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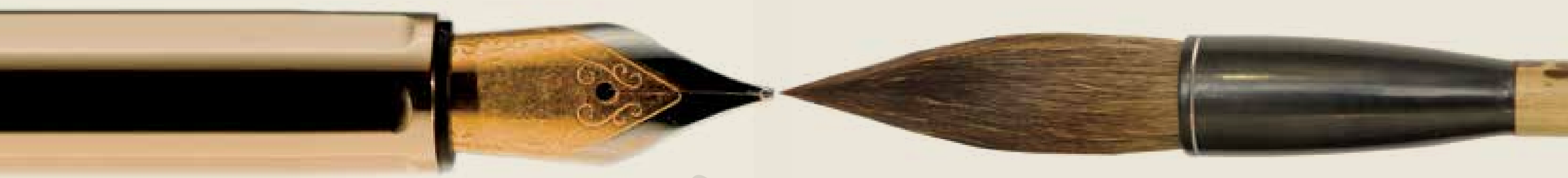
GROWING IN ASIA
and Beyond



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美羅 METRO

METRO HOLDINGS LIMITED
ANNUAL REPORT 2017

OUR VISION

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

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GROWING IN ASIA
and Beyond

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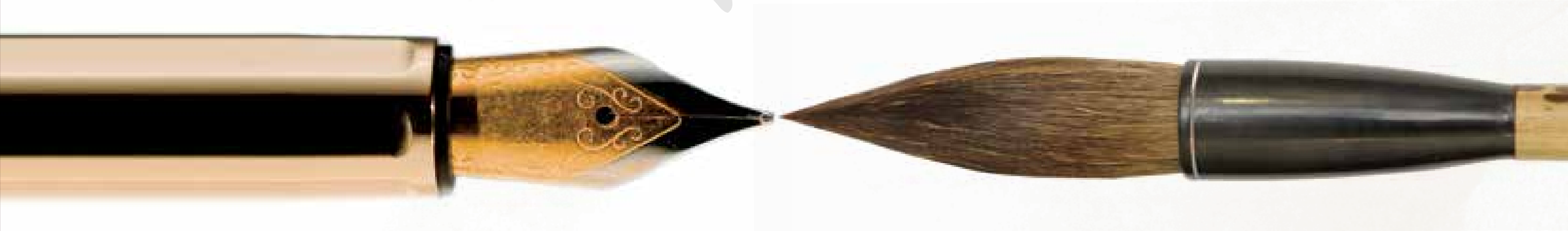


Over the past 60 years,
Metro has flourished from its humble beginnings to become a property development and investment group with a broadened and diversified asset portfolio, and has built firm foundations in property development and investment, and retail.

Metro, with its deeply rooted Asian market knowledge and business know-how, as well as strong client and stakeholder relationships based in this region, will continue to build on this foundation to capture robust opportunities in Asia and Beyond, across all its business units.

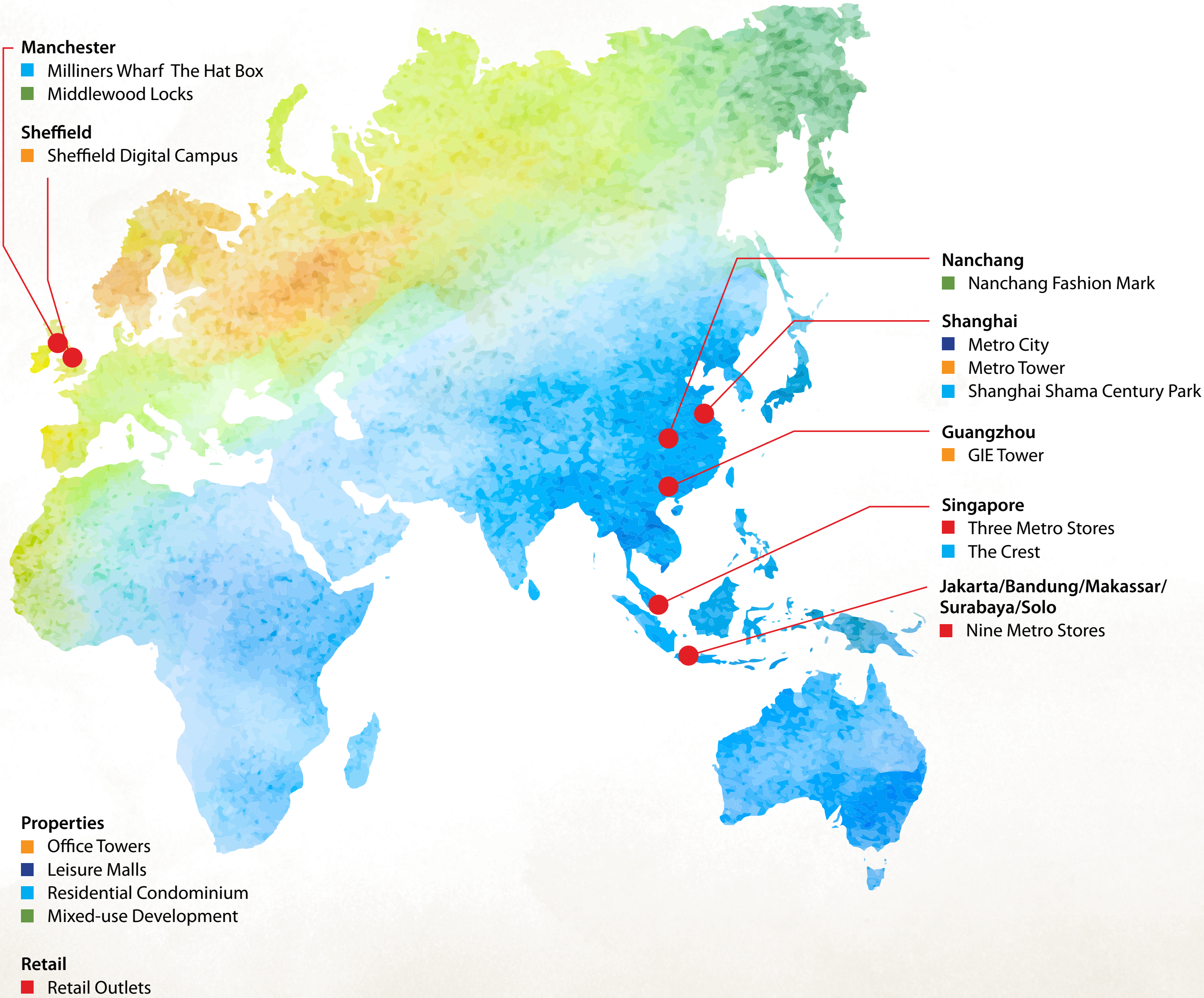
Metro Holdings at a Glance

ABOUT US

Listed on the Mainboard of the SGX-ST in 1973, Metro Holdings was founded in 1957 by the late Mr Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Singapore, Metro has grown over the years to become a property development and investment group with a broadened and diversified asset portfolio, backed by an established retail track record, with a turnover of S$131.2 million and net assets of S$1.35 billion as at 31 March 2017.

OUR PRESENCE

Today, the Group operates two core business segments – property development and investment, and retail. It is focused on key markets in the region such as the PRC, Indonesia and Singapore. The Group has also expanded its geographical presence to the United Kingdom.



PROPERTY DEVELOPMENT AND INVESTMENT

The Group's property arm has significant interests in almost 107,000 square metres of prime retail and office investment properties in first-tier cities in the PRC, such as Shanghai and Guangzhou, and over 640,000 square metres of residential and mixed-use development properties held predominantly for sale. The Group also owns 16.1% of Top Spring International Holdings Limited ("Top Spring"), a Hong Kong-listed PRC property developer and invests 23.7% in InfraRed NF China Real Estate Fund II (A), L.P. ("InfraRed Fund II"), a private equity real estate opportunity fund and 7.5% in Mapletree Global Student Accommodation ("MGSA") Private Trust, a private trust in Singapore.

CHINA

Shanghai: Metro City, Metro Tower, Shanghai Shama Century Park
Guangzhou: GIE Tower
Jiangxi Province: Nanchang Fashion Mark

SINGAPORE

The Crest at Prince Charles Crescent

UNITED KINGDOM

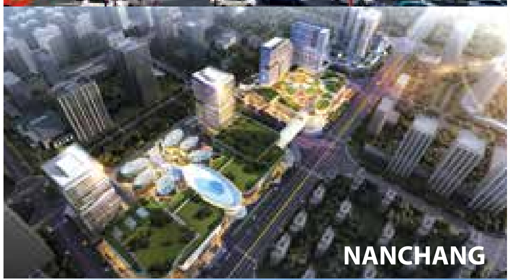
Manchester: Milliners Wharf The Hat Box, Middlewood Locks
Sheffield: Sheffield Digital Campus

CHINA INVESTMENT

Top Spring
InfraRed Fund II

SINGAPORE INVESTMENT

MGSA Private Trust



RETAIL

Metro's retail arm serves customers through a chain of three Metro department stores in Singapore, and another nine department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise, in about 1.4 million square feet of downtown and suburban retail space in both Singapore and Indonesia.

INDONESIA

Jakarta, Bandung, Makassar, Surabaya and Solo

SINGAPORE

The Centrepoint, Paragon and Causeway Point

Key Facts

Revenue

S$131.2 million

S$154.6 million in FY2016

Profit Attributable to Shareholders

S$80.7 million

S$113.1 million in FY2016

Return on Shareholders' Funds

5.92%

8.23% in FY2016

Earnings Per Share

9.7 cents

13.7 cents in FY2016

Dividend Per Share

5.0 cents

7.0 cents in FY2016

Dividend Payout Rate

51.3%

51.2% in FY2016

Net Asset Value Attributable to Shareholders

S$1,348 million

S$1,376 million in FY2016

Net Assets Per Share

S$1.63

S$1.66 in FY2016

PROPERTY REVENUE (S$'000)

On the Property Division front, revenue decreased by S$2.0 million to S$6.5 million in FY2017 from S$8.5 million in FY2016 mainly due to an absence of rental contribution from the disposal of Frontier Koishikawa, Japan; and a weakening of the Renminbi during the year. Overall, occupancy rate for Metro's three investment properties in Guangzhou and Shanghai as at 31 March 2017 was 91.5%.

Recent Developments of Property Division

- The Nanchang Fashion Mark project, has progressed well with the completion and recognition of sales of almost all of its residential property components
- Invested a further US$28 million (or S$40.5 million) by extending the Group's partnership with InfraRed NF China Real Estate Fund II (A), L.P., in addition to a total commitment of US$57 million
- Invested S$56.4 million in a private trust in Singapore, Mapletree Global Student Accommodation Private Trust
- In the UK, in Manchester, the Group has started to market Phase 1, comprising 571 apartments, of the Middlewood Locks development. Additionally, for Acero Works at Sheffield, the Grade A office building is expected to be completed in 3Q 2017

Outlook

- Rental income streams from GIE Tower, Guangzhou, as well as from the Metro City and Metro Tower properties in Shanghai, are expected to remain stable
- Ongoing presales of Nanchang Fashion Mark project's office and retail space

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RETAIL REVENUE (S$'000)

Metro's retail topline declined 14.6% to S$124.7 million in FY2017 from S$146.1 million in FY2016 largely due to the absence of the revenue contribution from Metro Sengkang and Metro City Square with their closures in 2QFY2016 and 3QFY2016 respectively. Notably, revenue from continuing stores improved 5.4% to S$124.7 million as Metro Centrepoint benefitted from better foot traffic with the completion of the refurbishment of the mall.

Outlook

- Focuses on developing fresh concepts and an omni-channel marketing strategy to meet the evolving needs of our customers
- Continues to operate in a challenging, competitive trading environment, coupled with high operating costs
- In the coming year, the number of stores in Indonesia will increase to 10, with the closure of one store and opening of two new stores

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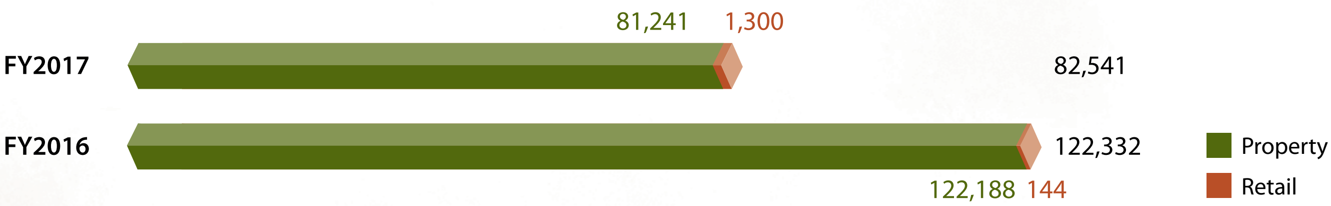
PROFIT BEFORE TAX (S$'000)



For FY2017, the Group registered profit before tax of S$82.5 million, with a substantial portion contributed by our share of associate's results of S$42.5 million and share of joint ventures' results of S$22.3 million, mainly in China. This was driven largely by rental contributions from Metro City and Metro Tower, Shanghai, and a write-back of tax provisions on finalisation with tax authorities by Top Spring International Holdings Limited, our Hong Kong-listed associate.

Comparatively, in FY2016, the Group registered profit before tax of S$122.3 million. This was substantially contributed by its associate in Nanchang amounting to S$46.7 million, S$23.0 million in fair value adjustments on investment properties, which includes those held by associate and joint ventures, and a S$38.1 million gain from divestment of the Group's interest in joint ventures owning EC Mall, Beijing.

Chairman's Message

"Having a solid financial position accords us the capacity to pursue value-enhancing growth opportunities as they arise, and provides us the buffer against global macroeconomic challenges that may come."

Lt-Gen (Retd) Winston Choo
Chairman

Dear Shareholders,

On behalf of the Board of Metro Holdings Limited ("Metro" or the "Group"), it is my pleasure to present our Annual Report for the financial year ended 31 March 2017 ("FY2017").

FINANCIAL REVIEW

We delivered a net profit of S$81.0 million in FY2017, with a substantial portion contributed by our share of associate's results of S$42.5 million and share of joint ventures' results of S$22.3 million, mainly in China. This was driven largely by rental contributions from Metro City and Metro Tower, Shanghai, and a write-back of tax provisions on finalisation with tax authorities by Top Spring International Holdings Limited, our Hong Kong-listed associate.

Our financial performance, whilst lower than the net profit of S$113.3 million recorded in FY2016, was nonetheless commendable, as it was achieved in the absence of the one-off gain of S$38.1 million from the disposal of the Group's 50% interest in the joint venture owning the EC Mall, Beijing, in the previous financial year.

The Group's share of associates' results declined significantly, mainly due to lower contribution from our Nanchang project, as the residential portion of the development has largely been recognised in FY2016. In addition, there was a decline in gains from fair value adjustments on Shama Century Park, Shanghai's investment properties, a partnership with Top Spring. Top Spring also recorded lower income due to the timing of completion and handover of properties although the impact was more than offset by a write-back of tax provisions on finalisation with the tax authorities.

We ended the financial year with a healthy balance sheet, with net cash of approximately S$323.5 million and shareholders' equity of approximately S$1.35 billion. Having a solid financial position accords us the capacity to pursue value-enhancing growth opportunities as they arise, and provides us the buffer against global macroeconomic challenges that may come.

DEEPENING THE MANAGEMENT BENCH

At this moment, I would like to take the opportunity to welcome Mr Yip Hoong Mun, who joined as Group Chief Operating Officer and Chief Executive Officer of Metro China Holdings. Hoong Mun brings with him deep experience in the property industry and will be an asset to the Group in supporting our Chief Executive Officer, Mr Lawrence Chiang, in executing our property strategy in China, Indonesia, the UK and beyond.

PROPERTY DEVELOPMENT AND INVESTMENTS

On an overall basis, the average occupancy rate of our three investment properties, held by a subsidiary and joint ventures, remained high at 91.5% in FY2017. Buoyed by the recovery in leasing activities, contribution from GIE Tower, Guangzhou, Metro City and Metro Tower, Shanghai also rose 7% for the year, including fair value adjustments. Rental also benefited from asset enhancements undertaken at our Metro City, Shanghai's leisure complex.

Our Nanchang Fashion Mark partnership with our associate, Top Spring, is progressing well. We have largely sold off all the residential units in the mixed development project. Going forward, contribution from this development will be mainly from the presales of the office and retail components of the development. While revenue could remain substantial, gross margins of the office component will be significantly below those achieved for the residential units.

Our Shanghai Shama Century Park serviced apartments continue to attract buyers' interest, as the residential market in Shanghai posted a strong rebound last year. We have sold and completed the handover of approximately another half of the floor space in the project in FY2017, bringing total disposal to about 85%.

Our UK projects remain on-track. Following the completion, sale and handover of The Hatbox, Manchester in April 2016, we have commenced work on the mixed-development Middlewood Locks, Manchester, and have started to market the 571 residential units under Phase 1, in April 2017. Additionally, the Grade A office building, Acero Works at Sheffield, is expected to be completed in 3Q2017.

FOUNDATION FOR GROWTH

Having realised our property investments in FY2016 – including the sale of our 50% stake in the joint venture owning EC Mall, Beijing and Frontier Koishikawa Building, Tokyo – as part of our capital recycling exercise, we believe that it is time to invest for a new cycle. That is why we have injected another US$28.0 million in FY2017, over and above our initial US$57 million commitment, to co-invest with InfraRed NF China Real Estate Fund II (A), L.P. ("Fund II"). Additionally, we have also invested S$56.4 million in Mapletree Global Student Accommodation Private Trust, a private trust in Singapore.

With property development and investment being our core business and the main contributor of our earnings, our performance is inherently linked to the property cycle. Moreover, the nature of such investments require a long duration, spanning more than a few financial years, which may translate into earnings volatility over the life of each investment.

RETAIL

After streamlining our retail presence in Singapore in FY2016 with the closure of Metro Sengkang and Metro City Square, we have seen improvements in performance of our retail operations, albeit at a gradual pace. Revenue from continuing stores improved 5.4% to S$124.7 million as Metro Centrepoint benefitted from better foot traffic with the completion of the refurbishment of the mall. Segmental loss narrowed for the year, and together with stronger performance from our Indonesian associate, profit contribution from our retail division rose to S$1.3 million in FY2017 from S$0.1 million in FY2016.

While retail operations remain a significant part of our heritage, management is conscious of the need to improve shareholders' returns and is employing various strategies to improve performance of the division. These include upgrading merchandise selections in close collaboration with international and local business partners to meet changing consumer taste. We are also embarking on initiatives to enhance customer service, as well as developing new multi-media platform to engage customers through social media.

OUTLOOK

Over the past year, China's economic growth has reaccelerated, with GDP growth reaching 6.9% in 1Q2017, the strongest in six quarters[1]. The faster-than-expected economic growth was mainly driven by improving exports and consumption related to the real estate sector. This has generally translated into improving the macro-environment for our China operations.

Office rents in Shanghai Grade A offices are expected to remain stable or be marginally higher on the back of robust demand from Fast Moving Consumer Goods (FMCG) and retail companies. This should bode well for our Metro Tower, Shanghai. We also expect to continue receiving stable rental income streams from our GIE Tower investment property in Guangzhou, China. Meanwhile, the asset enhancement initiative at Metro City, Shanghai has been completed in 4QFY2017. With this, we expect to see further improvement in average leasing rate.

China remains a key focus in our property development and investment strategy. We believe our extensive experience in the market and strong relationships with key partners give us a distinct competitive advantage in uncovering new opportunities. Our additional co-investment with Fund II is evidence of our deep commitment to this market.

In the UK, we are excited at the launch of Middlewood Locks, Manchester since the beginning of the new financial year. Following the Brexit vote in June 2016, the UK has experienced political uncertainties with the most recent being the outcome of the general elections held in June 2017. Despite this, the UK economy has remained relatively resilient and the property market in Manchester continued to be robust, as sentiment in this city is less impacted than that in London. Residential prices in Manchester are rising faster than anywhere else in the country, as home buyers are attracted by the city's vibrant economy, sporting and cultural attractions, as well as the strong civic leadership.

At the same time, our Sheffield office development project has been progressing well, with one of the two buildings, Acero Works, expected to be completed in 3Q2017.

In Singapore, given the weak residential market sentiment, sales of the Group's residential project – The Crest at Prince Charles Crescent – is expected to be sluggish.

Chairman's Message

Prospects of our Singapore retail operations remain challenging, as supply of new retail space continues to grow while consumers' shopping behavior shifted increasingly towards online. With this understanding, Metro has undertaken to transform ourselves, both in developing fresh concepts to entice consumers with better shopping experience, as well as to develop an omni-channel marketing strategy to meet the evolving needs of our customers and support a complete online-to-offline (O2O) user experience.

Indonesia continues to hold huge potential in terms of growing consumption power in view of the country's burgeoning middle-class. As such, we continue to prudently identify new sites for departmental store expansion.

Overall, we are constantly evaluating our asset portfolio to optimise shareholders' return. While China remains our core market and a prime investment destination, we are constantly on a lookout for opportunities in other geographical regions to diversify our exposures and risks. Ultimately, our goal is to steadily grow our portfolio of quality assets and navigate the property cycles in each market.

PROPOSED DIVIDEND

To reward our supportive shareholders, the Board has recommended on a per share basis, dividends totaling 5.0 Singapore cents, comprising of ordinary final dividend of 2.0 Singapore cents and a special dividend of 3.0 Singapore cents. Together, these represent a dividend yield of 4.2%[2] and payout ratio of 51.3% of the net profit attributable to shareholders for FY2017, as compared to 51.2% in FY2016.

APPRECIATION

Our achievements and strong performance over all these years would not be possible if not for the dedication and hard work of our staff and management team across the Metro group, including associates and joint venture companies. As such, on behalf of the Board, I would like to express my heartfelt gratitude to our team. I would also like to thank our loyal shareholders who have committed their trust to us, as well as to our business partners, associates, customers and tenants for their unwavering support.

I would also like to thank my fellow Board members for their wise counsel to help guide the Group in these challenging times.

With the Group's firm foundation and clear vision, together with the steadfast support of our various stakeholders, we believe that we are well-positioned to continue to develop Metro into a leading property development and investment group in the region and beyond.

