	21,477
Trade and other accounts receivable (Note 21)	4,936	11,734	–	16,670
Collateral assets (Note 23)	–	24,560	–	24,560
Total	4,936	310,742	–	315,678
At 31 March 2008				
Loans and receivables				
Amounts due from associates (Note 17)	–	203,501	474	203,975
Shareholders' loan (secured) (Note 19)	–	14,564	–	14,564
Loan notes (unquoted) (unsecured) (Note 19)	–	36,777	–	36,777
Secured loan notes (unquoted) (Note 19)	–	46,037	–	46,037
Trade and other accounts receivable (Note 21)	10,777	4,003	–	14,780
Total	10,777	304,882	474	316,133

Of the total financial assets disclosed above of $315,678,000 (2008: $316,133,000), 99.0% (2008: 97.8%) is invested in the property sector.

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

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

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's cash and short term deposits, operating cash flows, availability of banking facilities and debt maturity profile are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2009				
Trade and other payables	94,853	–	–	94,853
Loans and borrowings	86,693	66,167	44,955	197,815
	181,546	66,167	44,955	292,668
2008				
Trade and other payables	77,697	–	–	77,697
Loans and borrowings	108,039	21,670	59,100	188,809
	185,736	21,670	59,100	266,506
Company				
2009				
Trade and other payables	4,899	276,912	–	281,811
2008				
Trade and other payables	43,501	300,273	–	343,774
Loans and borrowings	46,125	–	–	46,125
	89,626	300,273	–	389,899

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

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

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are mainly quoted on the SGX-ST in Singapore and HKSE in Hong Kong and are classified as held-for-trading or available-for-sale financial assets. The Group does not have exposure to commodity price risk. The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares.

Sensitivity analysis for equity price risk

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

	2009		2008	
	Profit before tax $'000	**Equity $'000**	**Profit before tax $'000**	**Equity $'000**
HSI				
- 10% higher	–	4,118	–	9,790
- 10% lower	–	(4,118)	–	(9,790)
STI				
- 10% higher	2,207	2,207	4,329	4,329
- 10% lower	(2,207)	(2,207)	(4,329)	(4,329)

The method used for deriving sensitivity information and significant variables did not change from the previous period.

(b) ***Fair values***

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments carried at fair value

The Group has carried all investment securities that are classified as held-for-trading or available-for-sale financial assets, at their fair value as required by FRS 39, except as disclosed below.

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) ***Fair values (cont'd)***

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 are repriced frequently.

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 balance sheet date.

Financial instruments carried at other than fair value

Set out below is a comparison by category of carrying amounts and fair values of all of the Group’s and Company's financial instruments that are not carried in the financial statements and whose carrying amounts are not reasonable approximation of fair value are as follows:

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) ***Fair values (cont'd)***

		Group				Company			
		Carrying amount		Fair value		Carrying amount		Fair value	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial assets:									
Amounts due from subsidiaries (non-current) [(1)]	15								
- non interest-bearing		–	–	–	–	371,900	385,905	(ii)	(ii)
Unquoted shares	19	71	28,490	(i)	(i)	–	–	–	–
Amounts due from associates (non-current) [(1)]	17								
- non interest-bearing		55,848	60,668	55,848	(ii)	–	–	–	–
Shareholders' loan	19	–	14,564	–	14,564	–	–	–	–
Loan notes (unquoted)	19	–	36,777	–	36,914	–	–	–	–
Secured loan notes (unquoted)	19	21,477	46,037	21,477	46,037	–	–	–	–
Collateral assets	23	24,560	–	24,560	–	–	–	–	–
Financial liabilities:									
Amounts due to subsidiaries (non-current) [(1)]	25								
- non interest-bearing		–	–	–	–	276,912	298,892	276,912	(ii)

(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 determined. However, the cash flows from these investments are expected to be in excess of their carrying amounts.

(ii) The amounts due from/(to) subsidiaries and associates have no repayment terms and are repayable only when the cash flows of the borrower permits. Accordingly, the fair values of these balances are not determinable as the timing of the future cash flows arising from the balances cannot be estimated reliably.