Lt-Gen (Retd) Winston Choo
Chairman

21 June 2017

[1] CBRE, Marketview – China, Q1 2017
[2] Share price of S$1.18 as at 31 March 2017

主席致词

“稳固的财务状况使我们具备寻求更多增值机会的能力与条件，并为我们应对可能来临的全球宏观经济挑战提供了缓冲。”

朱维良中将
集团主席

尊敬的各位股东：

我代表美罗控股有限公司（简称“美罗”或“集团”）董事会，很高兴地向各位公布截至2017年3月31日（“2017财政年度”）的财政年度报告。

财务回顾

在2017财政年度，美罗的净利润达到8,100万新元。显著的业绩贡献来自其联营企业取得的4,250万新元的业绩，以及主要在中国的合资企业取得的2,230万新元的业绩，大部分的收益来自上海的美罗城以及美罗大厦的租金贡献，以及来自美罗的联营公司，即香港上市的莱蒙国际集团有限公司与税务机关最终税务结算后产生税项拨备的拨回。

与2016财政年度集团获得的1.133亿新元净利润相比较，集团2017财政年度的净利润虽然有所下降，但仍然是值得赞扬的，这是因为美罗在2016财政年度转让了在北京欧美汇购物中心所拥有的50%合资股份而从中获得了3,810万新元的一次性收益 。

美罗联营公司的业绩明显下滑，主要是由于南昌项目的住宅部分收入已在2016财政年度确认了绝大多数，以致于该项目业绩贡献有所下降。此外，美罗与莱蒙国际合作的上海投资性房地产 - 上海莎玛世纪公园项目的公允价值调整也降低了收益。莱蒙国际因其项目完成和交付使用时间性的影响也录得较低的收入，即使莱蒙国际与税务机关最终税务结算后产生税项拨备的拨回超过并抵消了收益的减少。

集团以稳健的资产负债表结束本财政年度。集团现拥有净现金约3.235亿新元以及股东权益约13.5亿新元，如此稳固的财务状况使我们具备寻求更多增值机会的能力与条件，并为我们应对可能来临的全球宏观经济挑战提供了缓冲。

加强管理层的梯队建设

我借此机会欢迎叶康文先生加入美罗，担任集团的首席运营官及美罗中国私人有限公司首席执行官。叶先生在房地产领域拥有丰富的管理经验，他的加入增强了集团的领导实力，并能够有效地协助集团首席执行官郑国杉先生，致力于在中国、印尼、英国以及将扩展的区域贯彻执行集团在房地产发展方面的策略。

房地产开发和投资

总体而言，在2017财政年度，美罗通过美罗一家子公司和合资企业所持有的三个投资性房地产保持高达91.5%的平均出租率。受到租赁市场复苏的正面影响，广州的广州国际电子大厦和上海的美罗城和美罗大厦的收益贡献，包括公允价值的调整，今年取得了7%的增长。上海美罗城作为一个综合休闲生活购物中心，其物业的翻新也使其租金得以提升。

我们和莱蒙国际的合作项目-南昌莱蒙都会项目进展顺利。我们已出售了此综合性开发项目中几乎所有的住宅单位。接下来，收益将主要来自该项目办公楼以及商业零售部分的预售。虽然足以维持可观的收益，但办公楼部分的销售毛利率将明显低于住宅部分。

主席致词

美罗的上海莎玛世纪公园项目持续吸引着房地产买家的兴趣。鉴于上海住宅市场去年强力回弹，集团在2017财政年度销售了该项目另外约50%的楼面面积并完成了交付工作。至此，集团已经将该项目的整体出售率提高至85%。

美罗在英国的项目如期进行。随着2016年4月集团完成了英国曼彻斯特The Hatbox项目的建设、销售和交付工作，我们已开始英国曼彻斯特Middlewood Locks综合性开发项目的销售工作，并在2017年4月向市场推出了第一期共571个住宅单位。 除此之外，位于英国谢菲尔德市的甲级办公楼AceroWorks预计将在2017年第三季度竣工。

增长的基础

2016财政年度，集团从房地产投资中实现收益，包括转让在北京欧美汇购物中心持有的50%合资股份以及转让在东京的Frontier Koishikawa 办公楼股份，这些均是美罗循环资本运作的一部分，我们认为现阶段正是美罗启动新一轮投资周期的良好时机。2017财政年度，在初始投入5,700 万美元的基础上，我们追加投入了2,800万美元，与InfraRed NF China Real Estate Fund II（A），L.P.（ 简称“基金II ”）联合进行了投资。另外，集团也向新加坡私人信托机构-Mapletree Global Student Accommodation Private Trust 投资了5,640万新元。

房地产开发和投资一直是集团的核心业务以及收益的主要部分，美罗的业绩表现本质上与房地产周期是紧密联系的。而且，此类型的投资特性是需要相当长的时间完成并横跨数个财政年度，因而转化为个别投资周期内集团的收益波动。

零售业务

在2016财政年度，美罗零售部门精简了在新加坡的零售店面，关闭了盛港和城市广场的美罗百货商店。令我们欣慰的是零售部门的业绩表现有所提高，尽管幅度较小。由于美罗先得坊所在的购物中心完成了翻新工程，美罗先得坊也从更多购物人潮中获益，现有运营的美罗百货商店因此取得了5.4%的营业收入增长，年收入达到1.247亿新元。有关的阶段性亏损在今年有所改善，加上印尼的美罗联营企业所呈现的强劲业绩的带动下，2017财政年度零售部门对集团的利润贡献从2016财政年度的10万新元提升至130 万新元。

虽然零售业仍是美罗传承中主要的一部分，但为股东争取更高的回报是管理层所关心的重点，所以管理层正积极部署多元化策略来改善零售业务的表现，包括与国际和国内的商务伙伴密切合作，为满足消费者品味的不断变化，提供多元化及高品质的商品。我们也采取措施以提升客户服务水平，同时开发多媒体营销平台，使得消费者能够通过社交媒体参与互动。

展望未来

在过去的一年里，中国的经济增长再次加速。2017年第一季度，其GDP增长率达到6.9%，是六个季度中增长率最高的季度[1]。超过预期的经济增长主要由于出口的改善和房地产方面的消费增加，从而整体上也带动并改进了集团在中国营运的宏观环境。

上海的甲级写字楼租金状况预计将保持稳定，或在得到快速消费品和零售业需求的推动下略微走高。这样的形势对上海的美罗大厦是个好兆头。我们也预期集团在广州的投资性房产 - 广州国际电子大厦能继续保持稳定的租金收入。同时，随着上海的美罗城物业翻新改造项目将于2017财政年度第四季度全面竣工，我们预期美罗城的平均租金率均可得到进一步的提升。

中国仍然是集团房地产开发和投资策略的主要焦点所在。我们相信集团在中国取得的丰富市场经验以及与主要商务伙伴所建立的紧密关系，均为我们寻求新的商业良机提供了独特的竞争优势。我们在基金II项目上所新增的联合投资额充分地证明集团对该市场坚定的承诺。

在新财政年度的开端，我们对于英国曼彻斯特Middlewood Locks 项目已经开始销售感到兴奋和欣慰。继2016年6月英国举行了脱欧公投后，英国的政治局势面临着种种不确定因素。最新为2017年6月举行的大选选举结果。尽管如此，英国的经济仍然保持相对的韧性，由于曼彻斯特所受到的脱欧影响小于伦敦，其房地产市场继续表现强劲。曼彻斯特住宅楼售价的上升速度高于英国任何一个地区。该城市充满活力的经济、体育、文化设施以及高效的民政管理深深地吸引着购房者的注意力。

同时，集团位于英国谢菲尔德市的办公楼项目进展顺利， 两栋大楼中的一栋Acero Works预计将在2017年第三季度竣工。

由于新加坡房地产住宅市场仍然疲弱，影响了集团位于查尔斯太子湾的嘉御苑住宅项目的销售，其销售进度预期将维持缓慢。

新加坡的零售业前景充满着挑战性，由于新零售楼面供应量持续增加，而越来越多的消费者倾向于网上购物。有鉴于此，美罗零售部门已承诺改变自身以适应市场需求，设计出更新颖的概念以尽善尽美的购物体验吸引消费者。同时，开发一项全方位的市场营销策略以便满足消费者的不同需求，并且为消费者在线上和线下的购物体验提供完整的支持和服务。

由于印尼新兴中产阶级的消费能力持续增长，故零售业仍然拥有巨大的潜力。集团将继续谨慎地寻找新地点以扩充美罗在印尼的联营美罗百货分店。

总体上，我们将持续地评估集团的资产投资组合以争取为股东带来更高的回报。中国将始终是我们的核心市场以及主要投资目的地。当然我们也持续地在其它地理位置寻找新的良机以分散风险。我们最终的目标是，集团能够稳健地扩展其优质资产的投资组合，并在每个房地产市场周期中顺畅地进行我们的资产运行。

股息提议

为了回报一直支持美罗的股东，董事会建议每股的总股息为5分新元，这包括了2分新元的末期普通股息以及3分新元的特别股息。总体上，这意味着4.2%[2]的股息收益率，在2017财政年度，集团年度共派发的股息达到集团股东应占净盈利51.3%的派息率，而在2016财政年度，派息率则为51.2% 。

致谢

如果没有美罗管理团队持续的奉献和全体员工兢兢业业的努力，包括美罗集团、美罗联营企业和合资企业全体同仁的敬业工作，美罗是无法取得多年来如此良好的业绩和丰硕的成果。有鉴于此，我代表董事会，对美罗团队所有同仁的辛勤工作表示衷心的感谢。我也要感谢我们忠实的股东对集团毫不动摇的信任，感谢我们的商务合作伙伴、联营企业、美罗顾客群和租户们所给予的坚定不移的支持。

我在此也对董事会的董事们表示感谢，感谢他们所提供的明智见解，并在当今充满挑战的时代引领集团稳步前进。

依靠美罗坚实的基础和清晰的愿景以及来自各方的强大支持，我们充满信心，凭借美罗的良好定位，我们将继续努力将美罗发展成为本区域或更广泛区域领先的房地产开发和投资集团。

朱维良中将
集团主席

2017年6月21日

1 CBRE, Marketview – China, Q1 2017
2 截至2017年3月31日，股价为每股1.18新元

Board of Directors

(From left to right)

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

PHUA BAH LEE
Director, Non-Executive and Independent

GERALD ONG CHONG KENG
Director, Non-Executive

(From left to right)

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

TAN SOO KHOON
Director, Non-Executive and Independent

LAWRENCE CHIANG KOK SUNG
Group Chief Executive Officer, Director, Executive

Board of Directors

LT-GEN (RETD) WINSTON CHOO WEE LEONG
朱维良中将

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

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

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

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

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

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

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

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

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

PHUA BAH LEE 潘峇厘

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

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

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

潘峇厘先生于1993年加入美罗董事会。他是薪酬委员会的主席及审计和提名委员会的成员。他也是泛联集团（新）有限公司以及富雅金融有限公司的董事会成员。他也在多家私人企业担任董事。

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

GERALD ONG CHONG KENG 王宗庆

Director, Non-Executive
非执行董事

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

He is currently the Chief Executive Officer of the PrimePartners Corporate Finance Group and is a Director of Aseana Properties Ltd (listed on the London Stock Exchange Main List). Mr Ong has more than 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 has been recognised as an IBF Distinguished Fellow and is a Council Member of the Singapore Institute of International Affairs ('SIIA'). He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

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

他现在是建力企业财务策划有限公司的执行总裁，同时也是 Aseana Properties Ltd，一家在伦敦证券交易所主板上市公司的董事。王先生在金融领域拥有超过20年的丰富经验。他曾经在多家金融机构，包括洛希尔父子（新加坡）有限公司、新加坡星展银行集团、东京三菱国际（新加坡）有限公司以及马来西亚丰隆集团担任资深职务。王先生在以上机构任职期间的责任覆盖广泛，包括金融顾问，企业并购，以及通过资本、债务、资本关联和强化衍生债权的企业融资服务。

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

FANG AI LIAN (MRS) 方爱莲夫人

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

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

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

Mrs Fang was previously with Ernst & Young ("E&Y") for 37 years where she last held the position of Chairman of E&Y Singapore until her retirement on 31 March 2008. She previously served as the Chairman of Charity Council. She is also a Justice of the Peace and was awarded the Public Service Star in 2009. Her past directorships include Singapore Telecommunications Limited and MediaCorp Pte Ltd.

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

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

她是悦榕控股有限公司和新加坡邮政有限公司的独立董事，同时是远东机构的顾问。她是新加坡工商联合总会理事会和终身健保委员会的主席。她也是新加坡科技设计大学理事会的成员以及新加坡赛马博彩管理局的董事会成员。

方夫人之前在安永会计事务所任职37年。方夫人于2008年3月31日以新加坡安永会计事务所主席的身份退休。方夫人也曾担任慈善理事会的主席。身为太平绅士，方夫人在2009年被授予公共服务星章。她曾经在新加坡电信有限公司以及新传媒有限公司担任董事一职。

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

Board of Directors

TAN SOO KHOON 陈树群

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

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

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

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

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

陈先生是一位商人，现任百盛零售亚洲有限公司和多家私人公司的董事。自1978年以来，他一直担任Crystal Time (S) Pte Ltd和Crystal Time (M) Sdn Bhd的董事总经理。

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

LAWRENCE CHIANG KOK SUNG 郑国杉

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

Mr Lawrence Chiang was appointed as the Group Chief Executive Officer and Executive Director of Metro in June 2016. He is a member of the Investment Committee.

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

Mr Chiang joined Metro in 1989 and has held positions as the Group's Head, Corporate Affairs and Special Projects and Financial Controller. He was appointed the Group General Manager in April 2007 before being re-designated as the Group Chief Operating Officer in July 2013. He was appointed as the Acting Group Chief Executive Officer in February 2016. He has 43 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel, engineering and trading operations.

郑国杉先生于2016年6月受委为美罗集团的首席执行官和执行董事。他也是投资委员会的成员之一。

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

郑先生于1989年加入美罗，曾分别担任过集团的企业事务及特别项目的主管和财务总监。在2007年4月他受委为集团总经理并于2013年7月受委为集团首席运营官。郑先生于2016年2月受委为集团代首席执行官。他在房地产开发及管理、零售及百货商店、游轮、酒店、工程和贸易领域拥有长达43年的丰富管理工作经验。

Key Management

LAWRENCE CHIANG KOK SUNG
Group Chief Executive Officer

Mr Lawrence Chiang was appointed as the Group Chief Executive Officer of the Metro Group in June 2016. He holds executive responsibility over the business strategies and operational affairs of the Metro Group of companies. He has initiated and overseen the completion of the Group's property development projects and joint ventures in China, Singapore, the United Kingdom, Japan, Malaysia and Australia, having assumed a key role in the Group's investment strategy and business development.

Mr Chiang joined Metro in 1989 and has held positions as the Group's Head, Corporate Affairs and Special Projects and Financial Controller. He was appointed the Group General Manager in April 2007 before being re-designated as the Group Chief Operating Officer in July 2013. He was appointed as the Acting Group Chief Executive Officer in February 2016. He has 43 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel, engineering and trading operations. Mr Chiang was a member of the Institute of Chartered Accountants of New Zealand, the Institute of Singapore Chartered Accountants, ACCA and the Institute of Chartered Secretaries and Administrators.

YIP HOONG MUN
Group Chief Operating Officer

Mr Yip Hoong Mun joined Metro in February 2017 as the Group Chief Operating Officer of the Metro Group and Chief Executive Officer of Metro China.

Mr. Yip has close to 30 years of experience in executive and senior management roles in strategic planning, operations, hospitality, real estate investment and development. Prior to joining Metro, he spent over 20 years with the CapitaLand Group. Mr Yip started his career with Indeco Engineers and later joined BP South East Asia.

Between 1994 and 2007, Mr Yip worked in various countries in the investment and operations functions of Liang Court (prior to the forming of CapitaLand in 2000) and The Ascott Group. He rose to become the Managing Director of Ascott China in 2003; and in 2006, was promoted to become CEO, Asia Pacific and Gulf Region of The Ascott Group. Between 2007 and 2013, Mr Yip was involved in property developments of CapitaLand in the Gulf Region, and later, Vietnam. He was, until recently, CapitaLand Group's Managing Director of Indonesia, responsible for building its presence in this market, including an ongoing integrated development in central Jakarta. Throughout his career, Mr Yip has had numerous successes in opening new markets in China, Vietnam and Indonesia.

Mr Yip has a Bachelor of Civil Engineering degree with first class honours from the National University of Singapore and a Master's degree in Business Administration from Stanford University, USA.

WONG SIOE HONG
Executive Chairman,
Metro (Private) Limited

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

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

DAVID LEE CHIN YIN
Group Financial Controller &
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 and Wales and the Institute of Singapore Chartered Accountants.

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

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

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

Partnerships

TRANS CORP (SINCE 2001)

Trans Corp is the Media, Lifestyle, Retail and Entertainment arm of CT Corp, a diversified holding company with businesses across a wide spectrum of industries. Trans Corp's businesses include two free to air news and entertainment television broadcast, Pay TV Channel, News Portal, shopping malls and hotels, indoor themepark, franchisee for Coffee Bean and Tea Leaf, Baskin Robbins and Wendy's, as well as over 25 international high-end fashion franchises with nearly 90 branded boutiques. Trans Corp also owns majority ownership of Trans Retail Indonesia (formerly Carrefour Indonesia) together with GIC.

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

Today, Metro Indonesia is one of the leading retailers in the country, housing a wide range of well-known international and local brands. Metro Indonesia currently has 9 stores spread across Jakarta, Bandung, Surabaya, Makassar and Solo.

INFRARED NF CHINA REAL ESTATE FUND (SINCE 2007)

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

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

In 2015, Metro invested in InfraRed NF China Real Estate Fund II (A), L.P. ("Fund II"). Fund II is the follow-on fund to the Fund. In 2016, we extended the Group's partnership with Fund II through a co-investment in a real estate debt instrument.

WING TAI HOLDINGS LIMITED (SINCE 2012)

Wing Tai Holdings Limited ("Wing Tai") was incorporated in Singapore on 9 August 1963. Wing Tai is today Singapore's leading property developer and lifestyle company reputed for quality and design. The principal activity of the company, listed on the Singapore Stock Exchange since 1989, is that of an investment holding company with a keen focus on growth markets in Asia. The core businesses of the Wing Tai group of companies, including Wing Tai Malaysia Berhad in Malaysia, Wing Tai Properties Limited in Hong Kong and Wing Tai (China) Investment Pte Ltd in China, comprise property development and investment, hospitality management and lifestyle retail. With more than S$4.5 billion in total assets, Wing Tai has an extensive landbank of choice sites in Asia's prime locations. In late 2012, Metro invested in a 40% held joint venture with Wing Tai to jointly develop The Crest at Prince Charles, a signature residential condominium at Prince Charles Crescent in Singapore.

TOP SPRING INTERNATIONAL HOLDINGS LIMITED (SINCE 2011)

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

Listed on the Stock Exchange of Hong Kong Limited in March 2011, Top Spring's revenue stood at HKD 5.6 billion for the year ended 31 December 2016. Metro increased its strategic voting stake in Top Spring from 5% at the initial public offering to 19% in FY2014 for S$86 million. Prior to raising its stake, in FY2013, Metro invested equity of S$48 million for 30% in Nanchang Top Spring Real Estate Co., Ltd, a partnership with Top Spring. Known as Nanchang Fashion Mark and located at Hong Gu Tan Central Business District in Nanchang, Jiangxi Province in the PRC, the mixed-use development initially had total leasable/ saleable GFA of approximately 780,000 square metres of which just over half has been presold as at 31 March 2017.

In December 2013, Metro acquired a 30% stake in Shanghai Shama Century Park from Top Spring for RMB 524 million. The property operated as serviced apartments with a total of 284 residential units across a total gross floor area of approximately 49,357 sqm. 245 residential units have been sold as at 31 March 2017.

On 1 July 2014, Top Spring became an associated company of the Metro Group when Metro's nominated representative was appointed to the board of directors of Top Spring as non-executive director.

SCARBOROUGH GROUP INTERNATIONAL (SINCE 2014)

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

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

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

Portfolio Review

As at 31 March 2017, average occupancy for the Group's three investment properties, including those held by joint ventures, remained high at 91.5% (31 March 2016: 91.2%).

PROPERTY DEVELOPMENT AND INVESTMENT

INVESTMENT PROPERTIES

As at 31 March 2017, average occupancy for the Group's three investment properties, including those held by joint ventures, remained high at 91.5% (31 March 2016: 91.2%). The Group sold and delivered approximately 42,001 square metres in leaseable GFA or 245 units of its Shanghai Shama Century Park serviced apartments, bringing total disposal to about 85%.

OCCUPANCY RATES

	As at 31.3.2017 (%)	As at 31.3.2016 (%)
GIE Tower, Guangzhou	86.4	86.0
Metro City, Shanghai	95.5	88.2
Metro Tower, Shanghai	92.7	99.4

PROPERTY VALUATIONS

As at 31 March 2017, GIE Tower, Guangzhou, and Metro Tower, Shanghai, recorded slight increases in valuations, while Metro City, Shanghai, registered a decline in valuation on a Renminbi (RMB) basis. On a Singapore Dollar (S$) basis, due to the weakening of the RMB against the S$, overall valuations of the three investment properties were lower in FY2017.

	FY2017 (RMB'm)	FY2016 (RMB'm)	(%)	FY2017 (S$'m)	FY2016 (S$'m)	(%)
GIE Tower, Guangzhou[1]	480	479	+0.2	97	100	-3.0
Metro City, Shanghai[1]	1,024	1,059	-3.3	208	221	-5.9
Metro Tower, Shanghai[1]	958	957	+0.1	195	200	-2.5

[1] As at 31 March

Exchange rates:
FY17: S$1: RMB 4.926
FY16: S$1: RMB 4.785

China's economic growth is expected to grow faster than expected, mainly driven by improving exports and consumption related to the real estate sector. Correspondingly, the commercial property market in cities where Metro has a core presence in, is anticipated to remain resilient.

EXPIRY PROFILE BY GROSS RENTAL INCOME

	1HFY2018 (%)	2HFY2018 (%)
GIE Tower, Guangzhou	3.6	9.4
Metro City, Shanghai	6.3	13.0
Metro Tower, Shanghai	4.5	15.2

METRO CITY
SHANGHAI

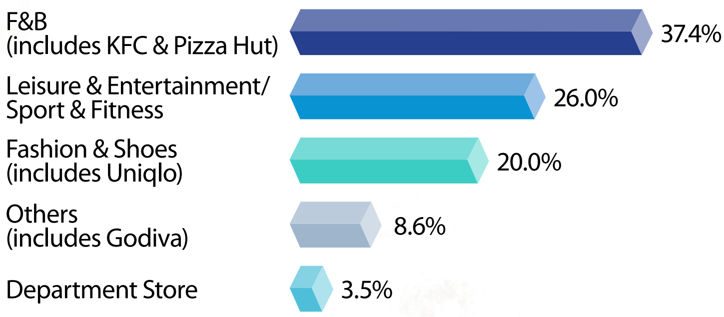
Strategically located at Xujiahui, Metro City, Shanghai, is a lifestyle entertainment centre with nine levels of space, spanning nearly 40,000 square metres. Directly linked to an underground MRT, the mall attracts high shopper traffic due to its prime location and accessibility.

Asset enhancement on the last two levels of Metro City, Shanghai, was completed during the year. Its occupancy rate as at 31 March 2017 was 95.5% (2016: 88.2%).

KEY STATISTICS

% owned by Group	:	60
Site area (sqm)	:	15,434
Lettable Area (sqm)	:	38,447
Tenure	:	36-year term from 1993 (12 years remaining)
No. of Tenants	:	172
Occupancy Rate (%)	:	95.5
Valuation (100%)	:	S$208 million

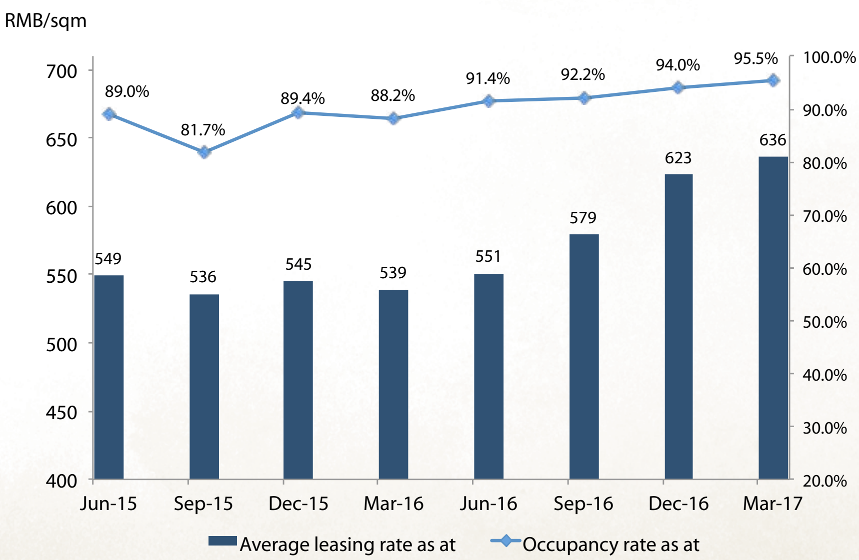
MALL TENANT MIX BY LETTABLE AREA
(AS AT 31 MARCH 2017)



TOP 10 TENANTS (AS AT 31 MARCH 2017)

Name of Tenant	% of Total Lettable Area
Physical Fitness & Beauty Centre	7.7%
Star Theatre	6.6%
Food Republic	6.5%
Kodak Cinema World	6.1%
HAOLEDI KTV	5.6%
Shanghai Xi Ti	4.5%
La Chapelle	2.8%
La Ruta De Via	2.2%
Popular Bookmall	1.9%
MUJI	1.9%

AVERAGE LEASING RATE & OCCUPANCY RATE



METRO TOWER
SHANGHAI

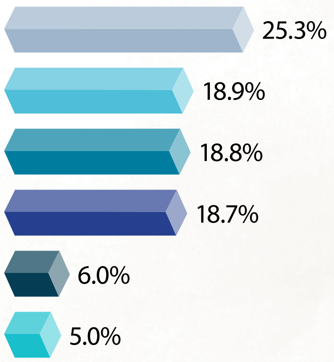
Located next to Metro City, Shanghai, Metro Tower offers over 40,000 square metres of Grade A office space, spread across 26 floors.

Metro Tower, Shanghai, is supported by a strong multinational tenant base and its occupancy remains high at 92.7% as at 31 March 2017 (2016: 99.4%).

KEY STATISTICS

% owned by Group	:	60
Site area (sqm)	:	4,933
Lettable Area (sqm)	:	40,323
Tenure	:	50-year term from 1993 (26 years remaining)
No. of Tenants	:	30
Occupancy Rate (%)	:	92.7
Valuation (100%)	:	S$195 million

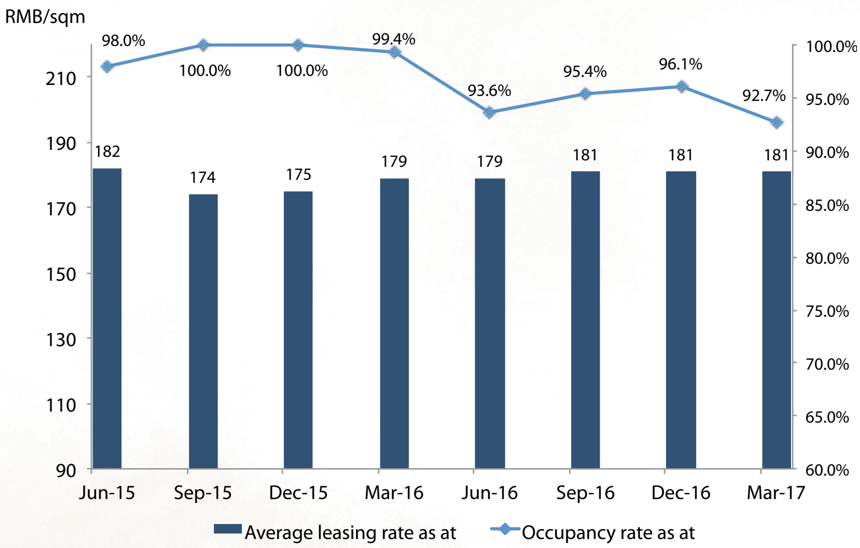
OFFICE TENANT MIX BY LETTABLE AREA (AS AT 31 MARCH 2017)



TOP 10 TENANTS (AS AT 31 MARCH 2017)

Name of Tenant	% of Total Lettable Area
Swatch Group	16.4%
Exxon Mobil	15.2%
Energy Source	14.5%
Pizza Hut	6.7%
Agricultural Bank of China	6.0%
Cummins	5.3%
KFC	5.2%
Shanghai Xi Ti	4.2%
Tutuanna	2.5%
Lucite International	1.9%

AVERAGE LEASING RATE & OCCUPANCY RATE



GIE TOWER
GUANGZHOU

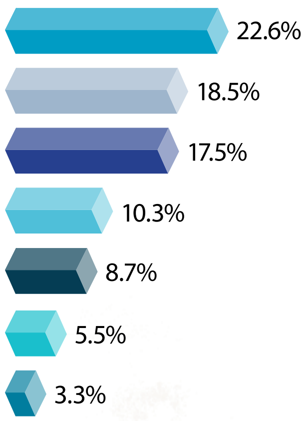
Part of a 7-storey shopping podium and 35-storey office tower, GIE Tower, Guangzhou, is located at Huanshi Road East, in the central business district of Dongshan, Guangzhou.

The Group owns over 28,000 square metres of Grade A office space in the building. GIE Tower's occupancy rate rose to 86.4% as at 31 March 2017 (2016: 86.0%).

KEY STATISTICS

% owned by Group	:	100
Site area (sqm)	:	Strata titled
Lettable Area (sqm)	:	28,390
Tenure	:	50-year term from 1994 (27 years remaining)
No. of Tenants	:	33
Occupancy Rate (%)	:	86.4
Valuation (100%)	:	S$97 million

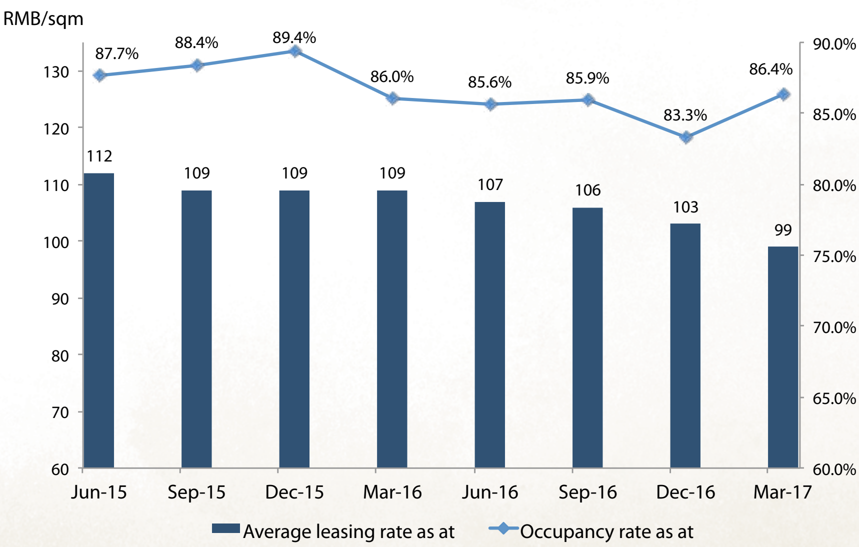
OFFICE TENANT MIX BY LETTABLE AREA (AS AT 31 MARCH 2017)



TOP 10 TENANTS (AS AT 31 MARCH 2017)

Name of Tenant	% of Total Lettable Area
Yu Cai Restaurant	14.2%
Abbott Laboratories	8.6%
Sino-US United MetLife Insurance	7.7%
Roche	6.8%
Guangdong Teachers	6.3%
Novo Nordisk	4.2%
Toshiba	4.1%
Guangzhou Kamen Industry	3.9%
Evergreen	3.5%
RB & Manon	3.1%

AVERAGE LEASING RATE & OCCUPANCY RATE



SHANGHAI SHAMA CENTURY PARK

SHANGHAI

KEY STATISTICS

Completion Date	:	2006
% owned by Group	:	30
Land use rights tenure ending on	:	30 December 2072
Saleable/Leaseable GFA (sqm)*	:	7,355
Valuation (100%)*	:	S$105 million

* As at 31 March 2017

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

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

As at 31 March 2017, leaseable GFA of approximately 42,001 square metres, comprising 245 units, have been sold and delivered.

DEVELOPMENT PROPERTIES

The Group has largely sold off all the residential units in Nanchang Fashion Mark. As at 31 March 2017, 290,274 square metres of residential area, 51,380 square metres of office area and 38,312 square metres of retail area have been presold and delivered. Going forward, contribution from this development would be mainly from presales of the office and retail components of the development.

Within the UK, all of the units for Milliners Wharf The Hat Box have been sold as at 31 March 2016 and the handover completed in April 2016. For Middlewood Locks, the 24 acres will be developed in phases. Construction has commenced and the Group has started to market the 571 residential units under Phase 1, in April 2017. As for Sheffield Digital Campus, Acero Works, the Grade A office building is targeted for completion in Q3 2017.

The residential market for Manchester, UK, is expected to continue being buoyant, given that demand significantly outweighs available supply.

The Crest at Prince Charles Crescent which is 40% held by the Group had 162 options issued as at 31 March 2017, an increase of 52 options from the 110 options issued as at 31 March 2016.

NANCHANG FASHION MARK

JIANG XI

KEY STATISTICS

% owned by Group	:	30.0
Site area (sqm)	:	269,455
Construction start date	:	May 2013
Expected completion date	:	June 2020
Land cost (RMB million)	:	1,978
Total GFA (sqm)	:	1,030,475
Total saleable/lettable GFA (sqm)*	:	400,080
Residential*	:	883
Retail*	:	216,408
Serviced Apartments*	:	20,766
Office*	:	162,023

* As at 31 March 2017

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

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

The project's residential and commercial properties are being sold and completed in phases. As each completed phase is handed over, property sales will progressively be recognised.

As at 31 March 2017, saleable area presold and delivered comprised approximately 290,274 square metres of residential space, 51,380 square metres of office space and 38,312 square metres of retail space.

THE CREST AT PRINCE CHARLES CRESCENT
SINGAPORE

KEY STATISTICS

% owned by Group	:	40.0
Site area (sqm)	:	23,785
Construction start date	:	June 2013
TOP	:	February 2017
Total GFA (sqm)	:	49,950
Estimated total saleable GFA (sqm)*	:	34,939
Land cost (S$'million)	:	516.3

* As at 31 March 2017

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

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

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

The development was completed in Feburary 2017.

MIDDLEWOOD LOCKS
MANCHESTER

KEY STATISTICS

% owned by Group	:	25.0
Site area (acres)	:	24.0
Tenure	:	Freehold
Estimated total GFA (sqft)	:	2.4 million

Middlewood Locks is situated at the Western boundary of the Manchester City Centre, next to the River Irwell and the Trinity Way Inner Ring Road. The development is a short distance away from major roads and is set to be a vibrant neighbourhood comprising approximately 2,200 new homes. There will also be 750,000 square feet of office and commercial space for amenities and facilities such as shops, restaurants, hotels, gym and bars.

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

Middlewood Locks' residential properties will be developed in phases.

Work commenced in May 2016 on the site which enabled construction work to start on Phase 1 comprising 571 homes and associated space including convenience shops, restaurants and canal side footpaths and cycle ways. Phase 1 is expected to be completed in 2018.

MILLINERS WHARF THE HAT BOX
MANCHESTER

KEY STATISTICS

% owned by Group	:	25.0
Site area (acres)	:	1.06
Tenure	:	Freehold
Sales launch	:	Mid 2015
Completion date	:	1Q 2016
Estimated total saleable GFA (sqft)	:	112,400

The second phase of Milliners Wharf is located at the New Islington area of Manchester, UK. Neighbouring the site of the successful first phase of Milliners Wharf, the development is a short five minutes' walk from the Manchester City Centre and the Piccadilly train station.

The development consists of 144 apartments while featuring one, two, duplex and three bedroom apartments with a mix of 14 different types of configurations across two buildings. In addition, the development also includes 135 secure surface parking spaces within the premises.

All the units have been sold as at 31 March 2016 and handover completed in April 2016.

SHEFFIELD DIGITAL CAMPUS
SHEFFIELD

KEY STATISTICS

% owned by Group	:	50.0
Site area (acres)	:	1.03
Tenure	:	Freehold
Expected completion date	:	2017/2020
Estimated total saleable GFA (sqft)	:	131,226

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

Two Grade A office buildings, Acero Works and Vidrio House, will be built with six floors and eight floors, spanning 80,300 square feet and 50,900 square feet in net internal area respectively. Both buildings will also have a secure car parking facility.

Work has commenced on Acero Works and is expected to be completed in Q3 2017.

TOP SPRING INTERNATIONAL HOLDINGS LIMITED

PRC

The Group owns about 16.1% of Top Spring as at 31 March 2017.

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

As at 31 December 2016, the Top Spring Group had a total of 19 projects over 10 cities in various stages of development, including an estimated net saleable/leasable GFA of completed projects of approximately 450,281 sq.m., an estimated net saleable/leasable GFA of projects under development of approximately 41,059 sq.m., an estimated net saleable/leasable GFA of projects held for future development of approximately 494,905 sq.m. and an estimated net saleable/leasable GFA of projects contracted to be acquired or under application for change in land use of approximately 1,365,709 sq.m., totalling an estimated net saleable/leasable GFA of approximately 2,351,954 sq.m.

RETAIL

RETAIL OPERATIONS

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

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

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

Having an established brick-and-mortar business, Metro continues to focus efforts on its omni-channel marketing strategy, to meet the evolving needs of its customers and to support a complete online-to-offline user experience. The Group also introduced the cross-store merchandising and selling option, where customers can now buy, collect, exchange and return merchandise from any Metro store.

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

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

To grow its brand presence, the Group continues to focus on its multi-media strategy of engaging its customers through various platforms such as Facebook, Twitter, Instagram, mobile web and electronic direct mail. The latest, with the rising popularity of Messaging App, the Group embarked on yet another multi-media platform, a mobile messaging App, to further engage customers via instant marketing promotions. The Group is awaiting the much anticipated launch of its "Metro App", a web application development, planned for fourth quarter of this year, as an added platform to its multi-media strategy for customer engagement.

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

Portfolio Review

SINGAPORE

METRO STORES

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

- Metro Centrepoint
- Metro Paragon
- Metro Woodlands

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

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

INDONESIA

METRO STORES

Metro started its operations in the Indonesian market in 1991 at Pondok Indah Mall and currently operates nine stores in Indonesia with a total retail space of approximately 1.11 million square feet:

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

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

OUTLOOK

Given the cautious sentiment surrounding the retail market, competitive environment and high operating costs, the Group expects the division to remain under pressure. Notwithstanding the challenges, the division will continue to refresh and reinvent the customer shopping experience via fresh concepts. In the coming year, the number of stores in Indonesia will increase to 10, with the closure of one store and opening of two new stores.

Corporate Data

BOARD OF DIRECTORS

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

Phua Bah Lee
Director, Non-Executive and Independent

Gerald Ong Chong Keng
Director, Non-Executive

Fang Ai Lian
Director, Non-Executive and Independent

Tan Soo Khoon
Director, Non-Executive and Independent

Lawrence Chiang Kok Sung
Group Chief Executive Officer, Director, Executive

AUDIT COMMITTEE

Fang Ai Lian
Chairman

Phua Bah Lee
Gerald Ong Chong Keng
Tan Soo Khoon

NOMINATING COMMITTEE

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman

Phua Bah Lee
Gerald Ong Chong Keng
Fang Ai Lian

REMUNERATION COMMITTEE

Phua Bah Lee
Chairman

Lt-Gen (Retd) Winston Choo Wee Leong
Gerald Ong Chong Keng

INVESTMENT COMMITTEE

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman

Gerald Ong Chong Keng
Tan Soo Khoon
Lawrence Chiang Kok Sung

SECRETARIES

Tan Ching Chek
Lee Chin Yin

AUDITORS

Ernst & Young LLP
Lim Siew Koon
Engagement Partner
(Since financial year ended 31 March 2013)

PRINCIPAL BANKERS

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

REGISTRARS

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road, #02-00
Singapore 068898
Tel : (65) 6236 3333

REGISTERED OFFICE

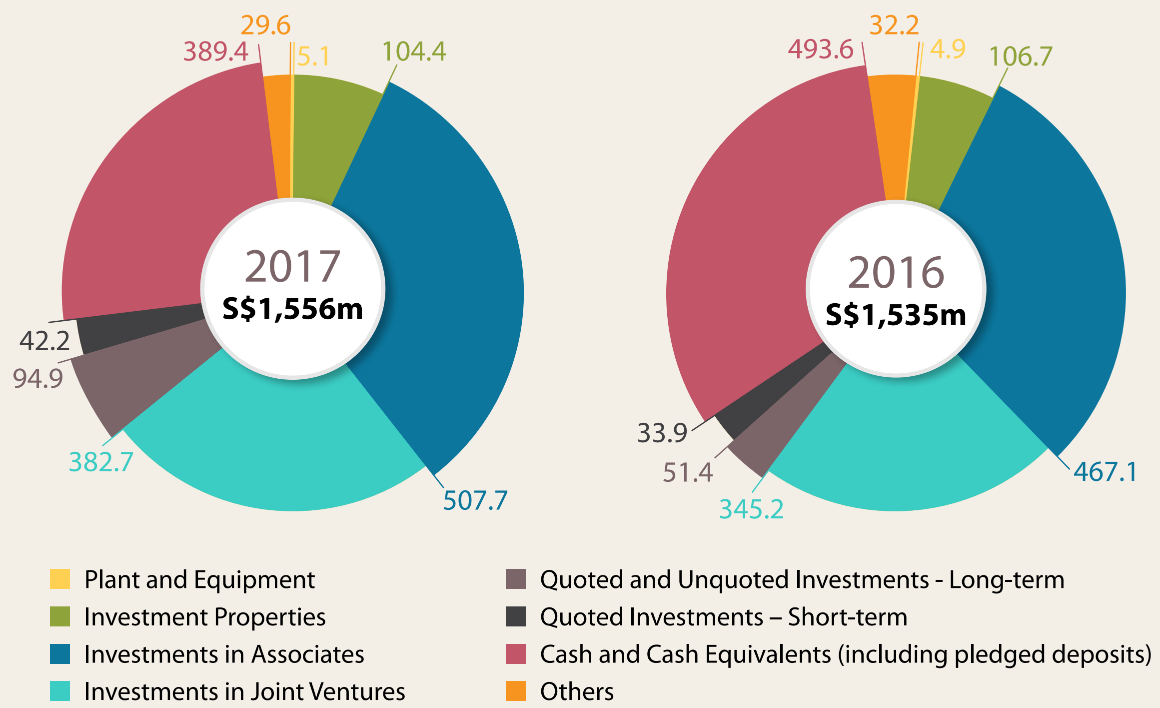
391A Orchard Road
#19-00 Tower A
Ngee Ann City
Singapore 238873
Tel : (65) 6733 3000
Fax : (65) 6735 3515
Website : www.metroholdings.com.sg

INVESTOR RELATIONS CONTACTS

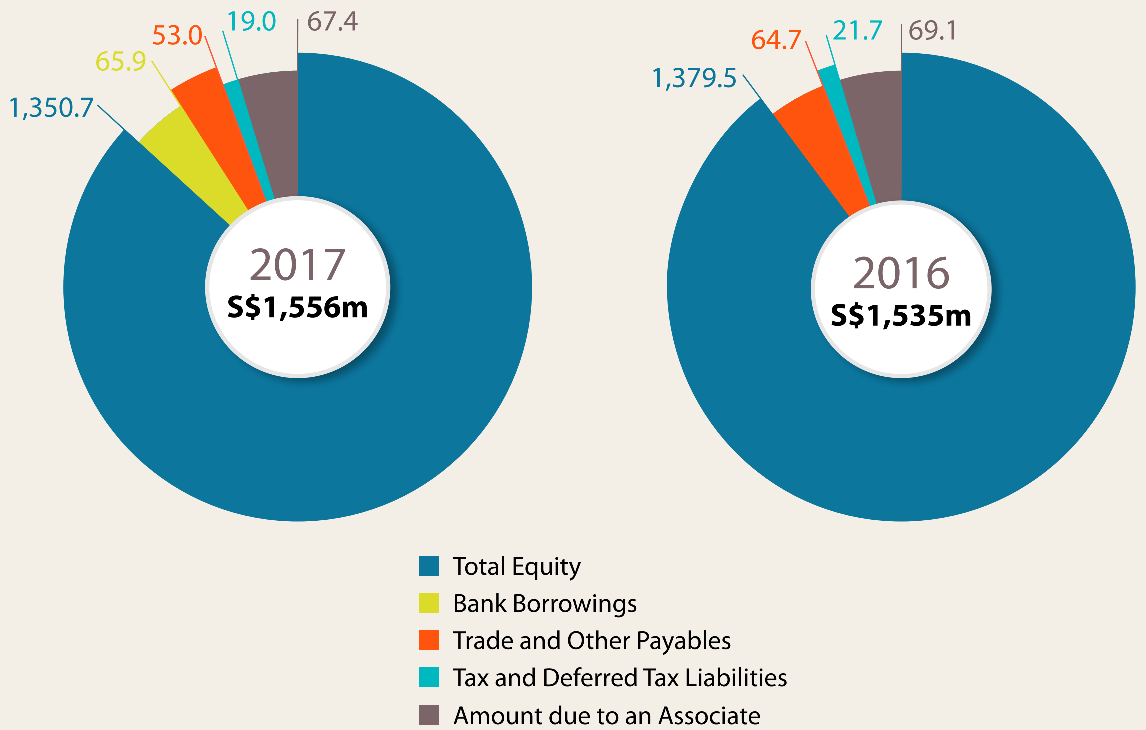
Citigate Dewe Rogerson, i.MAGE Pte Ltd
Dolores Phua
55 Market Street #02-01
Singapore 048941
Tel : (65) 6534 5122
Fax : (65) 6534 4171
dolores.phua@citigatedrimage.com