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

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) ***Fair values (cont'd)***

The following table shows financial assets recorded at fair value analysed between those whose fair value is based on quoted market prices, those involving valuation techniques where all significant model inputs are observable in the market, and those where the valuation techniques involves the use of significant non-market observable inputs.

	Quoted market price $'000	Valuation techniques - market observable inputs $'000	Valuation techniques - non-market observable inputs $'000	Total $'000
2009				
Financial assets				
Financial assets held-for-trading	22,072	–	–	22,072
Financial assets available-for-sale	41,178	–	–	41,178
Amounts due from jointly controlled entities	–	41,311	–	41,311
	63,250	41,311	–	104,561
Financial liabilities				
Derivative financial instruments	–	–	2,352	2,352
Financial guarantee	–	447	–	447
	–	447	2,352	2,799
2008				
Financial assets				
Financial assets held-for-trading	43,295	–	–	43,295
Financial assets available-for-sale	97,903	–	–	97,903
	141,198	–	–	141,198

Included in the quoted market price category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities that are valued using the Group's own models whereby the majority of assumptions are market observable.

Notes to the Financial Statements

31 March 2009

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) ***Fair values (cont'd)***

Non market observable inputs means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category are derivative financial instruments. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group. Therefore, unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset and liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's own data.

During the year, $555,000 (2008: Nil) (Note 6) has been recognised in the income statement in relation to the change in fair value of financial assets or financial liabilities estimated using a valuation technique.

37. 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 years ended 31 March 2009 and 31 March 2008.

As disclosed in Note 29(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 2009 and 31 March 2008.

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 cash equivalents. Capital includes equity attributable to the equity holders of the Company less the above-mentioned restricted statutory reserve fund.

	Group	
	2009	**2008**
	$'000	**$'000**
Loans and borrowings (Note 24)	197,815	188,809
Less: Cash and cash equivalents (Note 23)	(193,041)	(173,743)
Net debt	4,774	15,066
Equity attributable to the equity holders of the Company	933,992	879,576
Less: Statutory reserve fund (Note 29(c))	(294)	(238)
Total capital	933,698	879,338
Debt-equity ratio (times)	0.01	0.02

Notes to the Financial Statements

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38. SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

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

	Cost to Company	
	2009	2008
	$'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	*	*
	21,828	21,828

* Cost is $2.

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 2009 %	Percentage of equity held by the Group 2008 %
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
Investment trading			
Meren Pte Ltd (Singapore)	Singapore	100.0	100.0

Notes to the Financial Statements

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

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2009 %	2008 %
	Held by subsidiaries			
	Retailers and department store operators			
	The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	100.0
	Property			
+ (2)	Guangzhou International Electronics Building Co Ltd (People's Republic of China)	People's Republic of China	100.0	100.0
	Investment holding			
	Metro Xinjiang Investments Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Properties (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Leisure (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+	Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0
+ (2)	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
	Management service consultants			
	Metrobilt Construction Pte Ltd (Singapore)	Singapore	70.0	70.0
	Dormant companies			
	Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0
+	Metro Factory Outlet (Malaysia) Sdn Bhd (Malaysia)	Malaysia	100.0	100.0

Notes to the Financial Statements

31 March 2009

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

	Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2009 %	2008 %
	Retailers and department store operators			
&	PT Metropolitan Retailmart (Indonesia)	Indonesia	50.0	50.0
	Intrad Pte Ltd (Singapore)	Singapore	50.0	50.0
	Property			
&	Etika Cekap Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Etika Utama Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Gurney Plaza Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	G Limousine Services Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Unojaya Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Ghotel Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
	Investment holding			
	Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0
#	SOS Shanghai Pte Ltd (Singapore)	Singapore	50.0	50.0
+	China Infrastructure Group Limited (British Virgin Islands)	People's Republic of China	45.0	45.0
&*	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	–	50.0

Notes to the Financial Statements

31 March 2009

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

	Jointly controlled entities (Country of incorporation)	Place of business	Percentage of equity held by the Group 2009 %	2008 %
	Property			
+@	Shanghai Metro Cultural and Entertainment Co Ltd (People's Republic of China)	People's Republic of China	60.0	60.0
+@	Shanghai Huimei Property Co Ltd (People's Republic of China)	People's Republic of China	60.0	60.0
+	Beijing Huamao Property Co Ltd (People's Republic of China)	People's Republic of China	50.0	50.0
&*	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	50.0	–
	Held through jointly controlled entity			
(1)*	China East Investment Limited (Hong Kong)	People's Republic of China	31.5	–
(1)*	Metropolis Holding China Limited (Hong Kong)	People's Republic of China	31.5	–

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

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

@ The Group has not accounted for its interests in Shanghai Metro 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) Acquired during the year.