Financial Highlights

TOTAL ASSETS OWNED (S$' MILLION)

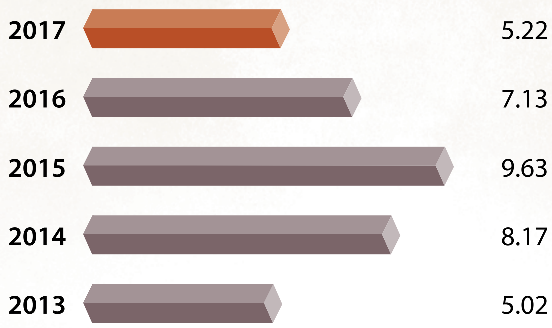


TOTAL LIABILITIES AND CAPITAL (S$' MILLION)

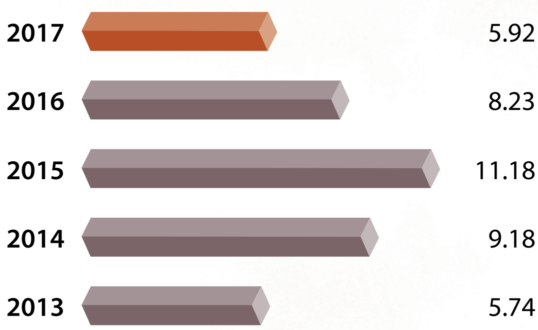


EARNINGS PER SHARE (CENTS)

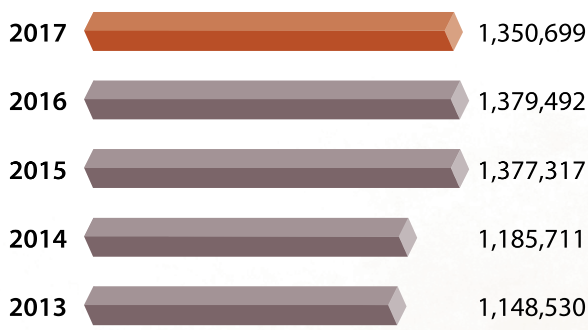
RETURN ON TOTAL ASSETS (%)



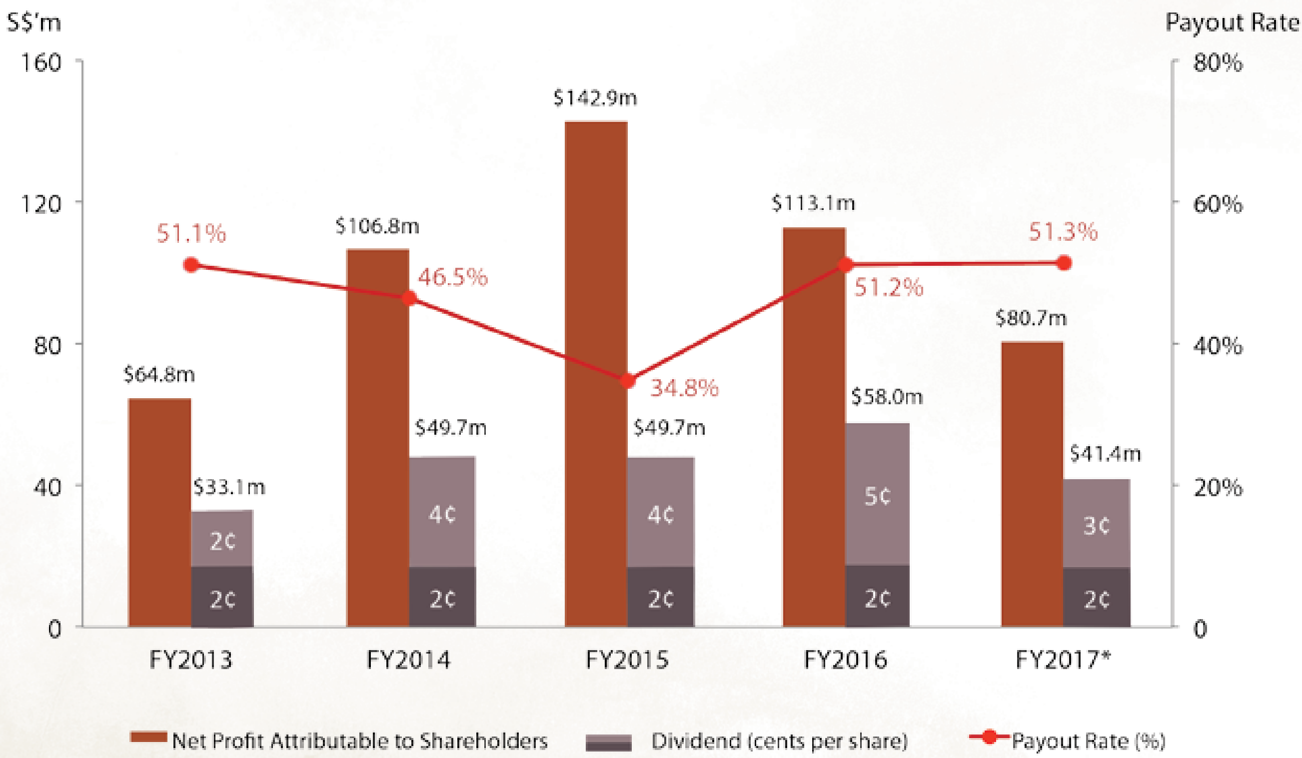
RETURN ON SHAREHOLDERS' FUNDS (%)



TOTAL NET ASSETS (S$'000)



DIVIDEND PAYOUT



* FY2017's proposed dividend subject to shareholders' approval at the AGM in July 2017

Financial Summary

	2017	2016	2015	2014 (RESTATED)	2013 (RESTATED)
Financial Results (S$'000)					
Turnover	131,224	154,595	145,826	139,179	139,410
Net profit from operating activities before tax	82,541	122,332	145,538	109,923	72,493
Taxation	(1,522)	(9,040)	(3,181)	(3,031)	(7,532)
Profit after tax	81,019	113,292	142,357	106,892	64,961
Non-controlling Interests	(337)	(163)	510	(43)	(148)
Net profit attributable to shareholders	80,682	113,129	142,867	106,849	64,813
Net final dividend proposed/paid	16,561	16,561	16,561	16,561	16,561
Net final special dividend proposed/paid	24,841	41,402	33,121	33,121	16,561
Balance Sheets (S$'000)					
Plant and equipment	5,062	4,872	6,083	4,190	6,007
Investment Properties	104,423	106,653	168,948	160,797	168,875
Other non-current assets	986,347	865,142	910,343	831,569	650,861
Current assets	460,225	558,301	556,149	329,129	465,214
Total Assets	1,556,057	1,534,968	1,641,523	1,325,685	1,290,957
Current Liabilities	(175,247)	(126,546)	(199,401)	(73,633)	(79,436)
Long-term and deferred liabilities	(30,111)	(28,930)	(64,805)	(66,341)	(62,991)
Net assets	1,350,699	1,379,492	1,377,317	1,185,711	1,148,530
Financed by:					
Share capital	169,717	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	1,180,277	1,207,698	1,206,018	1,014,679	976,969
Shareholders' funds	1,348,226	1,375,647	1,373,967	1,182,628	1,144,918
Non-controlling Interests	2,473	3,845	3,350	3,083	3,612
	1,350,699	1,379,492	1,377,317	1,185,711	1,148,530

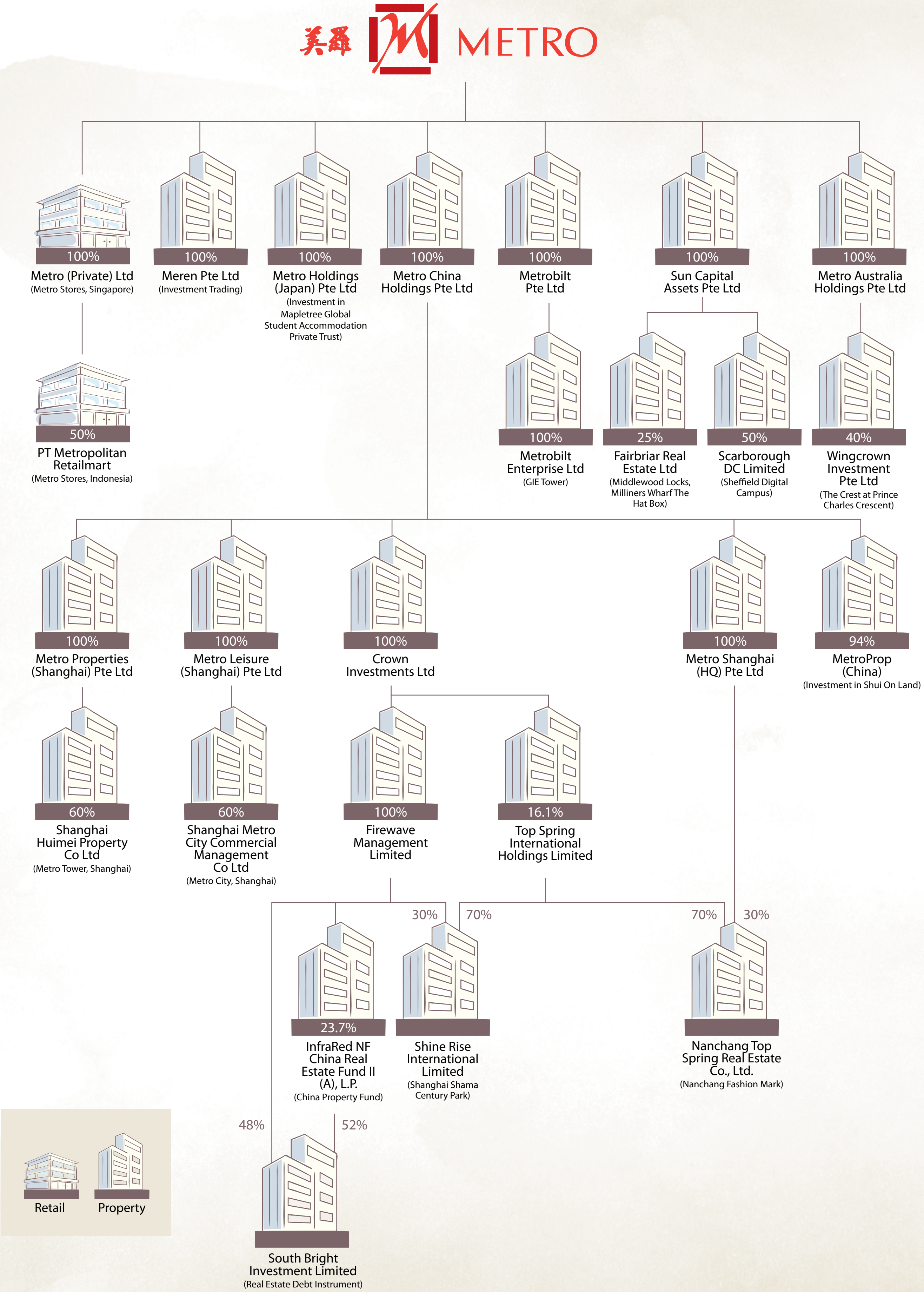
	2017	2016	2015	2014 (RESTATED)	2013 (RESTATED)
Financial Ratios					
Earnings per share after tax and non-controlling interests (cents)#	9.7	13.7	17.3	12.90	7.83
Return on shareholders funds (%)*#	5.92	8.23	11.18	9.18	5.74
Return on Total Assets (%)*#	5.22	7.13	9.63	8.17	5.02
Dividend proposed					
Special final & interim net dividend per share (cents)	3.00	5.00	4.00	4.00	2.00
Final/Interim net dividend per share (cents)	2.00	2.00	2.00	2.00	2.00
Dividend cover (times)#	1.95	1.95	2.88	2.15	1.96
Net Assets per share (S$)#	1.63	1.66	1.66	1.43	1.38
Debt equity ratio (net of cash) (times)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Total Liabilities to shareholders funds (times)	0.15	0.11	0.19	0.12	0.12
Interest cover (times)#	298.98	220.63	126.90	82.24	40.00

NOTES

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

The Financial ratios are based on continuing operations.

Corporate Structure



Corporate Social Responsibility and Sustainability Report

At Metro, we believe in caring for our workers, giving back to the community, and also being environmentally and socially responsible.

For the past year, we focused our Corporate Social Responsibility (CSR) efforts in three key areas, mainly, engaging the elderly, support for education, as well as sustainability.

ENGAGING THE ELDERLY – CARING FOR THE GOLDEN GENERATION

SILVER BOW CAMPAIGN, IN CONJUCTION WITH THE LIONS BEFRIENDERS SERVICE ASSOCIATION (SINGAPORE)

In order to raise public awareness of the issue of social isolation among seniors, Metro teamed up with Lions Befrienders, a voluntary welfare organisation, to provide support for senior citizens and enrich their lives.

Alongside the official launch of Metro Christmas Magic event on 9 November 2016, Metro and Lion Befrienders jointly launched a 'silver bow campaign'. This campaign, held from 9 November to 25 December 2016, was specially planned to raise awareness of elderly isolation, and also to inspire the community to show their support for the elderly. Having people take the step to wear the silver bow is significant because it acknowledges the uniqueness and individuality of every senior and advocates the community to take the lead, socialise and build rapport with them. At this campaign, Metro set a Singapore record of having the most number of people, a total of 227, who wore the silver bow, within two hours.

During the period, shoppers who made a minimum donation of $30 received a silver bow charm or brooch, and for a $40 donation, they received a set of silver bow cufflinks, all available exclusively at all Metro stores. A total count of 1,348 pledge cards were collected, with hashtag posts of 24, making a total of 1,372.

EQUIPPING THE NEXT GENERATION THROUGH EDUCATION

SHANGHAI CHILDREN'S FUND

Wanting youths to have the opportunity to participate in day care classes during the summer holidays, Metro supported the Shanghai Children's Fund with donations of over RMB 1 million, and to-date has provided students the opportunity to participate in day care classes during the summer holidays.

At this summer camp, the youths had opportunities to participate in activities and programmes which impart important values and life skills.

To support this initiative and also allow it to be more accessible to more youths, a new round of donations amounting to a total of RMB 1 million has been earmarked for the period from 2016 to 2018.

METRO SCHOLARSHIP

Metro believes that education is the key to a better future for all. In this regard, Metro contributes generously to students of the Xuhui district in Shanghai, through the Metro Scholarship. Initiated by the late Mr Jopie Ong (former Group Managing Director of Metro), the Metro scholarship donates RMB 100,000 each year to the scholarship programme.

Having started in 2005, this scholarship has since provided over 1,000 primary and secondary school students with the means to achieve their education aspirations.

SHANGHAI XUHUI DISTRICT EDUCATION DEVELOPMENT FUND

Having experienced and competent teaching professionals is important to cultivating youths and making a difference in their learning journey.

Metro recognises this and donated over RMB 450,000 in the last three years to the Shanghai Xuhui District Educational Development Fund, which continues to develop quality curriculum and reward outstanding teachers in the district. Going forward, Metro will renew its commitment to donate RMB 150,000 annually for the next three years, ending 2019.

FENG YANG SHANGHAI METRO HOPE SCHOOL

Over the years, our team from Shanghai Metro also made frequent visits to the Feng Yang Shanghai Metro Hope School to offer help and care for the students. In late 2016, volunteers from Metro visited the school to donate sports items, teaching equipment, and awarded scholarships to students with financial needs.

SUSTAINABILITY

In 2017, efforts to conserve the environment was a key part of our sustainability agenda.

SHANGHAI ENERGY-SAVING AND ENVIRONMENTAL PROTECTION

As part of our continued efforts to reduce energy consumption, Metro City in Shanghai has replaced its lights along the escalators with Light-Emitting Diodes ("LED") tubes as the ordinary incandescent lamps that were used previously were high in energy-consumption and easily damaged.

To better protect the environment, the company also plans to spend RMB 300,000 to upgrade Metro City's garbage disposal facilities and its auto-compression package equipment, to reduce pollution and the impact on the environment.

In 2017, for Metro Tower and Metro City, Metro also plans to replace its road lamps, wall lamps and lawn lights with LED tubes. After these replacements, there will be a 78% saving in electricity usage, equivalent to 4.51 tons of coal per year.

FULLY COMMITTED TO OUR SOCIAL RESPONSIBILITIES

Cognisant of our role as a socially responsible business with diverse stakeholders across the world, Metro is committed to supporting the community and conserving the environment. The Group strives to leave a sustainable and positive long-term impact for the betterment of society to pave the way for a better world that future generations can benefit from.

Corporate Governance

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

THE BOARD'S CONDUCT OF AFFAIRS

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

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

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

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

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

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

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

BOARD COMPOSITION AND GUIDANCE

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

The Board comprises six directors as follows:

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

Appointed as Executive Director and Investment Committee member on 1 June 2016

Lt-Gen (Retd) Winston Choo Wee Leong is the non-executive and independent Chairman. Mr Gerald Ong Chong Keng is a non-executive director. Mr Phua Bah Lee, Mrs Fang Ai Lian and Mr Tan Soo Khoon are non-executive and independent directors. Mr Lawrence Chiang Kok Sung is the Executive Director and Group Chief Executive Officer.

The Company's Constitution permits directors to attend meetings through the use of audio-visual communication equipment.

The attendance of directors at Board and Committees' meetings, whilst they were members, as well as the Annual General Meeting in FY2017 are set out below:

	MHL Board		Audit Committee		Nominating Committee		Remuneration Committee		Investment Committee		Annual General Meeting
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	Attended
Lt-Gen (Retd) Winston Choo Wee Leong	4	4	–	–	1	1	1	1	9	9	1
Phua Bah Lee	4	4	4	4	1	1	1	1	–	–	1
Gerald Ong Chong Keng	4	4	4	4	1	1	1	1	9	9	1
Mrs Fang Ai Lian	4	4	4	4	1	1	–	–	–	–	1
Tan Soo Khoon	4	4	4	4	–	–	–	–	9	9	1
Lawrence Chiang Kok Sung	3	3	–	–	–	–	–	–	7	7	1

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

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

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

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

Each director has been appointed on the strength of his calibre, experience and stature and not based on gender. Each director is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Nominating Committee reviews the size of the Board from time to time.

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

CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

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

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

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

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

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

BOARD MEMBERSHIP AND BOARD PERFORMANCE

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

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

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

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

(i) reviewing and assessing candidates for directorships (including executive directorships) before nominating such candidates for the approval by the Board of Directors;

(ii) reviewing and recommending to the Board of Directors the re-election and appointment of any Director under the retirement provisions in accordance with the Company's Constitution at each annual general meeting;

(iii) reviewing the composition of the Board of Directors annually to ensure that the Board of Directors has an appropriate balance of independent directors and ensuring an appropriate balance of expertise, skills, attributes and abilities among our directors;

(iv) reviewing and determining annually if a director is independent, in accordance with the Code and any other salient factors;

(v) where a director has multiple board representations, deciding whether the director is able to and has been adequately carrying out his duties as director; and

(vi) reviewing the succession plan for directors and key executives of the Group.

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

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

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

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

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

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

As at 31 March 2017, two independent directors, namely Mr Phua Bah Lee and Lt-Gen (Retd) Winston Choo Wee Leong, have served on the Board for more than nine years from the date of their respective first appointment. In subjecting the independence of Mr Phua Bah Lee and Lt-Gen (Retd) Winston Choo Wee Leong to particularly rigorous review, the Nominating Committee and the Board have (with each of them abstaining from discussion and deliberation on their independence) placed more emphasis on whether each of them has demonstrated independent judgment, integrity, professionalism and objectivity in the discharge of his duties rather than imposing a maximum number of years that he should serve. The Nominating Committee and the Board have noted that each of them has not hesitated to express his own viewpoint as well as seeking clarification from Management on issues he deems necessary. It is noted that each of them is able to exercise objective judgment on corporate matters independently, in particular from Management and 10% shareholders, notwithstanding that each of them has served more than 9 years on the Board. The Nominating Committee and the Board also noted that Mr Phua Bah Lee is also able to exercise objective judgment on corporate matters independently notwithstanding his common directorship in Ngee Ann Development Pte Ltd.

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

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

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

The Nominating Committee has recommended the re-election of Mrs Fang Ai Lian and Mr Tan Soo Khoon who are retiring by rotation pursuant to Article 94 of the Company's Constitution at the forthcoming Annual General Meeting.

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

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

Name of Director	Appointment	Date of Initial Appointment	Date of Last re-appointment/ re-election
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive/ Independent Director	18 June 2007	28 July 2016
Phua Bah Lee	Non-Executive/ Independent Director	5 October 1993	28 July 2016
Gerald Ong Chong Keng	Non-Executive Director	18 June 2007	28 July 2016
Mrs Fang Ai Lian	Non-Executive/ Independent Director	16 July 2008	22 July 2015
Tan Soo Khoon	Non-Executive/ Independent Director	9 December 2011	24 July 2014
Lawrence Chiang Kok Sung	Executive Director	1 June 2016	28 July 2016

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

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

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

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

ACCESS TO INFORMATION

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

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

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

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

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

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

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

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

(i) recommending to the Board of Directors, in consultation with the Chairman of the Board of Directors, for endorsement, a comprehensive remuneration policy framework and guidelines for remuneration of the directors and key executives of the Group;

(ii) recommending specific remuneration packages for each of the directors and the Group Chief Executive Officer;

(iii) in the case of service agreements, considering what compensation commitments the directors' or key executives' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance and to recognise the duty to mitigate loss;

(iv) approving performance targets for assessing the performance of each of the key executives of the Group and recommending such targets as well as employee specific remuneration packages for each of such key executive for endorsement by the Board of Directors; and

(v) administering the share incentive plans of the Company, if any.

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

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

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

The Company does not have a share option scheme.

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

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

Breakdown of directors' remuneration for FY2017:

Name of Director	Total Remuneration S$'000	Base Salary etc/Directors' Fees	Performance-Related/ Bonuses	Long Term Incentive
Lt-Gen (Retd) Winston Choo Wee Leong	222	100%	–	–
Phua Bah Lee	96	100%	–	–
Gerald Ong Chong Keng	151	100%	–	–
Mrs Fang Ai Lian	107	100%	–	–
Tan Soo Khoon	137	100%	–	–
Lawrence Chiang Kok Sung	3,011	42%	53%	5%

Remuneration of top four key executives (who are not directors) for FY2017:

Remuneration Band & Name of Key Executive	Base Salary etc	Performance-Related/Bonuses	Long Term Incentive
S$1,250,000 to S$1,499,999			
Lee Chin Yin	58%	28%	14%
S$750,000 to S$999,999			
David Tang Kai Kong	75%	25%	–
S$500,000 to S$749,999			
Wong Sioe Hong	83%	17%	–
S$250,000 to S$499,999			
Nil	–	–	–
Up to S$249,999			
Yip Hoong Mun*	72%	28%	–

* Appointed as Group Chief Operating Officer with effect from 3 February 2017

Given the highly competitive industry conditions the Group operates in and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the disclosure relating to the remuneration of the top four key executives (who are not directors) of the Group is only set out in bands of S$250,000 and above. Their profiles are found on page 17.

The aggregate total remuneration of the top four key management personnel (who are not directors or the Group Chief Executive Officer was S$3,101,923.

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

ACCOUNTABILITY

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS, AUDIT COMMITTEE AND INTERNAL AUDIT

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

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

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

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

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

(i) assisting the Board of Directors in discharging its statutory responsibilities on financing and accounting matters;

(ii) reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

(iii) reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;

(iv) reviewing and evaluating with internal auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational, compliance and information technology controls, and risk management policies and framework;

(v) reviewing any interested person transactions as defined in the Listing Manual;

(vi) appraising and reporting to the Board of Directors on the audits undertaken by the external auditors and internal auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls;

(vii) making recommendations to the Board of Directors on the appointment, re-appointment and removal of the external auditors and internal auditors, and approving the remuneration and terms of engagement of the external auditors and internal auditors; and

(viii) reviewing whistle blowing and fraud investigations within the Group and ensuring appropriate follow up action, if required.

The Audit Committee has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant issues were discussed with management and the external auditors and reviewed by the Audit Committee in respect of FY 2017:

Significant matters	How the Audit Committee addressed these issues
Valuation of investment properties	The Audit Committee considered the appropriateness of the approach and methodology applied to the valuation model in assessing the valuation of the investment properties. The Audit Committee also considered the reasonableness of the basis and the inputs used in the valuation model, as well as the objectivity, independence and competence of the external appraisers appointed to perform the valuations. The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY 2017 on page 57 of the Annual Report.
Impairment assessment of interest in associates and joint ventures	The Audit Committee considered the appropriateness of the approach and methodology used in the impairment assessment of interest in associates and joint ventures, which are mainly involved in the business of property development. The recoverability of the interest in certain of these associates and joint ventures are dependent on the outcome of the relevant development projects. The Audit Committee was periodically briefed on the development of key projects and market trends which might exert downward pressure on transaction volumes and prices of the relevant development projects. The Audit Committee also considered the risk of the estimates of the net realisable values exceeding future selling prices, resulting in losses when these properties are sold. The impairment assessment of interest in associates and joint ventures was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY 2017 on page 57 of the Annual Report.

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

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

The Audit Committee having reviewed the nature and extent of non-audit services provided by Ernst & Young LLP ("EY") and Ernst & Young member firms, including the fees paid for their audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 March 2017, is of the view that the independence of the external auditor of the Company has not been compromised.

The Audit Committee has also reviewed and confirmed that EY is a suitable audit firm to meet the Company's audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, EY's other audit engagements, size and complexity of the Metro Group, number and experience of supervisory and professional staff assigned to the audit. Accordingly, the Audit Committee recommended to the Board the re-appointment of EY as External Auditor of the Group for the year ending 31 March 2018. Therefore, the Company complies with Rule 712 of the Listing Manual.

Corporate Governance

The Group has complied with the Rule 715 of the Listing Manual in relation to its auditing firms. EY has been engaged to audit the financial statements of the Company and all its Singapore-incorporated subsidiaries and its only associated company. This Singapore-incorporated associated company is not considered significant*.

The financial statements of significant* foreign-incorporated subsidiaries and associated companies, with the exception of one associated company, are audited by EY member firms in the respective countries. This significant* foreign-incorporated associated company is audited by KPMG, one of the big four audit firms in Hong Kong. Rule 716 does not apply to the Group as all its Singapore-incorporated subsidiaries and the only Singapore-incorporated associated company, which is not considered significant*, are audited by EY.

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

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

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

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

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

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

In addition, the Group has also put in place appropriate risk management policies and processes to evaluate the operating, investment and financial risks of the Group. 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 33 to the financial statements.

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

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) regarding the effectiveness of the Group's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors, and the statutory audit conducted by the External Auditor, and reviews performed by Management and various Board committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, were adequate and effective as at 31 March 2017 to meet the needs of the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or misstatements, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

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

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

SHAREHOLDER RIGHTS, COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDER MEETINGS

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

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

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

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

Shareholders are encouraged to attend the Annual General Meeting to ensure a greater level of shareholders' participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the Notice of Annual General Meeting and circulars and notices pertaining to any Extraordinary General Meetings of the Company. To facilitate participation by the shareholders, the Constitution of the Company allows the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the general meetings while a member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the general meetings through proxy forms deposited 48 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST's website.

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

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

DIVIDEND POLICY

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

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

DEALINGS IN SECURITIES

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

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

DIRECTORS' INTERESTS IN CONTRACTS ENTERED WITH THE GROUP

During FY2017, 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	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Gerald Ong Chong Keng#	120	120	120	120

Corporate advisory fees paid or payable to OEC Holdings Pte Ltd.

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

(i) Transaction with Mr Gerald Ong Chong Keng is for corporate advisory fees paid or payable to OEC Holdings Pte Ltd (please refer to above section on "Directors' Interests in Contracts entered with the Group"). The value of this Interested Person Transaction with Mr Gerald Ong was about 0.009% of the Group NTA as at 31 March 2016. The Group NTA as at 31 March 2016 was S$1,375,647,000.

(ii) Concessionaire Agreement entered into by Metro Private Limited with Crystal Time (S) Pte Ltd from 1 April 2016 to 31 March 2017 to sell products at Metro Centrepoint:

Name	Amount	% of the Group NTA as at 31/3/2016+
Tan Soo Khoon	S$14,296	0.001

+ Based on the Group NTA of S$1,375,647,000 as at 31 March 2016.

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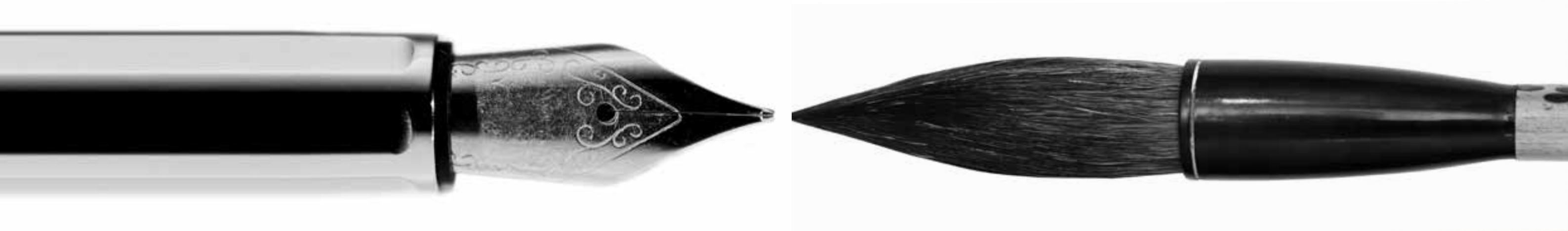

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2017.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date, and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Winston Choo Wee Leong (Chairman)
Phua Bah Lee
Gerald Ong Chong Keng
Fang Ai Lian
Tan Soo Khoon
Lawrence Chiang Kok Sung

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Shareholdings registered in the name of the director			Shareholdings in which the director is deemed to have an interest		
Name of director	**As at 1.4.2016**	**As at 31.3.2017**	**As at 21.4.2017**	**As at 1.4.2016**	**As at 31.3.2017**	**As at 21.4.2017**
Ordinary shares						
Phua Bah Lee	–	–	–	72,576	72,576	72,576

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

5. OPTIONS

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

6. AUDIT COMMITTEE

The Audit Committee comprises non-executive and independent directors, Mrs Fang Ai Lian (who chairs the Audit Committee), Mr Phua Bah Lee and Mr Tan Soo Khoon, and non-executive and non-independent director, Mr Gerald Ong Chong Keng.

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

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

The Committee has also reviewed 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 auditor at the forthcoming Annual General Meeting.

7. AUDITOR

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

On behalf of the board of directors:

Winston Choo Wee Leong
Chairman

Lawrence Chiang Kok Sung
Executive Director

Singapore
21 June 2017

Independent Auditor's Report to the Members of Metro Holdings Limited

For the financial year ended 31 March 2017

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2017, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon.

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

1. Valuation of investment properties

The Group records its investment properties at fair values. Management engages independent professional valuers ("External Appraisers") in the countries in which the investment properties are located to determine fair value of the properties. The External Appraisers determine the fair values of the investment properties based on the average of the direct capitalisation method and the direct comparison method. Management reviews the valuation carried out by the External Appraisers and adopts the fair value.

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

As part of our audit procedures, we considered the independence, objectivity and expertise of the External Appraisers. We evaluated the qualifications and competence of the External Appraisers. We also read the terms of engagement of the External Appraisers with the Group to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the External Appraisers.

We considered the appropriateness of the valuation methodologies used. We assessed, through a review of the auditors' working papers of the significant subsidiary of the Group, the key assumptions used in the projected cash flows by comparing to supporting leases and other documents. We assessed the reasonableness of the key assumptions and estimates used based on available industry data and current property market outlook.

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

We also assessed the adequacy of the disclosures included in Note 12 and 33(d) to the financial statements.

2. Impairment assessment of interest in associates and joint ventures

The Group has significant interest in associates and joint ventures. The Group's interest in associates and joint ventures comprise the investments and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development.

The recoverability of the interest in certain of these associates and joint ventures are dependent on the outcome of the relevant development projects. Should demand weaken and oversupply occur due to a slowdown in economic activity or government policies, this might exert downward pressure on transaction volumes and prices in these markets. This could lead to future trends in the relevant markets departing from known trends based on past experience. There is, therefore, a risk of the estimates of net realisable values exceeding future selling prices, resulting in losses when these properties are sold. Because of the economic environment at this point in time, certain of the interests in associates and joint ventures are at risk of impairment and consequently management conducted an impairment assessment to determine whether any further impairment loss is required. Based on the assessment carried out, no further impairment loss was recognised for the financial year ended 31 March 2017.

We have identified this as a key audit matter because the impairment assessment involves significant management judgement and are based on assumptions that are affected by expected future market and economic conditions.

Amongst other audit procedures, we discussed with management and auditors of the associates and joint ventures future market conditions and the status of projects under construction. We performed a review of the auditors' working papers of the significant associates and joint ventures of the Group. We reviewed the audit working papers and had discussions with key component auditors to assess the reasonableness of revenue and budgeted costs to complete the project. In addition, we assessed the reasonableness of the estimated selling prices of the development properties and properties under construction by comparing to recently transacted prices and prices of comparable projects located in the same vicinity as the development project. We focused our work on development projects with slower-than-expected sales.

2. Impairment assessment of interest in associates and joint ventures (cont'd)

The results of our evaluation shows that management's impairment assessments on the interest in associates and joint ventures are reasonable.

We also assessed the adequacy of the disclosure on the impairment loss in interest in associates and joint ventures in Note 15, 16, 17 and 18 to the financial statements.

Other Information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Independent Auditor's Report
to the Members of Metro Holdings Limited

For the financial year ended 31 March 2017

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Lim Siew Koon.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

21 June 2017

Consolidated Income Statement

For the financial year ended 31 March 2017

(In Singapore dollars)	Note	2017 $'000	2016 $'000
Revenue	4	131,224	154,595
Cost of revenue	5	(122,240)	(143,237)
Gross profit		8,984	11,358
Other income, including interest income	6	31,168	27,565
Changes in fair value of short term investments		(771)	(6,633)
Impairment of amount due from a joint venture	18	–	(9,472)
Fair value gain/(loss) on investment properties	12	832	(813)
General and administrative expenses		(22,184)	(42,936)
Finance costs	7	(277)	(557)
Share of associates' results, net of tax	15	42,514	75,660
Share of joint ventures' results, net of tax	17	22,275	68,160
Profit from operations before taxation	8	82,541	122,332
Taxation	9	(1,522)	(9,040)
Profit net of taxation		81,019	113,292
Attributable to:			
Owners of the Company		80,682	113,129
Non-controlling interests		337	163
		81,019	113,292
		Cents	**Cents**
Earnings per share			
Basic	10	9.7	13.7
Diluted	10	9.7	13.7

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2017

(In Singapore dollars)	2017 $'000	2016 $'000
Profit net of taxation	81,019	113,292
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Share of other comprehensive income of an associate	290	42
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	(14,105)	(36,228)
Net fair value changes on available-for-sale financial assets	(4,273)	8,868
Net fair value changes on available-for-sale financial assets reclassified to profit or loss	(5,482)	(2,234)
Translation and other reserve of joint ventures transferred to profit or loss upon disposal	–	(12,329)
Share of other comprehensive expense of associates and joint ventures	(28,279)	(19,554)
Other comprehensive expense for the financial year	(51,849)	(61,435)
Total comprehensive income for the financial year	29,170	51,857
Total comprehensive income attributable to:		
Owners of the Company	30,542	51,362
Non-controlling interests	(1,372)	495
	29,170	51,857

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

Balance Sheets

As at 31 March 2017

(In Singapore dollars)	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
ASSETS					
Non-current assets					
Plant and equipment	11	5,062	4,872	73	58
Investment properties	12	104,423	106,653	–	–
Subsidiaries	13	–	–	17,790	17,790
Amounts due from subsidiaries	14	–	–	493,239	318,972
Associates	15	373,542	396,785	500	500
Amounts due from associates	16	134,108	70,266	–	–
Joint ventures	17	203,800	216,249	–	–
Amounts due from joint ventures	18	178,874	128,972	–	–
Investments	19	94,921	51,429	–	–
Deferred tax assets	9	1,102	1,441	–	–
		1,095,832	976,667	511,602	337,320
Current assets					
Inventories	20	19,433	19,296	–	–
Prepayments		1,073	721	–	8
Accounts and other receivables	21	7,819	10,492	212	172
Tax recoverable		250	267	–	–
Short term investments	19	42,208	33,919	–	–
Pledged fixed bank deposits	22	111,278	–	–	–
Cash and cash equivalents	22	278,164	493,606	9,192	18,805
		460,225	558,301	9,404	18,985
Total assets		1,556,057	1,534,968	521,006	356,305
EQUITY AND LIABILITIES					
Current liabilities					
Bank borrowings	23	65,915	–	–	–
Accounts and other payables	24	39,641	52,683	5,680	15,943
Amount due to an associate	16	67,457	69,050	–	–
Provision for taxation		2,234	4,813	69	75
		175,247	126,546	5,749	16,018
Net current assets		284,978	431,755	3,655	2,967
Non-current liabilities					
Amounts due to subsidiaries	24	–	–	244,226	46,065
Deferred income	24	13,352	12,010	–	–
Deferred tax liabilities	9	16,759	16,920	11	9
		30,111	28,930	244,237	46,074
Total liabilities		205,358	155,476	249,986	62,092
Net assets		1,350,699	1,379,492	271,020	294,213
Equity attributable to owners of the Company					
Share capital	25	169,717	169,717	169,717	169,717
Treasury shares	25	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	26	1,180,277	1,207,698	103,071	126,264
		1,348,226	1,375,647	271,020	294,213
Non-controlling interests		2,473	3,845	–	–
Total equity		1,350,699	1,379,492	271,020	294,213
Total equity and liabilities		1,556,057	1,534,968	521,006	356,305

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 2017

(In Singapore dollars)

Group	Share capital $'000	Treasury shares $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Other reserve $'000	Revenue reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2016	169,717	(1,768)	12,555	(8,144)	10,144	682	1,192,461	1,375,647	3,845	1,379,492
Profit for the year	–	–	–	–	–	–	80,682	80,682	337	81,019
Other comprehensive income										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	–	–	–	(12,962)	–	–	–	(12,962)	(1,143)	(14,105)
Net fair value changes on available-for-sale financial assets	–	–	(4,036)	–	–	–	–	(4,036)	(237)	(4,273)
Net fair value changes on available-for-sale financial assets reclassified to profit or loss	–	–	(5,153)	–	–	–	–	(5,153)	(329)	(5,482)
Share of other comprehensive (expense)/income of associates and joint ventures	–	–	–	(29,071)	–	792	290	(27,989)	–	(27,989)
Other comprehensive (expense)/ income for the financial year, net of tax	–	–	(9,189)	(42,033)	–	792	290	(50,140)	(1,709)	(51,849)
Total comprehensive (expense)/ income for the financial year	–	–	(9,189)	(42,033)	–	792	80,972	30,542	(1,372)	29,170
Contributions by and distributions to owners										
Dividends paid (Note 27)	–	–	–	–	–	–	(57,963)	(57,963)	–	(57,963)
Total contributions by and distributions to owners	–	–	–	–	–	–	(57,963)	(57,963)	–	(57,963)
Others										
Transfer to statutory reserve fund	–	–	–	–	(6,264)	–	6,264	–	–	–
Total others	–	–	–	–	(6,264)	–	6,264	–	–	–
At 31 March 2017	169,717	(1,768)	3,366	(50,177)	3,880	1,474	1,221,734	1,348,226	2,473	1,350,699

Statements of Changes in Equity

For the financial year ended 31 March 2017

(In Singapore dollars)

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Other reserve $'000	Revenue reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2015	169,717	(1,768)	9,954	6,319	50,314	3,395	315	1,135,721	1,373,967	3,350	1,377,317
Profit for the year	–	–	–	–	–	–	–	113,129	113,129	163	113,292
Other comprehensive income											
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	–	–	–	–	(36,162)	–	–	–	(36,162)	(66)	(36,228)
Net fair value changes on available-for-sale financial assets	–	–	–	8,336	–	–	–	–	8,336	532	8,868
Net fair value changes on available-for-sale financial assets reclassified to profit or loss	–	–	–	(2,100)	–	–	–	–	(2,100)	(134)	(2,234)
Translation and other reserve of joint ventures transferred to profit or loss upon disposal	–	–	(9,954)	–	(2,375)	–	–	–	(12,329)	–	(12,329)
Share of other comprehensive (expense)/ income of associates and joint ventures	–	–	–	–	(19,921)	–	367	42	(19,512)	–	(19,512)
Other comprehensive (expense)/income for the financial year, net of tax	–	–	(9,954)	6,236	(58,458)	–	367	42	(61,767)	332	(61,435)
Total comprehensive (expense)/income for the financial year	–	–	(9,954)	6,236	(58,458)	–	367	113,171	51,362	495	51,857
Contributions by and distributions to owners											
Dividends paid (Note 27)	–	–	–	–	–	–	–	(49,682)	(49,682)	–	(49,682)
Total contributions by and distributions to owners	–	–	–	–	–	–	–	(49,682)	(49,682)	–	(49,682)
Others											
Transfer to statutory reserve fund	–	–	–	–	–	6,749	–	(6,749)	–	–	–
Total others	–	–	–	–	–	6,749	–	(6,749)	–	–	–
At 31 March 2016	169,717	(1,768)	–	12,555	(8,144)	10,144	682	1,192,461	1,375,647	3,845	1,379,492

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 2017

(In Singapore dollars)

Company	Share capital $'000	Treasury shares $'000	Revenue reserve $'000	Total equity $'000
At 1 April 2016	169,717	(1,768)	126,264	294,213
Profit for the year, representing total comprehensive income for the financial year	–	–	34,770	34,770
Contributions by and distributions to owners				
Dividends paid (Note 27)	–	–	(57,963)	(57,963)
At 31 March 2017	169,717	(1,768)	103,071	271,020
At 1 April 2015	169,717	(1,768)	103,720	271,669
Profit for the year, representing total comprehensive income for the financial year	–	–	72,226	72,226
Contributions by and distributions to owners				
Dividends paid (Note 27)	–	–	(49,682)	(49,682)
At 31 March 2016	169,717	(1,768)	126,264	294,213

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 2017

(In Singapore dollars)	Note	2017 $'000	2016 $'000
Cash flows from operating activities:			
Operating cash flows before changes in working capital			
Operating loss before reinvestment in working capital	(a)	(5,100)	(18,176)
(Increase)/decrease in inventories		(1,249)	6,695
Decrease in accounts and other receivables		2,336	441
Decrease in accounts and other payables		(13,042)	(8,008)
Cash flows used in operations		(17,055)	(19,048)
Interest expense paid		(277)	(557)
Interest income received		8,949	8,936
Income taxes paid		(3,619)	(5,712)
Net cash flows used in operating activities		(12,002)	(16,381)
Cash flows from investing activities:			
Purchase of plant and equipment	11	(1,973)	(1,792)
(Increase)/decrease in investments		(51,908)	457
Purchase of short term investments		(19,999)	(2,321)
Proceeds from liquidation of associates		128	–
Proceeds from disposal of available-for-sale investments		–	3,417
Distribution from available-for-sale investments		5,482	1,557
Proceeds from disposal of an investment property		–	60,233
Proceeds from disposal of plant and equipment		44	329
Proceeds from disposal of short term investments		12,578	12,079
Investment in associates		(6,746)	(31,532)
Investment in a joint venture		–	(2,012)
Increase/(decrease) in amount due to an associate		389	(37,276)
(Increase)/decrease in amounts due from associates		(35,878)	2,123
(Increase)/decrease in amounts due from joint ventures		(49,703)	75,199
Dividends received from associates		14,507	25,703
Dividends received from joint ventures	17	27,804	136,919
Dividends received from quoted investments		3,123	4,091
Changes in pledged fixed bank deposits		(111,278)	28,849
Currency realignment		3,015	(1,269)
Net cash flows (used in)/from investing activities		(210,415)	274,754
Cash flows from financing activities:			
Drawdown of bank borrowings		66,554	–
Repayment of bank borrowings		–	(60,357)
Dividends paid	27	(57,963)	(49,682)
Currency realignment		(639)	918
Net cash flows from/(used in) financing activities		7,952	(109,121)
Net (decrease)/increase in cash and cash equivalents		(214,465)	149,252
Effect of exchange rate changes in cash and cash equivalents		(977)	(5,633)
Cash and cash equivalents at 1 April	22	493,606	349,987
Cash and cash equivalents at 31 March	22	278,164	493,606

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

(In Singapore dollars)

Notes to the consolidated statement of cash flows

(a) Operating cash flows before changes in working capital

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

	Note	2017 $'000	2016 $'000
Profit from operations before taxation		82,541	122,332
Adjustments for:			
Fair value (gain)/loss on investment properties	12	(832)	813
Finance costs	7	277	557
Depreciation of plant and equipment	11	1,727	2,674
Share of associates' results, net of tax		(42,514)	(75,660)
Share of joint ventures' results, net of tax		(22,275)	(68,160)
Interest and investment income	6	(14,252)	(15,564)
Gain on disposal of plant and equipment	8	(41)	(318)
Inventories written down	8	471	1,080
Allowance for/(write-back of) doubtful debts	8	2	(48)
Plant and equipment written off	8	53	269
Allowance for/(write-back of) obsolete inventories	8	641	(93)
Changes in fair value of short term investments		771	6,633
Gain on disposal of an investment property	6	–	(4,430)
Gain on disposal of short term investments	6	(1,639)	(448)
Gain on disposal of available-for-sale investments	6	–	(932)
Distribution from available-for-sale investments	6	(5,482)	(1,557)
Impairment of amount due from a joint venture	18	–	9,472
Foreign exchange adjustments		(4,548)	5,204
Operating cash flows before changes in working capital		(5,100)	(18,176)

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

1. CORPORATE INFORMATION

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 7 Disclosure Initiative	1 January 2017
Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Improvements to FRSs (December 2016)	
- Amendments to FRS 112: Classification and Measurement of Share-based Payment Transactions	1 January 2017
- Amendments to FRS 28: Measuring an Associate or Joint Venture at fair value	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 40: Transfers of Investment Property	1 January 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 104 Applying FRS 109 Financial Instruments with FRS 104 Insurance Contract	1 January 2018
FRS 116 Leases	1 January 2019
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for FRS 115, FRS 109 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, FRS 109 and FRS 116 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

The new revenue standard will supersede all current revenue recognition requirements under FRS. A full retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group has performed preliminary assessment of the impact of FRS 115. Based on this preliminary assessment, which is subjected to changes arising from a more detailed ongoing analysis, the impact upon adoption of FRS 115 is not expected to be material to the Group's financial statements.