(2) 100% of the issued share capital of Metrobilt Enterprise Ltd and Guangzhou International Electronics Building Co Ltd are pledged as security for bank loans (Note 24).

* On 7 January 2009, the Group's 50% associate, Nordevo Investments Ltd ("Nordevo") acquired an additional 23% interest in its then 40% owned associates, China East Investment Limited ("CEI") and Metropolis Holding China Limited ("MHC"). Notwithstanding its majority stake of 63% in CEI and MHC, Nordevo has accounted for CEI and MHC as jointly controlled entities as the new shareholders' agreement provides for major policy and operating decisions to be subject to joint consent of the shareholders. Following the new shareholding structure, the Group has similarly accounted for its interest in Nordevo as a jointly controlled entity with effect from 7 January 2009.

\# Placed under liquidation during the year.

Notes to the Financial Statements

31 March 2009

39. LEGAL SUIT

During the financial year, the Company filed two law suits in the High Court of Malaya in Kuala Lumpur against primarily the directors of the Group's 49% held associated company, Gurney Plaza Sdn Bhd ("GPSB"). GPSB's holding company, Gurney Investments Pte Ltd ("GIPL"), GIPL's subsidiary, Etika Cekap Sdn Bhd ("Etika") and GPSB were also named as nominal respondents/defendants. The suits are to recover amongst other relief, arranger fees and directors' remuneration totalling RM 30.8 million that were wrongfully paid out by GPSB.

The first action is under Section 181 of the Malaysian Companies Act. This is an action premised on oppression of the Company as the minority shareholder of GPSB ("the Petition"). The second action is a common law derivative action under the exceptions to the rule in Foss v Harbottle, brought by the Company as a minority shareholder of GPSB, in the name of GPSB for the damage done to GPSB ("the Derivative Action").

The Company has been advised by its legal counsel that it has a good chance of succeeding in its claims. Accordingly, the Group's share of the arranger fees and directors' remuneration were not included in the Group's results for the financial year ended 31 March 2009.

40. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, the Group entered into a subscription agreement with Billion High Limited, the ultimate holding company of Chigwell Holdings Ltd ("Chigwell") for a convertible bond amounting to US$3 million. The convertible bond is secured by a legal charge over the 100% of the share capital and assets of River Valley Investments Ltd (the immediate holding company of Chigwell) and personal guarantees by the directors of Chigwell. The bond bears interest from 3 April 2009 at a rate of 17.5% per annum, for 6 months and thereafter at a rate of 20.5% per annum. The note is to be redeemed at par on 3 January 2010 and is convertible into ordinary shares of the issuer upon the occurrence of a default event at the option of the holder.

41. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2009 were authorised for issue in accordance with a resolution of the directors on 5 June 2009.

Statistics of Shareholdings

as at 11 June 2009

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	307	6.44	88,644	0.01
1,000 - 10,000	2,325	48.75	14,159,511	2.25
10,001 - 1,000,000	2,094	43.91	110,855,850	17.60
1,000,001 AND ABOVE	43	0.90	504,903,671	80.14
TOTAL	**4,769**	**100.00**	**630,007,676**	**100.00**

DISTRIBUTION - SHARES

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares Held	%
1	ENG KUAN COMPANY PTE LTD	97,501,408	15.48
2	NGEE ANN DEVELOPMENT PTE LTD	57,300,800	9.10
3	DBS NOMINEES PTE LTD	48,312,508	7.67
4	MAYBAN NOMINEES (SINGAPORE) PTE LTD	42,589,158	6.76
5	ONG TJOE KIM	40,448,160	6.42
6	HSBC (SINGAPORE) NOMINEES PTE LTD	22,331,700	3.54
7	DYNAMIC HOLDINGS PTE LTD	21,356,190	3.39
8	CITIBANK NOMINEES SINGAPORE PTE LTD	21,182,560	3.36
9	ONG SIOE HONG	16,069,078	2.55
10	LEROY SINGAPORE PTE LTD	15,952,506	2.53
11	GAN TENG SIEW REALTY SDN BHD	14,613,240	2.32
12	UNITED OVERSEAS BANK NOMINEES PTE LTD	12,478,513	1.98
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,759,218	1.55
14	PHILLIP SECURITIES PTE LTD	9,199,828	1.46
15	DBSN SERVICES PTE LTD	7,998,906	1.27
16	LEE YUEN SHIH	4,755,000	0.75
17	SHAW VEE KING	4,635,720	0.74
18	UOB KAY HIAN PTE LTD	4,123,600	0.65
19	CITY DEVELOPMENTS REALTY LIMITED	3,840,000	0.61
20	OCBC NOMINEES SINGAPORE PTE LTD	3,667,306	0.58
	TOTAL	**458,115,399**	**72.71**

Note: Percentage computed is based on 630,007,676 shares in issue (excluding shares held as Treasury shares) as at 11 June 2009. Treasury shares as at 11 June 2009 are 769,000 shares.

Statistics of Shareholdings

as at 11 June 2009

DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrant	%
1 - 999	43	3.36	24,831	0.04
1,000 - 10,000	873	68.31	3,951,164	6.26
10,001 - 1,000,000	349	27.31	15,788,216	25.03
1,000,001 AND ABOVE	13	1.02	43,313,456	68.67
TOTAL	**1,278**	**100.00**	**63,077,667**	**100.00**

DISTRIBUTION - WARRANT

TWENTY LARGEST WARRANTHOLDERS

No.	Warrantholder's Name	No.of Warrant Held	%
1	ENG KUAN COMPANY PTE LTD	13,794,956	21.87
2	NGEE ANN DEVELOPMENT PTE LTD	5,730,080	9.08
3	MAYBAN NOMINEES (SINGAPORE) PTE LTD	4,237,700	6.72
4	LEE YUEN SHIH	3,129,000	4.96
5	DBS NOMINEES PTE LTD	2,503,405	3.97
6	HSBC (SINGAPORE) NOMINEES PTE LTD	2,404,507	3.81
7	DYNAMIC HOLDINGS PTE LTD	2,388,147	3.79
8	PHILLIP SECURITIES PTE LTD	1,778,540	2.82
9	ONG LEE TONG	1,642,000	2.60
10	ONG SIOE HONG	1,606,907	2.55
11	LEROY SINGAPORE PTE LTD	1,595,250	2.53
12	GAN TENG SIEW REALTY SDN BHD	1,367,424	2.17
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,135,540	1.80
14	UOB KAY HIAN PTE LTD	996,000	1.58
15	KIM ENG SECURITIES PTE. LTD.	698,400	1.11
16	LIM & TAN SECURITIES PTE LTD	657,000	1.04
17	TENG JEE CHENG	570,000	0.90
18	SHAW VEE KING	464,000	0.74
19	DBSN SERVICES PTE LTD	442,452	0.70
20	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	368,099	0.58
	TOTAL	**47,509,407**	**75.32**

Statistics of Shareholdings

as at 11 June 2009

SUBSTANTIAL SHAREHOLDERS

Name	No. of shares Direct Interest	No. of shares Deemed Interest
Ong Tjoe Kim (Note 1)	40,448,160	141,471,060
Jopie Ong Hie Koan (Note 2)	–	191,810,104
Eng Kuan Company Private Limited	97,501,408	42,000,000
Dynamic Holdings Pte Ltd	21,356,190	15,000,000
Ong Ling Ling (Note 3)	58,000	36,356,190
Ong Jenn (Note 3)	48,000	36,356,190
Ong Ching Ping (Note 3)	48,000	36,356,190
Ong Sek Hian (Wang ShiXian) (Note 3)	48,000	36,356,190
Ngee Ann Development Pte Ltd	57,300,800	–
Ngee Ann Kongsi (Note 4)	–	57,300,800
Takashimaya Co Limited (Note 5)	–	57,300,800

Note 1 - Mr Ong Tjoe Kim is deemed to be interested in the shares of the Company through his interests in Eng Kuan Company Private Limited by virtue of Section 7 of the Companies Act, Chapter 50 and interests held through his spouses.