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

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

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

(a) Classification and measurement

The Group will continue to measure its currently held-for-trading equity securities at fair value though profit or loss (FVTPL). The Group does not expect any significant impact arising from these changes. The Group will assess whether to measure its currently held available-for-sale quoted and unquoted equity securities at fair value through other comprehensive income (FVOCI).

(b) Impairment

FRS 109 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group will assess the impact on its equity due to unsecured nature of its loans and receivables, and it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

Transition

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for leases – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

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

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

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

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

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

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

(b) *Business combinations and goodwill*

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

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

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

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

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

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

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

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

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

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

2.7 Plant and equipment

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

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

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

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

2.7 *Plant and equipment (cont'd)*

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

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

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

2.8 *Investment properties*

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

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

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

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

2.9 *Impairment of non-financial assets*

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

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

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

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

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

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

2.10 Subsidiaries

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

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

2.11 Joint arrangements

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

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

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

Joint ventures

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

2.12 Joint ventures and associates

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

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

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

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

2.12 Joint ventures and associates (cont'd)

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

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

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

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

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

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

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

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

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

2.13 Financial instruments (cont'd)

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

Subsequent measurement (cont'd)

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

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

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

De-recognition

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

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

(i) Financial liabilities at fair value through profit or loss

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

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

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

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

2.13 Financial instruments (cont'd)

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

Subsequent measurement (cont'd)

(ii) Financial liabilities at amortised cost

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

De-recognition

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

2.14 Impairment of financial assets

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

(a) *Financial assets carried at amortised cost*

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

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

When the asset becomes uncollectible, the carrying amount of impaired financial 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 incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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

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

2.14 *Impairment of financial assets (cont'd)*

(b) *Financial assets carried at cost*

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

(c) *Available-for-sale financial assets*

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

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

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

2.15 *Cash and cash equivalents*

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

2.16 *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.

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

2.16 Inventories (cont'd)

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.17 Provisions

General

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

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

2.18 Government grants

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

2.19 Financial guarantees

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

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

2.20 Borrowing costs

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

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

2.21 *Employee benefits*

(a) *Defined contribution plans*

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

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

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

(b) *Employee leave entitlements*

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

(c) *Long-service benefits*

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

(d) *Profit-sharing bonuses*

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

2.22 *Leases*

(a) *As lessee*

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

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

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

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

2.22 Leases (cont'd)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy of rental income is set out in Note 2.23(b). Contingent rents are recognised as revenue in the period in which they are earned.

2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable excluding taxes.

(a) Sale of goods

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to customers, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rental income

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

(c) Fee and service income

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

(d) Dividend income

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

(e) Interest income

Interest income is recognised using the effective interest method.

2.24 Taxes

(a) *Current income tax*

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

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

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

2.24 Taxes (cont'd)

(b) Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

(c) Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

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

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 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.

2.27 Treasury shares

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

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management did not make any judgements that have significant effect on the amounts recognised in the financial statements.

3.2 *Key sources of estimation uncertainty*

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

(a) Revaluation of investment property

The Group records its investment properties at fair value, with changes in fair values being recognised in profit or loss.

Management engages independent professional valuers ("External Appraisers") in the countries in which the investment properties are located to determine fair value of the properties. The External Appraisers determine the fair values of the investment properties based on the average of the direct capitalisation method and the direct comparison method. Management reviews the valuation carried out by the External Appraisers and adopts the fair value.

The determination of the fair values of the investment properties involves the use of a range of estimates (amongst others, capitalisation rates and rental rates) made by management.

The carrying amount and key assumptions used to determine the fair value of the investment properties are further explained in Note 33(d).

(b) Impairment assessment of interest in associates and joint ventures

The Group has significant interest in associates and joint ventures. The Group's interest in associates and joint ventures comprise the investments and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development.

The recoverability of the interest in certain of these associates and joint ventures are dependent on the outcome of the relevant development projects. Should demand weaken and oversupply occur due to a slowdown in economic activity or government policies, this might exert downward pressure on transaction volumes and prices in these markets. This could lead to future trends in the relevant markets departing from known trends based on past experience.

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

3.2 Key sources of estimation uncertainty (cont'd)

(b) Impairment assessment of interest in associates and joint ventures (cont'd)

There is, therefore, a risk of the estimates of net realisable values exceeding future selling prices, resulting in losses when these properties are sold. Because of the economic environment at this point in time, certain of the interests in associates and joint ventures are at risk of impairment and consequently management conducted an impairment assessment to determine whether any further impairment loss is required. Based on the assessment carried out, no further impairment loss was recognised for the financial year ended 31 March 2017.

The carrying amounts of the Group's interest in associates and joint ventures at the end of the reporting period are disclosed in Note 15, 16, 17 and 18 to the financial statements.

4. REVENUE

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

	Note	Group	
		2017	2016
		$'000	$'000
Retail - Sale of goods		124,711	146,095
Property - Rental income and related service income	12	6,513	8,500
		131,224	154,595

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

Revenue of the Group reported on a gross transaction basis, which includes the value of the overall activity based on the gross value of sales achieved by concessionaires, is presented as follows:

Retail	198,617	241,482
Property	6,513	8,500
	205,130	249,982

5. COST OF REVENUE

	Group	
	2017	2016
	$'000	$'000
Retail	121,187	141,519
Property	1,053	1,718
	122,240	143,237

6. OTHER INCOME, INCLUDING INTEREST INCOME

	Group	
	2017	2016
	$'000	$'000
Interest income from:		
- Loans and receivables	11,129	11,473
Dividends, gross from:		
- Available-for-sale financial assets	505	874
- Held-for-trading financial assets	2,618	3,217
	3,123	4,091
Net gain on financial instruments:		
- Available-for-sale financial assets	5,482	2,489
- Held-for-trading financial assets	1,639	448
	7,121	2,937
Management fee income from associates	910	938
Foreign exchange gain	5,720	6
Other rental income	955	1,463
Gain on disposal of an investment property	–	4,430
Sundry income	2,210	2,227
	31,168	27,565

7. FINANCE COSTS

	Group	
	2017	2016
	$'000	$'000
Interest expense on:		
- Bank loans	277	557

8. PROFIT FROM OPERATIONS BEFORE TAXATION

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

	Group	
	2017	2016
	$'000	$'000
Staff costs, including Directors' emoluments, are as follows:		
Salaries, bonuses and other related costs	22,279	37,150
Contributions to CPF and other defined contribution schemes	2,346	2,875
Provision for long-service benefits	445	601
	25,070	40,626

8. PROFIT FROM OPERATIONS BEFORE TAXATION (CONT'D)

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

	Note	Group 2017 $'000	Group 2016 $'000
Directors' emoluments included in staff costs are as follows:			
Directors of the Company			
- Other emoluments		2,947	12,264
- Fees payable		777	687
- Professional fees paid and payable to a company in which a Director has an interest		120	120
		3,844	13,071
Rental expense	28	23,375	29,035
Foreign exchange (gain)/loss:			
Included in other income		(5,720)	(6)
Included in general and administrative expenses		–	8,311
Foreign exchange (gain)/loss, net		(5,720)	8,305
Depreciation of plant and equipment	11	1,727	2,674
Inventories written down	20	471	1,080
Allowance for/(write-back of) obsolete inventories	20	641	(93)
Audit fees:			
- Auditors of the Company		455	477
- Other auditors		193	204
Non-audit fees:			
- Auditors of the Company		95	137
- Other auditors		123	171
Allowance for/(write-back of) doubtful debts	21	2	(48)
Plant and equipment written off		53	269
Gain on disposal of plant and equipment		(41)	(318)

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2017 amounting to $3,223,000 (2016: $4,032,000).

8. PROFIT FROM OPERATIONS BEFORE TAXATION (CONT'D)

Presentation of expenses recognised in consolidated income statement based on function is as follows:

		Group	
	Note	2017 $'000	2016 $'000
Revenue	4	131,224	154,595
Cost of revenue	5	(122,240)	(143,237)
Gross profit		8,984	11,358
Other income, net		31,229	20,119
General and administrative expenses		(22,184)	(52,408)
Finance costs	7	(277)	(557)
Share of associates' results, net of tax	15	42,514	75,660
Share of joint ventures' results, net of tax	17	22,275	68,160
Profit before income tax		82,541	122,332
Taxation	9	(1,522)	(9,040)
Profit for the year		81,019	113,292

9. TAXATION

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

The major components of income tax expense for the financial years ended 31 March 2017 and 2016 are:

Consolidated income statement

	Group	
	2017 $'000	2016 $'000
Current taxation		
- Current income taxation	3,997	6,497
- (Over)/under provision in respect of prior financial years	(3,053)	90
	944	6,587
Deferred taxation		
- Origination and reversal of temporary differences	283	3,016
- Under/(over) provision in respect of prior financial years	292	(569)
	575	2,447
Withholding tax	3	6
Income tax expense recognised in the consolidated income statement	1,522	9,040

9. TAXATION (CONT'D)

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

The reconciliation of taxation determined on the results of the Group by applying the Singapore statutory income tax rate for the financial years ended 31 March are as follows:

	Group	
	2017	**2016**
	$'000	$'000
Profit from operations before taxation	82,541	122,332
Less: Share of results of equity-accounted associates*	(42,514)	(75,660)
Less: Share of results of equity-accounted joint ventures*	(22,275)	(68,160)
	17,752	(21,488)
Taxation calculated at Singapore statutory income tax rate of 17% (2016: 17%)	3,018	(3,653)
Expenses not deductible for tax purposes	3,501	7,112
Difference arising from tax rates applicable to foreign entities	589	4,251
Income not subject to tax	(4,021)	(2,258)
Unremitted foreign sourced income	1,681	4,329
Deferred tax not recognised	(582)	(26)
Over provision in respect of prior financial years	(2,761)	(479)
Withholding tax	3	6
Others	94	(242)
Taxation expense recognised in the consolidated income statement	1,522	9,040

* These are presented net of tax in profit or loss.

Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rate applicable to foreign subsidiaries are as follows:

	Group	
	2017	**2016**
Mauritius	15%	15%
Hong Kong	16.5%	16.5%
China	25%	25%

9. TAXATION (CONT'D)

(c) ***Deferred taxation***

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Balance at beginning of financial year	15,479	13,820	9	325
Foreign exchange adjustments	(397)	(788)	–	–
Charged/(credited) to income statement	575	2,447	2	(316)
Balance at end of financial year	15,657	15,479	11	9
Deferred tax assets	(1,102)	(1,441)	–	–
Deferred tax liabilities	16,759	16,920	11	9
Balance at end of financial year	15,657	15,479	11	9

Deferred taxation as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated income statement		Company balance sheet	
	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities						
Differences in depreciation	13,431	13,215	603	643	–	–
Fair value changes	1,398	1,016	382	(979)	–	–
Undistributed profits of subsidiaries, associates and joint ventures	6,205	7,380	(1,048)	3,084	–	–
Unremitted foreign sourced interest income	611	98	513	(238)	11	9
	21,645	21,709			11	9
Deferred tax assets						
Differences in depreciation	(1,365)	(1,365)	–	–	–	–
Fair value loss on investment properties	(3,519)	(3,818)	171	(238)	–	–
Deferred income and other deferred tax assets	(1,104)	(1,047)	(46)	175	–	–
	15,657	15,479			11	9
Deferred income tax expense			575	2,447		

9. TAXATION (CONT'D)

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

Unrecognised tax losses

Under the loss-transfer system of Group relief ("Group relief system), a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unutilised trade losses and current year unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the assessable income.

There are estimated tax losses and unabsorbed capital allowances amounting to $16,774,000 and $27,000 (2016: $19,464,000 and $27,000) respectively, available for offset against future taxable profits of certain subsidiaries of which $15,908,000 (2016: $19,335,000) has not been recognised as deferred tax asset due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no further Singapore income tax consequences (2016: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2017	**2016**
	$'000	$'000
Profit for the financial year attributable to owners of the Company, used in the computation of basic and diluted earnings per share	80,682	113,129
	No. of shares	**No. of shares**
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	828,036	828,036

As at 31 March 2017, there are no dilutive potential ordinary shares (2016: Nil).

11. PLANT AND EQUIPMENT

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Group			
Cost			
At 1 April 2015	40,398	954	41,352
Additions	1,792	–	1,792
Disposals	(39)	(858)	(897)
Write-offs	(9,018)	–	(9,018)
At 31 March 2016 and 1 April 2016	33,133	96	33,229
Additions	1,973	–	1,973
Disposals	(2,400)	(96)	(2,496)
Write-offs	(539)	–	(539)
At 31 March 2017	32,167	–	32,167
Accumulated depreciation			
At 1 April 2015	34,381	888	35,269
Charge for 2016	2,618	56	2,674
Disposals	(38)	(848)	(886)
Write-offs	(8,700)	–	(8,700)
At 31 March 2016 and 1 April 2016	28,261	96	28,357
Charge for 2017	1,727	–	1,727
Disposals	(2,397)	(96)	(2,493)
Write-offs	(486)	–	(486)
At 31 March 2017	27,105	–	27,105
Net book value			
At 31 March 2016	4,872	–	4,872
At 31 March 2017	5,062	–	5,062

11. PLANT AND EQUIPMENT (CONT'D)

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company			
Cost			
At 1 April 2015	1,841	500	2,341
Additions	16	–	16
Disposals	–	(500)	(500)
Write-offs	(21)	–	(21)
At 31 March 2016 and 1 April 2016	1,836	–	1,836
Additions	49	–	49
Disposals	(61)	–	(61)
At 31 March 2017	1,824	–	1,824
Accumulated depreciation			
At 1 April 2015	1,778	458	2,236
Charge for 2016	21	33	54
Disposals	–	(491)	(491)
Write-offs	(21)	–	(21)
At 31 March 2016 and 1 April 2016	1,778	–	1,778
Charge for 2017	34	–	34
Disposals	(61)	–	(61)
At 31 March 2017	1,751	–	1,751
Net book value			
At 31 March 2016	58	–	58
At 31 March 2017	73	–	73

12. INVESTMENT PROPERTIES

	Note	Group 2017 $'000	Group 2016 $'000
Balance sheet:			
Balance at 1 April		106,653	168,948
Disposal		–	(55,803)
Adjustments to fair value		832	(813)
Foreign exchange adjustments		(3,062)	(5,679)
Balance at 31 March		104,423	106,653
Consolidated income statement:			
Rental and related service income from investment properties	4	6,513	8,500
Direct operating expenses (including repairs, maintenance and refurbishment) arising from rental generating properties		(1,062)	(1,739)

Notes to the Financial Statements

For the financial year ended 31 March 2017

12. INVESTMENT PROPERTIES (CONT'D)

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

Name of building	Description	Tenure of land	Name of valuer	Valuation method	Fair value 2017 $'000	Fair value 2016 $'000
GIE Tower, Guangzhou	Part of a 7-storey shopping podium & 35-storey office tower along Huan Shi Dong Road, Guangzhou, People's Republic of China	50 years' lease from 18 October 1994 (27 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	97,399	100,174
Lakeville Regency, Shanghai	Flat No. 2702, No. 5 The Lakeville Regency, Lane 168, Shun Chang Road, Luwan District, Shanghai, People's Republic of China	64 years' lease from 20 April 2007 (54 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	7,024	6,479
					104,423	106,653

Valuation of investment properties

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

Details of valuation techniques and inputs used are disclosed in Note 33.

13. SUBSIDIARIES

	Company 2017 $'000	Company 2016 $'000
Unquoted equity shares, at cost	21,828	21,828
Impairment losses	(4,038)	(4,038)
Carrying amount of investments	17,790	17,790

Details of subsidiaries are shown in Note 35.

14. AMOUNTS DUE FROM SUBSIDIARIES

	Company 2017 $'000	Company 2016 $'000
Amounts due from subsidiaries	496,166	328,192
Impairment losses	(2,927)	(9,220)
	493,239	318,972

Movement in impairment loss is as follows:

	2017 $'000	2016 $'000
Balance at beginning of financial year	9,220	13,866
Write-back for the year	(768)	(4,646)
Write-off for the year	(5,525)	–
Balance at end of financial year	2,927	9,220

Amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest free, except for $4,140,000 (2016: $3,998,000) which bear interest ranging from 3.13% to 3.5% (2016: 2.77% to 3.11%) per annum. These amounts due from subsidiaries are considered quasi-equity in nature.

In the current financial year, a reversal of impairment loss of $768,000 (2016: $4,646,000) was recognised in the Company's income statement subsequent to a debt recovery assessment performed on amounts due from subsidiaries as at 31 March 2017.

15. ASSOCIATES

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Quoted equity shares, at cost	117,700	117,700	–	–
Share of post-acquisition reserves	85,546	75,464	–	–
Share of changes recognised directly in associates' equity	(39,371)	(13,904)	–	–
Foreign currency translation reserve	16,171	10,700	–	–
	180,046	189,960	–	–
Unquoted equity shares, at cost	114,730	107,984	500	500
Share of post-acquisition reserves	102,061	113,045	–	–
Share of changes recognised directly in associates' equity	(10,054)	(7,532)	–	–
Foreign currency translation reserve	(13,241)	(6,672)	–	–
	193,496	206,825	500	500
	373,542	396,785	500	500
Market value of quoted shares	101,131	131,539	–	–

Details of the associates are shown in Note 35.

The Group's share of associates' results, adjusted for the proportion of ownership interest by the Group, is as follows:

	Group	
	2017	2016
	$'000	$'000
Operating results	22,506	115,941
Negative goodwill	–	917
Fair value adjustments on investment properties	29,657	31,145
Taxation	(9,564)	(74,979)
Others	(85)	2,636
	42,514	75,660

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

Profit after tax	11,346	21,439
Other comprehensive income	(2,811)	(4,911)
Total comprehensive income	8,535	16,528

15. ASSOCIATES (CONT'D)

The summarised financial information in respect of material investments in associates, based on their FRS financial statements (not adjusted for the percentage of ownership held by the Group), and reconciliation with the carrying amount of the investments in the consolidated statements are as follows:

	Top Spring International Holdings Limited		Nanchang Top Spring Real Estate Co., Ltd	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Summarised balance sheet				
Current assets	3,364,069	4,461,351	446,559	701,850
Non-current assets	1,320,797	1,446,895	215,598	182,071
Total assets	4,684,866	5,908,246	662,157	883,921
Current bank and other borrowings	(542,471)	(1,151,056)	–	(52,250)
Other current liabilities	(1,647,363)	(2,587,894)	(188,740)	(288,063)
Non-current bank and other borrowings (excluding bonds/notes)	(387,408)	(511,330)	(60,900)	(68,970)
Other non-current liabilities	(877,298)	(387,266)	(52,017)	(47,199)
Total liabilities	(3,454,540)	(4,637,546)	(301,657)	(456,482)
Net assets	1,230,326	1,270,700	360,500	427,439
Non-controlling interests	(168,525)	(187,402)	–	–
Net assets excluding non-controlling interests	1,061,801	1,083,298	360,500	427,439
Net assets excluding non-controlling interests	1,061,801	1,083,298	360,500	427,439
Proportion of the Group's ownership	16.1%	16.1%	30.0%	30.0%
Group's share of net assets	170,525	174,195	108,150	128,232
Other adjustments [1]	9,521	15,765	–	–
Carrying amount of the investment	180,046	189,960	108,150	128,232

(1) Other adjustments comprise fair value adjustments to the assets of the associate at date of acquisition by the Group, and the effects of significant transactions or events that occur between that associate's financial statements' date and the reporting date of the Group.

	Top Spring International Holdings Limited		Nanchang Top Spring Real Estate Co., Ltd	
	2017	2016	2017	2016
Summarised statement of comprehensive income				
Revenue	1,000,572	1,830,426	252,642	730,345
Profit after tax	162,645	183,353	47,245	156,069
Other comprehensive income	(178,058)	(103,976)	–	–
Total comprehensive income	(15,413)	79,377	47,245	156,069
Other summarised information				
Dividends received/receivable	8,759	4,315	28,723	–

15. ASSOCIATES (CONT'D)

Top Spring International Holdings Limited ("TSI")

The Group has a nominated representative on TSI's board. The Group has assessed that it has the ability to exercise significant influence in TSI and accordingly, reclassified TSI from available-for-sale investments to associate, and to equity account TSI's results. As at 31 March 2017, the Group has an effective indirect equity stake of approximately 19.3% voting rights and 16.1% ownership interest in TSI.

The financial statements of TSI are prepared as of 31 December 2016. TSI is a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited. Adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

16. AMOUNTS DUE FROM/(TO) ASSOCIATES

		Group	
	Note	**2017**	**2016**
		$'000	$'000
Amounts due from associates			
- Non-current	(a)	134,108	70,266
Amount due to an associate	(b)	(67,457)	(69,050)

(a) The non-current amounts due from associates are interest-free, except for $88,708,000 (2016: $20,053,000) which bears interest ranging from 2.25% to 16.8% (2016: 2.5% to 15.8%) per annum, unsecured and are not expected to be repaid within the next financial year. These amounts due from associates are considered quasi-equity in nature.

(b) The amount due to an associate bears interest at 3.00% (2016: 2.75% to 3.00%) per annum, is unsecured and repayable on demand.