Note 2 - Mr Jopie Ong Hie Koan is deemed to be interested in the shares of the Company through his interests in Eng Kuan Company Private Limited, Dynamic Holdings Pte Ltd and Leroy Singapore Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

Note 3 - Ms Ong Ling Ling, Mr Ong Jenn, Ms Ong Ching Ping and Mr Ong Sek Hian (Wang ShiXian) are deemed to be interested in the shares of the Company through their interests in Dynamic Holdings Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

Note 4 - Ngee Ann Kongsi is deemed to be interested in the shares of the Company through their interests in Ngee Ann Development Pte Ltd by virtue of Section 7 of the Companies Act, Chapter 50.

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

Based on the Register of Shareholders, and to the best knowledge of the Company, the percentage of shareholding held in the hands of public as at 11 June 2009 is approximately 49.83% of the total issued shares, excluding treasury shares. Therefore, Company complies with Rule 723 of the Listing Manual.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Sixth Annual General Meeting of the Company will be held at Mandarin Ballroom, 6th floor Main Tower, 333 Orchard Road, Singapore 238867 on 23 July 2009 at 10:00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS:

1. To receive and consider the Directors' Report and Audited Accounts for the year ended 31 March 2009 and the Independent Auditor's Report thereon.
   Resolution 1

2. To approve 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 2009.
   Resolution 2

3. To re-appoint the following Directors, who are retiring under Section 153(6) of the Companies Act, Cap. 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting:

   (a) Mr Chan U Seek *[to refer to explanatory note (a)]* Resolution 3

   (b) Mr Phua Bah Lee *[to refer to explanatory note (a)]* Resolution 4

4. To record the retirement of Mr Ong Tjoe Kim and Mr Jackson Lee Chik Sin *[to refer to explanatory note (b)]* , who will not be seeking re-appointment under Section 153(6) of the Companies Act, Chapter 50.

5. To re-elect Mr Jopie Ong Hie Koan, a Director retiring pursuant to Article 94 of the Company's Articles of Association. *[to refer to explanatory note (c)]*
   Resolution 5

6. 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 6

7. To approve the Directors' Fees of $419,000 for the year ended 31 March 2009 (2008: $309,000).
   Resolution 7

8. To re-appoint Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.
   Resolution 8

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

Notice of Annual General Meeting

SPECIAL BUSINESS:

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

10. Share Issue Mandate

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

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution):

(A) by way of renounceable rights issues on a *pro-rata* basis to shareholders of the Company ("Renounceable Rights Issues") shall not exceed 100% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in paragraph (3) below); and

(B) otherwise than by way of Renounceable Rights Issue ("Other Share Issues") shall 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 (3) below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company shall 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 (3) below);

(2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in paragraph (3) below);

(3) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) (A) and (B) 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:

(i) 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

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

Notice of Annual General Meeting

(4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(5) (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 9

11 Placement of Shares under the Share Issue Mandate at more than 10% Discount

"That notwithstanding Rule 811 of the Listing Manual issued by SGX-ST, the Directors of the Company be and are hereby authorized, pursuant to the terms and conditions of the Share Issue Mandate under Resolution 9 above, to issue new shares of the Company to subscribers or placees under a share placement at a discount that is more than 10% but not exceeding 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If, however, trading in the Company's shares is not available for a full market day, the weighted average price shall be based on trades done on the preceding market day up to the time the placement agreement or subscription agreement is signed." *[see explanatory note (f)]*

Resolution 10

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 5 August 2009 for the purpose of determining shareholders' entitlements to the proposed first and final dividend for the year ended 31 March 2009.

Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 8 Cross Street #11-00 PWC Building, Singapore 048424 up to the close of business at 5:00 p.m. on 4 August 2009 will be registered before shareholders' entitlement to the proposed dividend 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 4 August 2009, will rank for the proposed dividend.

The proposed dividend, if approved at the Thirty-Sixth Annual General Meeting of the Company to be held on 23 July 2009, will be paid on 18 August 2009.

By Order of the Board

Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries

Singapore
7 July 2009

Notice of Annual General Meeting

Explanatory Notes:

(a) Mr Chan U Seek and Mr Phua Bah Lee, if re-appointed, will continue to serve as Audit Committee members and are considered by the Board of Directors as independent Directors for purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.

Mr Phua Bah Lee, if re-appointed, will continue to serve as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

Mr Chan U Seek, if re-appointed, will continue to serve as the Chairman of the Remuneration Committee.

(b) Mr Jackson Lee Chik Sin, upon his retirement at the Annual General Meeting, will step down as a member of the Audit, Nominating and Remuneration Committees.

(c) Mr Jopie Ong Hie Koan, if re-elected, will continue to serve as the Group Managing Director and a member of the Nominating Committee. Mr Jopie Ong Hie Koan is considered by the Board of Directors to be a non-independent director.

(d) Mr Gerald Ong Chong Keng, if re-elected, will continue to serve as a member of the Audit, Nominating and Remuneration Committees. Mr Gerald Ong Chong Keng is considered by the Board of Directors to be a non-independent director.

(e) The proposed Resolution No. 9, if passed, is to empower the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Share Issues, of which up to 20% may be issued other than on a *pro-rata* basis to shareholders, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares) in the capital of the Company. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution No. 9 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 or subsisting at the time that Resolution No. 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

In February 2009, as part of further measures to accelerate and facilitate fund raising efforts by listed issuers, 100% Renounceable Rights Issue is now permitted by Singapore Exchange Limited/Monetary Authority of Singapore subject to conditions and shareholders' approval. In this respect, the Company seeks such authority so as to give the Company a wider option of fund raising should there be a need for such exercise to be undertaken.

(f) The proposed Resolution No. 10, if passed, is to empower the Directors of the Company to undertake placements of new shares on a non *pro-rata* basis priced at discounts of more than 10% but not exceeding 20%.

In February 2009, as part of further measures to accelerate and facilitate fund raising efforts by listed issuers, a discount limit of up to 20% for share placement is now permitted by Singapore Exchange Limited/Monetary Authority of Singapore subject to çonditions and shareholders' approval. Similarly, the Company seeks such authority so as to give the Company a wider option of fund raising should there be a need for such exercise be undertaken.

Notice of Annual 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 appointor 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 Approved. Nominees 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 Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ____ (Name)

of ____ (Address)

being a member/members of METRO HOLDINGS LIMITED 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 vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on 23 July 2009 and at any adjournment thereof in the following manner:

No.	Resolutions relating to	For	Against
1.	Adoption of Reports and Accounts		
2.	To approve First and Final Dividend		
3.	(a) Re-appointment of Mr Chan U Seek pursuant to Section 153(6) of Companies Act, Cap 50		
	(b) Re-appointment of Mr Phua Bah Lee pursuant to Section 153(6) of Companies Act, Cap 5050		
4.	Re-election of Mr Jopie Ong Hie Koan, a Director retiring under Article 94 of the Articles of Association		
5.	Re-election of Mr Gerald Ong Chong Keng, a Director retiring under Article 94 of the Articles of Association		
6.	To approve Directors' Fees		
7.	Re-appointment of Auditors and authorisation of directors to fix their remuneration		
8.	Any other business		
	SPECIAL BUSINESS		
9.	To approve the Share Issue Mandate		
10.	To approve the placement of shares under the Share Issue Mandate at a discount not exceeding 20%.		

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.

If this form of proxy contains no indication as to how the proxy should vote in relation to each resolution, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

Dated this ________ day of ______________ 2009.

Total No. of Shares Held	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

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

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

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

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

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

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

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

GENERAL

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

METRO HOLDINGS LIMITED
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