Amounts due from/(to) associates denominated in foreign currencies as at 31 March:

	2017	2016
Amounts due from associates:		
- Chinese renminbi	44,764	49,530
- Sterling pound	47,948	20,053
- United States dollar	40,760	–
Amount due to an associate:		
- Chinese renminbi	(67,457)	(69,050)

17. JOINT VENTURES

	Group 2017 $'000	Group 2016 $'000
Unquoted equity shares, at cost	36,768	36,768
Share of post-acquisition reserves	155,325	160,938
Foreign currency translation reserve	11,707	18,543
	203,800	216,249

Details of the joint ventures are shown in Note 35.

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

	2017	2016
Results:		
Revenue	117,894	79,266
Direct expenses	(80,118)	(42,097)
Gross profit	37,776	37,169
Other income, including interest income	1,917	55,741
Fair value loss on investment properties	(6,611)	(4,252)
Negative goodwill	–	2,270
General and administrative expenses	(3,185)	(3,248)
Profit from operating activities	29,897	87,680
Finance costs	(245)	(9)
Profit from operations before taxation	29,652	87,671
Taxation	(7,377)	(19,511)
Profit net of taxation	22,275	68,160

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

	2017	2016
(Loss)/profit after tax	(90)	3,814
Other comprehensive income	–	–
Total comprehensive income	(90)	3,814

17. JOINT VENTURES (CONT'D)

The summarised financial information in respect of material investments in joint ventures, based on their FRS financial statements (not adjusted for the percentage of ownership held by the Group), and reconciliation with the carrying amount of the investments in the consolidated statements are as follows:

	Shanghai Metro City Commercial Management Co. Ltd		Shanghai Huimei Property Co Ltd		Nordevo Investments Limited	
	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000
Summarised balance sheet						
Current assets	77,466	80,804	27,351	28,195	309	7,146
Non-current assets	209,860	223,126	194,798	200,257	–	–
Total assets	287,326	303,930	222,149	228,452	309	7,146
Current liabilities	(75,622)	(78,749)	(22,928)	(25,758)	(76)	(175)
Non-current liabilities	(34,220)	(36,191)	(43,382)	(44,073)	–	–
Total liabilities	(109,842)	(114,940)	(66,310)	(69,831)	(76)	(175)
Net assets	177,484	188,990	155,839	158,621	233	6,971
Net assets	177,484	188,990	155,839	158,621	233	6,971
Proportion of the Group's ownership	60.0%	60.0%	60.0%	60.0%	50.0%	50.0%
Carrying amount of the investment	106,490	113,394	93,503	95,173	117	3,486
Summarised statement of comprehensive income						
Revenue	61,619	56,413	21,080	21,949	–	–
Gain on disposal of a subsidiary	–	–	–	–	–	107,494
Depreciation	(90)	(69)	(43)	(63)	–	–
Finance costs	–	–	(139)	(214)	–	–
Profit before tax	34,729	29,516	14,702	20,266	–	107,737
Taxation	(8,686)	(7,439)	(3,609)	(5,027)	–	(24,064)
Profit after tax	26,043	22,077	11,093	15,239	–	83,673
- Lease income	34,459	30,997	10,941	11,634	–	–
- Fair value adjustments	(8,416)	(8,920)	152	3,605	–	–
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	26,043	22,077	11,093	15,239	–	83,673
Other summarised information						
Dividends received	18,967	17,612	5,357	5,443	3,480	113,864

18. AMOUNTS DUE FROM JOINT VENTURES

	Group 2017 $'000	Group 2016 $'000
Amounts due from joint ventures		
- Non-current	178,874	128,972

The non-current amounts due from joint ventures are interest-free, except for $25,520,000 (2016: $3,998,000) which bear interest ranging from 3.13% to 10.53% (2016: 2.77% to 3.11%) per annum, unsecured and are not expected to be repaid within the next financial year. These amounts due from joint ventures are considered quasi-equity in nature.

In the previous financial year, an impairment loss of $9,472,000 was recognised in the Group's income statement subsequent to an assessment of the carrying amount of the non-current amount due from a joint venture. No such impairment is required for this current financial year.

Amounts due from joint ventures denominated in foreign currencies as at 31 March:

	2017 $'000	2016 $'000
Sterling pound	21,380	–
United States dollar	4,284	4,124
Chinese renminbi	65	20

19. INVESTMENTS

	Group 2017 $'000	Group 2016 $'000
Current:		
Financial assets at fair value through profit and loss		
Held-for-trading investments		
Shares (quoted)	42,208	33,919
Non-current:		
Available-for-sale investments		
Shares (unquoted), at fair value	71,526	24,265
Shares (quoted)	23,395	27,164
	94,921	51,429

20. INVENTORIES

	Note	Group 2017 $'000	Group 2016 $'000
Consolidated Balance Sheet:			
Inventories held for resale (at cost or net realisable value)		19,298	19,174
Raw materials (at cost)		135	122
Total inventories at lower of cost and net realisable value		19,433	19,296
Inventories are stated after deducting allowance for obsolete inventories of		1,718	1,077
Balance at 1 April		1,077	1,170
Charged/(write-back) to the consolidated income statement	8	641	(93)
Balance at 31 March		1,718	1,077
Consolidated Income Statement:			
Inventories recognised as an expense in cost of sales		74,849	79,540
Inventories recognised as an expense in cost of sales is inclusive of the following charge:			
- Inventories written down	8	471	1,080
- Allowance for/(write-back of) obsolete inventories	8	641	(93)

21. ACCOUNTS AND OTHER RECEIVABLES

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Current					
Trade receivables		2,467	1,985	–	–
Deposits		4,802	5,562	180	149
Other receivables					
- Recoverables and sundry debtors		550	2,945	32	23
		7,819	10,492	212	172
Non-current					
Amounts due from subsidiaries	14	–	–	493,239	318,972
Amounts due from associates	16	134,108	70,266	–	–
Amounts due from joint ventures	18	178,874	128,972	–	–
Total receivables (current and non-current)		320,801	209,730	493,451	319,144
Add: Pledged fixed and bank deposits	22	111,278	–	–	–
Cash and cash equivalents	22	278,164	493,606	9,192	18,805
Total loans and receivables		710,243	703,336	502,643	337,949

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.

21. ACCOUNTS AND OTHER RECEIVABLES (CONT'D)

(a) *Receivables that are impaired*

As at 31 March 2017, the Group has trade receivables amounting to $49,000 (2016: $221,000) that are past due at the end of the reporting period but not impaired.

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

	Group	
	2017	**2016**
	$'000	$'000
Individually impaired		
Trade receivables – nominal amounts	33	31
Less: Allowance for impairment	(33)	(31)
	–	–

Movement in allowance for doubtful debts is as follows:

	2017	2016
Balance at 1 April	31	79
Charged/(credited) to the income statement	2	(48)
Balance at 31 March	33	31

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

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

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

	Group	
	2017	**2016**
	$'000	$'000
Sterling pound	37	1,719
Chinese renminbi	964	1,213

22. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Fixed deposits	323,110	441,149	5,540	14,609
Cash on hand and at bank	66,332	52,457	3,652	4,196
Total cash and bank balances	389,442	493,606	9,192	18,805
Less: Fixed bank deposits pledged as security	(111,278)	–	–	–
Cash and cash equivalents	278,164	493,606	9,192	18,805

Fixed deposits are placed for varying periods of not more than six months depending on the immediate cash requirements of the Group and bear interest ranging from 0.28% to 6.35% (2016: 0.01% to 5.15%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.35% (2016: 0.35%) per annum.

Fixed deposits of $111,278,000 (2016: Nil) had been pledged to financial institutions as security for bank loans (Note 23).

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

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
United States dollar	92,632	131,153	7	56
Chinese renminbi	137,159	143,121	–	1
Sterling pound	951	6,412	3	–
Japanese yen	1	2,852	1	–

23. BANK BORROWINGS

	Group	
	2017 $'000	2016 $'000
Current		
Bank revolving credit facilities, denominated in Sterling pound, secured	65,915	–
Maturity of bank borrowings		
Repayable:		
Within 1 year	65,915	–

The revolving credit loans are denominated in Sterling pound and bear interest at rates ranging from 1.3% to 1.8% per annum. These bank loans are secured by charges over fixed deposits of $111,278,000 (Note 22).

24. ACCOUNTS AND OTHER PAYABLES

		Group		Company	
	Note	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Financial liabilities					
Current					
Trade payables		18,654	16,861	–	–
Other payables					
- Sundry creditors		7,538	9,843	920	773
- Accruals		11,623	23,954	4,760	15,170
- Refundable deposits		1,826	2,025	–	–
		39,641	52,683	5,680	15,943
Amount due to an associate	16	67,457	69,050	–	–
Non-current					
Amounts due to subsidiaries		–	–	244,226	46,065
Total accounts and other payables (current and non-current)		107,098	121,733	249,906	62,008
Add: Total bank borrowings	23	65,915	–	–	–
Total financial liabilities carried at amortised cost		173,013	121,733	249,906	62,008
Non-financial liability					
Non-current					
Deferred income		13,352	12,010	–	–

Trade payables

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

Other payables

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

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

	Group	
	2017 $'000	2016 $'000
Chinese renminbi	2,400	2,595
Japanese yen	–	1,198
Sterling pound	87	463
United States dollar	47	158

25. SHARE CAPITAL AND TREASURY SHARES

(a) ***Share capital***

	Group and Company			
	2017		2016	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
Ordinary shares				
Balance at beginning and end of the financial year	831,549	169,717	831,549	169,717

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

(b) ***Treasury shares***

	Group and Company			
	2017		2016	
	No. of shares '000	$'000	No. of shares '000	$'000
Balance at beginning and end of the financial year	3,513	1,768	3,513	1,768

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

26. RESERVES

	Note	Group		Company	
		2017 $'000	2016 $'000	2017 $'000	2016 $'000
Revenue reserve		1,221,734	1,192,461	103,071	126,264
Foreign currency translation reserve	(a)	(50,177)	(8,144)	–	–
Statutory reserve	(b)	3,880	10,144	–	–
Fair value reserve	(c)	3,366	12,555	–	–
Other reserve	(d)	1,474	682	–	–
		1,180,277	1,207,698	103,071	126,264

(a) ***Foreign currency translation reserve***

The foreign currency translation reserve is used to record exchange differences arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

26. RESERVES (CONT'D)

(b) ***Statutory reserve***

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

(c) ***Fair value reserve***

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

(d) ***Other reserve***

Other reserve comprises the share of other reserves of associates.

27. DIVIDENDS

	Group and Company	
	2017	**2016**
	$'000	$'000
Dividends paid during the financial year:		
Final exempt (one-tier) dividend of 2.0 cents per ordinary share for 2016 (2015: 2.0 cents)	16,561	16,561
Final special exempt (one-tier) dividend of 5.0 cents per ordinary share for 2016 (2015: 4.0 cents)	41,402	33,121
	57,963	49,682
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 (2016: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend of 3.0 cents (2016: 5.0 cents) per ordinary share	24,841	41,402
	41,402	57,963

28. COMMITMENTS

(i) ***Capital commitments***

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

	Group	
	2017	**2016**
	$'000	$'000
Capital commitments in respect of investment in:		
- Available-for-sale investments	435	907

28. COMMITMENTS (CONT'D)

(ii) ***Operating lease commitments***

(a) *As lessee*

Operating lease expenses for the Group during the financial year ended 31 March 2017 amounted to $23,375,000 (2016: $29,035,000).

The Group leases certain properties under non-cancellable lease arrangements which do not have any purchase options and expire at various dates till 2019. All leases include a clause to enable upward revision of the rental charge on a periodic basis, based on prevailing market conditions. The future minimum rentals under these non-cancellable leases are:

	Group	
	2017	**2016**
	$'000	$'000
Not later than one year	18,596	19,400
Later than one year but not later than five years	42,393	30,130
Later than five years	–	–
	60,989	49,530

(b) *As lessor*

The Group has entered into commercial property leases on its property portfolio. These non-cancellable leases have remaining lease terms of between 1 and 10 years. Certain leases include a clause to enable upward revision of the rental charge on a periodic basis based on prevailing market conditions.

Future minimum lease payments receivable under non-cancellable operating leases as at 31 March are as follows:

	Group	
	2017	**2016**
	$'000	$'000
Not later than one year	6,038	5,055
Later than one year but not later than five years	10,968	8,024
Later than five years	1,917	2,903
	18,923	15,982

29. CONTINGENT LIABILITIES

	Company	
	2017	**2016**
	$'000	$'000
Financial support given to certain subsidiaries having:		
- deficiencies in shareholders' funds	88,322	95,971
- current liabilities in excess of current assets	39,820	49,718

The Company has provided corporate guarantees to a bank for loans of $65,915,000 (2016: $Nil) taken by its subsidiaries.

30. RELATED PARTY DISCLOSURES

In addition to the related party information disclosed elsewhere in the financial statements, the significant transactions between the Group and related parties on terms agreed between the parties are as follows:

(a) ***Services and other fees***

	Group	
	2017	**2016**
	$'000	$'000
Interest income from associates	(6,341)	(2,885)
Interest expense paid to an associate	2,063	2,770
Management fee received from an associate	(910)	(938)
Corporate advisory fee paid to a company that is controlled by a Director	120	120

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

	Group	
	2017	**2016**
	$'000	$'000
Salary, bonus and other benefits	6,050	17,495
Contributions to CPF	63	62
Total compensation paid to key management personnel	6,113	17,557
Comprise amounts paid to:		
Directors of the Company	3,011	12,326
Other key management personnel	3,102	5,231
	6,113	17,557

31. SEGMENT INFORMATION

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

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

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

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

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

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

31. SEGMENT INFORMATION (CONT'D)

Business segments

	Property $'000	Retail $'000	Total $'000
2017			
Segment revenue	6,513	124,711	131,224
Segment results	19,990	(2,022)	17,968
Changes in fair value of short term investments	(771)	–	(771)
Fair value gain on investment properties	832	–	832
Finance costs	(277)	–	(277)
Share of associates' results, net of tax	39,192	3,322	42,514
Share of joint ventures' results, net of tax	22,275	–	22,275
Segment profit before taxation	81,241	1,300	82,541
Taxation	(1,522)	–	(1,522)
Profit for the year	79,719	1,300	81,019
2016			
Segment revenue	8,500	146,095	154,595
Segment results	(1,630)	(2,383)	(4,013)
Changes in fair value of short term investments	(6,633)	–	(6,633)
Impairment of amount due from a joint venture	(9,472)	–	(9,472)
Fair value loss on investment properties	(813)	–	(813)
Finance costs	(557)	–	(557)
Share of associates' results, net of tax	73,133	2,527	75,660
Share of joint ventures' results, net of tax	68,160	–	68,160
Segment profit before taxation	122,188	144	122,332
Taxation	(9,040)	–	(9,040)
Profit for the year	113,148	144	113,292

31. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

	Property $'000	Retail $'000	Total $'000
2017			
Assets and liabilities			
Segment assets	611,403	52,978	664,381
Investment in associates	495,053	12,597	507,650
Investment in joint ventures	382,674	–	382,674
Deferred tax assets	–	1,102	1,102
Tax recoverable	250	–	250
Total assets	1,489,380	66,677	1,556,057
Segment liabilities	155,538	30,827	186,365
Provision for taxation	1,010	1,224	2,234
Deferred tax liabilities	16,759	–	16,759
Total liabilities	173,307	32,051	205,358
Other segment information			
Additions to non-current assets			
- Plant and equipment	51	1,922	1,973
Interest expense	277	–	277
Interest income	(10,999)	(130)	(11,129)
Depreciation of plant and equipment	37	1,690	1,727
Other material non-cash items			
Inventories written down	–	471	471
Fair value loss on held-for-trading investments (unrealised)	771	–	771
Fair value gain on investment properties	(832)	–	(832)
Allowance for obsolete inventories	–	641	641

31. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

	Property $'000	Retail $'000	Total $'000
2016			
Assets and liabilities			
Segment assets	666,449	54,539	720,988
Investment in associates	456,983	10,068	467,051
Investment in joint ventures	345,221	–	345,221
Deferred tax assets	–	1,441	1,441
Tax recoverable	267	–	267
Total assets	1,468,920	66,048	1,534,968
Segment liabilities	102,231	31,512	133,743
Provision for taxation	3,589	1,224	4,813
Deferred tax liabilities	16,920	–	16,920
Total liabilities	122,740	32,736	155,476
Other segment information			
Additions to non-current assets			
- Plant and equipment	16	1,776	1,792
Interest expense	557	–	557
Interest income	(11,287)	(186)	(11,473)
Depreciation of plant and equipment	82	2,592	2,674
Other material non-cash items			
Inventories written down	–	1,080	1,080
Fair value loss on held-for-trading investments (unrealised)	6,633	–	6,633
Fair value loss on investment properties	813	–	813
Write-back of obsolete inventories	–	(93)	(93)
Impairment of amount due from a joint venture	9,472	–	9,472

31. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue, (loss)/profit from operations before taxation and non-current assets information based on the geographical location of the customers and assets respectively, are as follows:

	Asean $'000	People's Republic of China $'000	Japan $'000	Others $'000	Group $'000
2017					
Segment revenue from external customers	124,711	6,513	–	–	131,224
Profit from operations before taxation	6,460	66,567	1,599	7,915	82,541
Non-current assets					
- Plant and equipment	5,053	9	–	–	5,062
- Investment properties	–	104,423	–	–	104,423
- Investment in associates	13,822	429,827	–	64,001	507,650
- Investment in joint ventures	153,164	204,459	–	25,051	382,674
- Available-for-sale investments	–	23,395	–	71,526	94,921
	172,039	762,113	–	160,578	1,094,730
2016					
Segment revenue from external customers	146,095	7,378	1,122	–	154,595
(Loss)/profit from operations before taxation	(17,386)	134,581	2,990	2,147	122,332
Non-current assets					
- Plant and equipment	4,862	10	–	–	4,872
- Investment properties	–	106,653	–	–	106,653
- Investment in associates	11,971	419,556	–	35,524	467,051
- Investment in joint ventures	124,847	216,196	–	4,178	345,221
- Available-for-sale investments	–	27,164	–	24,265	51,429
	141,680	769,579	–	63,967	975,226

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to interest rate, foreign currency, credit, liquidity and market price risks. The Group's risk management approach seeks to minimise the potential material adverse impact of these exposures.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Interest rate risk***

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

All of the Group's and Company's financial assets and liabilities at floating rates are contractually repriced at intervals of 1 to 3 months (2016: 1 to 3 months) from the end of the reporting period.

Sensitivity analysis for interest rate risk

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

	Increase/ decrease in basis points	**2017** $'000	**2016** $'000
Group			
- Sterling pound (GBP)	+100	(659)	–
- Sterling pound (GBP)	-100	659	–

(b) ***Foreign currency risk***

The Group is exposed to the effects of foreign currency exchange rate fluctuations, primarily in relation to Chinese renminbi (RMB), United States dollar (USD), Hong Kong dollar (HKD) and Sterling pound (GBP). Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency or against the entity's functional currency, in particular its future revenue stream. Transactional exposures in currencies other than the entity's functional currency are kept to a minimal level.

Sensitivity analysis for foreign currency risk

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

		2017		2016	
		Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
RMB	- strengthened 5% (2016: 5%)	3,413	2,241	3,634	2,477
	- weakened 5% (2016: 5%)	(3,413)	(2,241)	(3,634)	(2,477)
USD	- strengthened 5% (2016: 5%)	4,640	4,552	6,549	1,419
	- weakened 5% (2016: 5%)	(4,640)	(4,552)	(6,549)	(1,419)
HKD	- strengthened 5% (2016: 5%)	–	1,170	(1)	1,358
	- weakened 5% (2016: 5%)	–	(1,170)	1	(1,358)
GBP	- strengthened 5% (2016: 5%)	1,014	478	385	1,003
	- weakened 5% (2016: 5%)	(1,014)	(478)	(385)	(1,003)

(c) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy to ensure that credit customers are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. Collaterals are obtained when appropriate. The amount and type of collateral depends on an assessment of the credit risk of the counterparty. Sufficient rental deposits are obtained to mitigate against the credit risk from tenants.

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

Credit risk concentration profile

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

	Singapore $'000	People's Republic of China $'000	Others $'000	Total $'000
By country:				
At 31 March 2017				
Loans and receivables				
Amounts due from associates (Note 16)	–	85,524	48,584	134,108
Amounts due from joint ventures (Note 18)	153,145	4,349	21,380	178,874
Accounts and other receivables (Note 21)	6,784	1,035	–	7,819
Total	159,929	90,908	69,964	320,801
At 31 March 2016				
Loans and receivables				
Amounts due from associates (Note 16)	–	49,530	20,736	70,266
Amounts due from joint ventures (Note 18)	124,828	4,144	–	128,972
Accounts and other receivables (Note 21)	7,075	1,659	1,758	10,492
Total	131,903	55,333	22,494	209,730

Of the total financial assets of $320,801,000 (2016: $209,730,000) disclosed above, 97.8% (2016: 96.5%) is invested in the property sector.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

(d) ***Liquidity risk***

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

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2017				
Financial assets:				
Accounts and other receivables	7,819	–	–	7,819
Amounts due from associates	10,117	135,545	10,422	156,084
Amounts due from joint ventures	1,365	181,860	–	183,225
Held-for-trading financial assets	42,208	–	–	42,208
Pledged fixed bank deposits	111,531	–	–	111,531
Cash and cash equivalents	278,476	–	–	278,476
Total undiscounted financial assets	451,516	317,405	10,422	779,343
Financial liabilities:				
Bank borrowings	65,994	–	–	65,994
Accounts and other payables	39,641	–	–	39,641
Amount due to an associate	67,457	–	–	67,457
Total undiscounted financial liabilities	173,092	–	–	173,092
Total net undiscounted financial assets	278,424	317,405	10,422	606,251
2016				
Financial assets:				
Accounts and other receivables	10,492	–	–	10,492
Amounts due from associates	738	68,534	11,671	80,943
Amounts due from joint ventures	128	129,484	–	129,612
Held-for-trading financial assets	33,919	–	–	33,919
Cash and cash equivalents	494,490	–	–	494,490
Total undiscounted financial assets	539,767	198,018	11,671	749,456
Financial liabilities:				
Accounts and other payables	52,683	–	–	52,683
Amount due to an associate	69,050	–	–	69,050
Total undiscounted financial liabilities	121,733	–	–	121,733
Total net undiscounted financial assets	418,034	198,018	11,671	627,723

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less $'000	Over 5 years $'000	Total $'000
Company			
2017			
Financial assets:			
Accounts and other receivables	212	–	212
Amounts due from subsidiaries	–	493,239	493,239
Cash and cash equivalents	9,198	–	9,198
Total undiscounted financial assets	9,410	493,239	502,649
Financial liabilities:			
Trade and other payables	5,680	–	5,680
Amounts due to subsidiaries	–	244,226	244,226
Total undiscounted financial liabilities	5,680	244,226	249,906
Total net undiscounted financial assets	3,730	249,013	252,743
2016			
Financial assets:			
Accounts and other receivables	172	–	172
Amounts due from subsidiaries	128	319,484	319,612
Cash and cash equivalents	18,805	–	18,805
Total undiscounted financial assets	19,105	319,484	338,589
Financial liabilities:			
Trade and other payables	15,943	–	15,943
Amounts due to subsidiaries	–	46,065	46,065
Total undiscounted financial liabilities	15,943	46,065	62,008
Total net undiscounted financial assets	3,162	273,419	276,581

(e) ***Market price risk***

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are mainly quoted on the Singapore Stock Exchange and on the Hong Kong Stock Exchange and are classified as 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.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) ***Market price risk (cont'd)***

Sensitivity analysis for equity price risk

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

	2017		2016	
	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
HSI				
- 10% higher	–	2,340	–	2,716
- 10% lower	–	(2,340)	–	(2,716)
STI				
- 10% higher	4,221	–	3,392	–
- 10% lower	(4,221)	–	(3,392)	–

33. FAIR VALUE OF ASSETS AND LIABILITIES

(a) ***Fair value hierarchies***

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) ***Assets measured at fair value***

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	2017 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) $'000	**Significant observable inputs other than quoted prices (Level 2)** $'000	**Significant unobservable inputs (Level 3)** $'000	**Total** $'000
Group				
Recurring fair value measurements				
Financial assets:				
Held-for-trading financial assets (Note 19)				
- Quoted equity instruments	42,208	–	–	42,208
Available-for-sale financial assets (Note 19)				
Equity instruments				
- Quoted equity instruments	23,395	–	–	23,395
- Unquoted equity instruments	–	–	71,526	71,526
Total available-for-sale financial assets	23,395	–	71,526	94,921
Financial assets as at 31 March 2017	65,603	–	71,526	137,129
Non-financial asset:				
Investment properties (Note 12)	–	–	104,423	104,423
Non-financial asset as at 31 March 2017	–	–	104,423	104,423

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

	2016 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) $'000	**Significant observable inputs other than quoted prices (Level 2)** $'000	**Significant unobservable inputs (Level 3)** $'000	**Total** $'000
Group				
Recurring fair value measurements				
Financial assets:				
Held-for-trading financial assets (Note 19)				
- Quoted equity instruments	33,919	–	–	33,919
Available-for-sale financial assets (Note 19)				
Equity instruments				
- Quoted equity instruments	27,164	–	–	27,164
- Unquoted equity instruments	–	–	24,265	24,265
Total available-for-sale financial assets	27,164	–	24,265	51,429
Financial assets as at 31 March 2016	61,083	–	24,265	85,348
Non-financial asset:				
Investment properties (Note 12)	–	–	106,653	106,653
Non-financial asset as at 31 March 2016	–	–	106,653	106,653

There have been no transfers between Level 1, Level 2 and Level 3 during 2017 and 2016.

(c) ***Level 1 fair value measurements***

The fair value of quoted equity instruments are determined directly by reference to their published market bid price at the end of the reporting date.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) *Level 3 fair value measurements*

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair Value at 31 March 2017 $'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
- Unquoted equity instruments	71,526	Net asset value(1)	Not applicable	Not applicable
Investment properties	104,423	Average of direct capitalisation method and direct comparison method(2)	- Capitalisation rate(3)	1.75% to 7.50%
			- Rental rate(4)	RMB 110 to RMB 271 per square meter per month
			- Comparable price(5)	RMB 16,726 to RMB 300,000 per square meter

Description	Fair Value at 31 March 2016 $'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
- Unquoted equity instruments	24,265	Net asset value(1)	Not applicable	Not applicable
Investment properties	106,653	Average of direct capitalisation method and direct comparison method(2)	- Capitalisation rate(3)	1.75% to 9.00%
			- Rental rate(4)	RMB 114 to RMB 240 per square meter per month
			- Comparable price(5)	RMB 17,651 to RMB 300,000 per square meter

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

(1) The fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee company.

(2) The yield adjustments are made for any difference in the nature, location or condition of the specific property.

(3) An increase/(decrease) in the capitalisation rate would result in a (decrease)/increase in the fair value of the investment properties.

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

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

The valuations of the investment properties are generally sensitive to changes in yield and rental rates. A significant increase/decrease in yield and rental adjustments based on management's assumptions would result in a significantly higher/lower fair value measurement.

(ii) *Movements in Level 3 assets measured at fair value*

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	2017		
	Available-for-sale financial assets (Unquoted equity instruments) $'000	Investment properties $'000	Total $'000
Group			
Opening balance	24,265	106,653	130,918
Total gains or losses for the period			
- Fair value loss recognised in profit or loss	–	832	832
- Fair value gain recognised in other comprehensive income	(5,170)	–	(5,170)
Additions	56,393	–	56,393
Redemptions	(4,485)	–	(4,485)
Foreign exchange differences	523	(3,062)	(2,539)
Closing balance	71,526	104,423	175,949

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) ***Level 3 fair value measurements***

(ii) *Movements in Level 3 assets measured at fair value (cont'd)*

	2016		
	Available-for-sale financial assets (Unquoted equity instruments) $'000	Investment properties $'000	Total $'000
Group			
Opening balance	21,951	168,948	190,899
Total gains or losses for the period			
- Fair value loss recognised in profit or loss	–	(813)	(813)
- Fair value gain recognised in other comprehensive income	3,082	–	3,082
Disposals	–	(55,803)	(55,803)
Redemptions	(457)	–	(457)
Foreign exchange differences	(311)	(5,679)	(5,990)
Closing balance	24,265	106,653	130,918

(iii) Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

		Group				Company			
		Carrying amount		Fair value		Carrying amount		Fair value	
	Note	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Financial assets:									
Amounts due from subsidiaries (non-current) [1]									
- Non interest-bearing	14	–	–	–	–	489,099	314,974	(i)	(i)
Amounts due from associates (non-current)									
- Fixed rate [2]		79,147	9,679	110,953	15,930	–	–	–	–
- Non interest-bearing	16	45,400	50,213	(i)	(i)	–	–	–	–
Amounts due from joint ventures (non-current)									
- Fixed rate [2]		21,380	–	23,133	–	–	–	–	–
- Non interest-bearing	18	153,354	124,974	(i)	(i)	–	–	–	–
Financial liability:									
Amounts due to subsidiaries (non-current) [1]									
- Non interest-bearing	24	–	–	–	–	244,226	46,065	(i)	(i)

(1) The interest-bearing amounts due from/(to) subsidiaries have been excluded as they are charged at floating interest rates and their carrying amounts approximate their fair values.

(2) The fixed rate amounts due from an associate/a joint venture are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

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

34. CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2016 and 31 March 2017.

As disclosed in Note 26(b), a subsidiary, joint ventures and an associate of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary, joint ventures and the associate for the financial years ended 31 March 2016 and 31 March 2017.

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

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

	Group	
	2017	**2016**
	$'000	$'000
Name of company		
Metro (Private) Limited	8,914	8,914
Orchard Square Development Corporation Pte Ltd	7,576	7,576
Metrobilt Pte Ltd	4,038	4,038
Metro Australia Holdings Pte Ltd	1,000	1,000
Meren Pte Ltd	300	300
Metro China Holdings Pte Ltd	*	*
Sun Capital Assets Pte Ltd	*	*
Metro Holdings (Japan) Pte Ltd	*	*
Metro Development Holdings (S) Pte Ltd	*	*
	21,828	21,828

* Cost is less than $1,000

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

Details of subsidiaries, associates and joint ventures at 31 March are:

Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
Held by the Company			
Retailers and department store operators			
Metro (Private) Limited (Singapore)	Singapore	100.0	100.0
Property			
Orchard Square Development Corporation Pte Ltd (Singapore)	Singapore	100.0	100.0
Investment holding			
Metrobilt Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro China Holdings Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
Metro Australia Holdings Pte Ltd (Singapore)	Singapore	100.0	100.0
Sun Capital Assets Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro Holdings (Japan) Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro Development Holdings (S) Pte Ltd (Singapore)	Singapore	100.0	100.0
Investment trading			
Meren Pte Ltd (Singapore)	Singapore	100.0	100.0
Held by subsidiaries			
Retailers and department store operators			
The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	100.0
Property			
+ Guangzhou International Electronics Building Co Ltd (People's Republic of China)	People's Republic of China	100.0	100.0
Zensei Tokutei Mokuteki Kaisha (Japan)	Japan	–	100.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Held by subsidiaries (cont'd)			
	Investment holding			
	Metro Xinjiang Investments Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Properties (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Leisure (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Shanghai (HQ) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+	Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0
+	Metrobilt Enterprise Ltd (Hong Kong)	People's Republic of China	100.0	100.0
+	MetroProp (China) (Mauritius)	People's Republic of China	94.0	94.0
	Metro City (Beijing) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+	Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0
Ω	Firewave Management Limited (British Virgin Islands)	People's Republic of China	100.0	100.0
(2)	Metro Prop Japan Pte Ltd (Singapore)	Singapore	100.0	100.0
(1)	Kowa Property Pte Ltd (Singapore)	Singapore	100.0	100.0
(1)	Bunkyo Property Pte Ltd (Singapore)	Japan	100.0	100.0
	Metro Prop Singapore Pte Ltd (Singapore)	Singapore	100.0	100.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	 2016 %
	Held by subsidiaries (cont'd)			
	Management service consultants			
	Metrobilt Construction Pte Ltd (Singapore)	Singapore	100.0	100.0
	Zensei Leasing GK (Japan)	Japan	–	100.0
	Dormant companies			
	Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0
	Metro Factory Outlet (Malaysia) Sdn Bhd (Malaysia)	Malaysia	–	100.0

	Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	 2016 %
	Retailers and department store operators			
+^	PT Metropolitan Retailmart (Indonesia)	Indonesia	50.0	50.0
	Property			
&	Etika Cekap Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Gurney Plaza Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
*	Nanchang Top Spring Real Estate Co., Ltd (People's Republic of China)	People's Republic of China	30.0	30.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Investment holding			
^	Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0
Ω	Diamond Wind Company Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
Ω	Choice Bright Holdings Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
	Barlo Development Company Limited (British Virgin Islands)	People's Republic of China	–	33.3
&	Shine Rise International Limited (British Virgin Islands)	People's Republic of China	30.0	30.0
#	Top Spring International Holdings Limited (Cayman Islands)	People's Republic of China	16.1	16.1
&	Fairbriar Real Estate Limited (England and Wales)	United Kingdom	25.0	25.0
&	InfraRed NF China Real Estate Fund II (A), L.P. (Guernsey)	People's Republic of China	23.7	23.7
& (3)	South Bright Investments Limited (British Virgin Islands)	People's Republic of China	48.0	–

	Joint ventures (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Property			
&	Wingcrown Investment Pte. Ltd. (Singapore)	Singapore	40.0	40.0
*@	Shanghai Metro City Commercial Management Co. Ltd (formerly known as Shanghai Metro City Cultural and Entertainment Co Ltd) (People's Republic of China)	People's Republic of China	60.0	60.0
*@	Shanghai Huimei Property Co Ltd (People's Republic of China)	People's Republic of China	60.0	60.0
&	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	50.0	50.0
&	Scarborough DC Limited (England and Wales)	United Kingdom	50.0	50.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

@ The Group has not accounted for its interests in Shanghai Metro City Commercial Management Co. Ltd. and Shanghai Huimei Property Co Ltd as subsidiaries although its interests is in excess of 50% because under the joint venture agreements, the joint venture parties are entitled to a share of the profits of the joint ventures in proportion to their respective capital contributions but have contractual joint control of the joint ventures and require unanimous consent for all major decisions over the relevant activities.

^ The Group has equity accounted for its interest in PT Metropolitan Retailmart and Gurney Investments Pte Ltd as associates in view of the fact that the Group does not have control of the entities but only significant influence over the entities.

(1) Commenced liquidation during the financial year.

(2) Commenced liquidation after the financial year.

(3) Incorporated during the financial year.

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

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

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

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

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

This significant foreign incorporated associate is audited by other firm which is considered a suitable auditing firm as it is one of the big four audit firms.

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 21 June 2017.

Statistics of Shareholdings

As at 2 June 2017

Number of issued and paid up shares (excluding treasury shares)	:	828,035,874
Amount of issued and paid up shares	:	S$165,464,900
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per share
Treasury shares	:	3,512,800
Subsidiary holdings	:	Nil

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	No. of Shares Held	%
1	ENG KUAN COMPANY PRIVATE LIMITED	133,555,636	16.13
2	CITIBANK NOMINEES SINGAPORE PTE LTD	129,765,817	15.67
3	NGEE ANN DEVELOPMENT PTE LTD	82,995,056	10.02
4	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	55,501,388	6.70
5	LEROY SINGAPORE PTE LTD	47,758,905	5.77
6	RAFFLES NOMINEES (PTE.) LIMITED	26,605,454	3.21
7	DBS NOMINEES PTE LTD	20,505,583	2.48
8	MAYBANK KIM ENG SECURITIES PTE LTD	18,374,721	2.22
9	BNP PARIBAS SECURITIES SERVICES	15,998,800	1.93
10	LEE YUEN SHIH	10,578,200	1.28
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,845,738	1.07
12	HL BANK NOMINEES (SINGAPORE) PTE LTD	8,643,584	1.04
13	PHILLIP SECURITIES PTE LTD	8,290,513	1.00
14	MORPH INVESTMENTS LTD	8,060,600	0.97
15	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	7,523,133	0.91
16	SHAW VEE KING	6,581,500	0.79
17	MONCONCEPT INVESTMENTS PTE LTD	5,722,512	0.69
18	TEO CHENG TUAN DONALD	5,000,000	0.60
19	COMO HOLDINGS INC	4,804,800	0.58
20	CITY DEVELOPMENTS REALTY LIMITED	4,608,000	0.56
	TOTAL	609,719,940	73.62

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	104	1.86	3,487	0.00
100 - 1,000	390	6.97	219,941	0.03
1,001 - 10,000	2,285	40.84	13,851,482	1.67
10,001 - 1,000,000	2,773	49.56	154,169,890	18.62
1,000,001 AND ABOVE	43	0.77	659,791,074	79.68
TOTAL	5,595	100.00	828,035,874	100.00

Note: Percentage is computed based on 828,035,874 issued shares (excluding 3,512,800 shares held as treasury shares) as at 2 June 2017.

Substantial Shareholders

As at 2 June 2017

	No. of Shares Direct Interest	% [8]	No. of Shares Deemed Interest	% [8]
Eng Kuan Company Private Limited	133,555,636	16.129	55,439,999 [1]	6.695
Dynamic Holdings Pte Ltd	–	–	48,293,203 [2]	5.832
Leroy Singapore Pte Ltd	47,758,905	5.768	–	–
Ong Jen Yaw	70,540	0.009	215,503,049 [3]	26.026
Ong Ling Ling	75,360	0.009	237,288,838 [4]	28.657
Ong Ching Ping	63,360	0.008	237,288,838 [4]	28.657
Ong Jenn	63,360	0.008	285,047,743 [5]	34.425
Ong Sek Hian (Wang ShiXian)	63,360	0.008	285,047,743 [5]	34.425
Ngee Ann Development Pte Ltd	82,995,056	10.023	–	–
Ngee Ann Kongsi	–	–	82,995,056 [6]	10.023
Takashimaya Company Limited	–	–	82,995,056 [7]	10.023

Notes:

(1) Eng Kuan Company Private Limited ("Eng Kuan")'s deemed interest is held through Maybank Nominees (Singapore) Private Limited.

(2) Dynamic Holdings Pte Ltd ("Dynamic")'s deemed interest is held through Citibank Nominees Singapore Pte Ltd.

(3) Mr Ong Jen Yaw's deemed interest is held through Eng Kuan (188,995,635 shares) and Citibank Nominees Singapore Pte Ltd (26,507,414 shares). Mr Ong Jen Yaw is deemed to be interested in the shares through his interest in Eng Kuan.

(4) Ms Ong Ling Ling's and Ms Ong Ching Ping's deemed interests are each held through their respective interests in Dynamic and Eng Kuan.

(5) Mr Ong Jenn's and Mr Ong Sek Hian (Wang ShiXian)'s deemed interests are each held through their respective interests in Dynamic, Eng Kuan and Leroy Singapore Pte Ltd.

(6) Ngee Ann Kongsi is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.

(7) Takashimaya Company Limited is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.

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

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

To the best of the knowledge of the Company, the percentage of shareholding held in the hands of public as at 2 June 2017 is approximately 49.01% of the total issued shares, excluding treasury shares. Therefore, the Company complies with Rule 723 of the Listing Manual.

TREASURY SHARES AND SUBSIDIARY HOLDINGS

As at 2 June 2017, the number of treasury shares held is 3,512,800 representing 0.42% of the total number of issued shares excluding treasury shares. The Company does not have any subsidiary holdings.

Notice of Annual General Meeting and Notice of Books Closure Date

NOTICE IS HEREBY GIVEN that the Forty-Fourth Annual General Meeting of the Company will be held at Mandarin Ballroom I & II, Level 6, Main Tower, Mandarin Orchard Singapore by Meritus, 333 Orchard Road, Singapore 238867 on 17 July 2017 at 11.00 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement, Auditor's Report and Audited Financial Statements for the year ended 31 March 2017. **(Resolution 1)**

2. To declare the payment of a first and final tax exempt (one-tier) dividend of 2 cents per ordinary share for the year ended 31 March 2017. **(Resolution 2)**

3. To declare the payment of a special tax exempt (one-tier) dividend of 3 cents per ordinary share for the year ended 31 March 2017. **(Resolution 3)**

4. To re-elect Mr Tan Soo Khoon, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (a)] **(Resolution 4)**

5. To re-elect Mrs Fang Ai Lian, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (b)] **(Resolution 5)**

6. To approve the Directors' Fees of $756,833 (2016: $670,361) for the year ended 31 March 2017. **(Resolution 6)**

7. To re-appoint Ernst & Young LLP as the Company's Auditor and to authorise the Directors to fix its remuneration. **(Resolution 7)**

SPECIAL BUSINESS

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

8. **Share Issue Mandate**

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

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

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

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

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

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

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

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

and, in sub-paragraph (1) above and this sub-paragraph (2), "**subsidiary holdings**" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [refer to explanatory note (c)]

(Resolution 8)

9. Renewal of the Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, before the date of the market purchase by the Company, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST));

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, 5% above the Average Closing Price; and

(ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, the NTAV of a Share; and

"**NTAV of a Share**" means the net tangible asset value of a Share taken from the latest announced consolidated financial statements of the Company preceding the date of the making of the offer pursuant to the off-market purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. [refer to explanatory note (d)] **(Resolution 9)**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 27 July 2017 for the purpose of determining shareholders' entitlements to the proposed first and final tax exempt (one-tier) dividend of 2 cents per ordinary share and the special tax exempt (one-tier) dividend of 3 cents per ordinary share for the financial year ended 31 March 2017 (the "**Proposed Dividends**").

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898 up to 5.00 p.m. on 26 July 2017 will be registered before shareholders' entitlements to the Proposed Dividends are determined.

Shareholders (being Depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 26 July 2017 will rank for the Proposed Dividends.

The Proposed Dividends, if approved at the Forty-Fourth Annual General Meeting of the Company to be held on 17 July 2017, will be paid on 7 August 2017.

By Order of the Board
Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries

30 June 2017
Singapore

Notice of Annual General Meeting and Notice of Books Closure Date

Explanatory Notes:

(a) Mr Tan Soo Khoon, if re-elected, will continue to serve as a member of the Audit and Investment Committees. Mr Tan Soo Khoon is considered by the Board of Directors as an Independent Director. For more information on Mr Tan Soo Khoon, please refer to the "Board of Directors" and "Corporate Governance" sections in the Annual Report 2017.

(b) Mrs Fang Ai Lian, if re-elected, will continue to serve as the Chairman of the Audit Committee and a member of the Nominating Committee. Mrs Fang Ai Lian is considered by the Board of Directors as an Independent Director. For more information on Mrs Fang Ai Lian, please refer to the "Board of Directors" and "Corporate Governance" sections in the Annual Report 2017.

(c) The proposed ordinary resolution 8 above, if passed, will empower the Directors of the Company from the date of the Annual General Meeting to issue shares of the Company up to the limits as specified in the resolution for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting. As at 2 June 2017, the Company had 3,512,800 treasury shares and no subsidiary holdings.

(d) The proposed ordinary resolution 9 above, if passed, will empower the Directors of the Company, effective until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or the date on which such authority is carried out to the full extent mandated or is varied or revoked by the Company in a general meeting, whichever is the earliest, to exercise the power of the Company to purchase or acquire its Shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at 2 June 2017, at a purchase price equivalent to the Maximum Price per Share, in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2017 and certain assumptions, are set out in Paragraph 2.7 of the Company's Letter to Shareholders dated 30 June 2017.

Notice of Annual General Meeting and Notice of Books Closure Date

Notes:

(i) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(ii) A proxy need not be a member of the Company.

(iii) If a proxy is to be appointed, the instrument of proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time appointed for holding the Annual General Meeting.

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

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

Important
1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Metro Holdings Limited shares, this Proxy Form is not valid for use by them and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 June 2017.

ANNUAL GENERAL MEETING

PROXY FORM

I/We (Name)______________________________ , (NRIC/Passport No./Co. Regn. No.) ____________________

of (Address) ____ , being a member/members of

METRO HOLDINGS LIMITED (the "**Company**") hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Forty-Fourth Annual General Meeting of the Company (the "**Meeting**") to be held at Mandarin Ballroom I & II, Level 6, Main Tower, Mandarin Orchard Singapore by Meritus, 333 Orchard Road, Singapore 238867 on 17 July 2017 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1	To adopt the Directors' Statement, Auditor's Report and Audited Financial Statements		
2	To declare First and Final Dividend		
3	To declare Special Dividend		
4	To re-elect Mr Tan Soo Khoon, a Director retiring under Article 94 of the Company's Constitution		
5	To re-elect Mrs Fang Ai Lian, a Director retiring under Article 94 of the Company's Constitution		
6	To approve Directors' Fees		
7	To re-appoint Ernst & Young LLP as Auditor and authorise the Directors to fix its remuneration		
	SPECIAL BUSINESS		
8	To approve the Share Issue Mandate		
9	To approve the Renewal of the Share Purchase Mandate		

Voting will be conducted by poll. If you wish to exercise all your votes For or Against, please tick with ' √ '. Alternatively, please indicate the number of votes For or Against each resolution.

Dated this __________ day of __________________ 2017

Total Number of Shares Held	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

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

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time appointed for holding the Meeting.

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

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

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

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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www.metroholdings.com.sg

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