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METRO HOLDINGS LTD

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METRO HOLDINGS LIMITED - SG1111878499 - M01

Stapled Security

No

Announcement Details**Announcement Title**

Annual Reports and Related Documents

Date & Time of Broadcast

27-Aug-2020 07:00:31

Status

New

Report Type

Annual Report

Announcement Reference

SG200827OTHR781N

Submitted By (Co./ Ind. Name)

Tan Ching Chek

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached files for:

1. Annual Report ; and
2. Letter To Shareholders

Additional Details**Period Ended**

31/03/2020

Attachments [Annual%20Report%202020.pdf](#) [LTS.pdf](#)

Total size =5268K MB



STRATEGIC EXPANSION RESILIENT GROWTH

METRO HOLDINGS LIMITED
ANNUAL REPORT 2020

OUR VISION

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

CONTENTS

2	Metro Holdings at a Glance
4	Key Facts
7	Chairman's Message
15	Board of Directors
20	Key Management
22	Partnerships
26	Corporate Structure
27	Portfolio Review
43	Financial Highlights
45	Financial Summary
47	Corporate Social Responsibility
49	Corporate Governance



STRATEGIC EXPANSION **RESILIENT GROWTH**

For more than six decades, Metro has expanded strategically from its home in Singapore to grow into China, Indonesia, the United Kingdom and Australia. This was done in a sustainable manner, allowing us to stay resilient amidst the challenges due to the unprecedented COVID-19 pandemic.

Moving forward, Metro will continue focusing on our core strategies together with our partners, leveraging on the strong foothold in our core markets and our rich retail experience to pursue opportunities globally.

METRO HOLDINGS AT A GLANCE



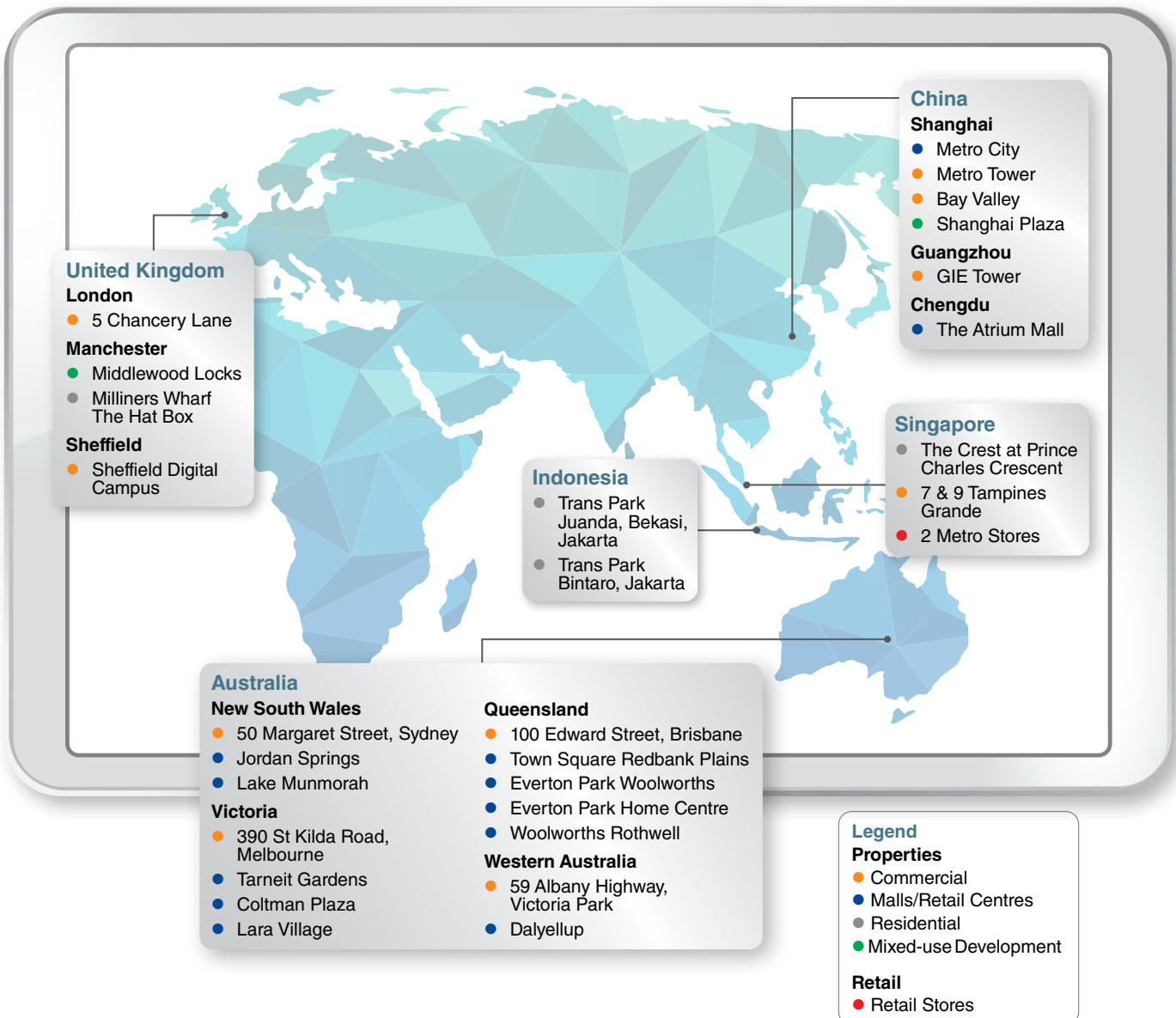
7 & 9 Tampines Grande, Singapore

ABOUT US

Listed on the Mainboard of the SGX-ST in 1973, Metro Holdings was founded in 1957 by the late Mr Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Singapore, Metro has grown over the years to become a property investment and development group with a broadened and diversified asset portfolio, backed by an established retail track record, with a turnover of S\$210.3 million and net assets of S\$1.5 billion as at 31 March 2020.

OUR INTERNATIONAL PRESENCE

Today, the Group operates two core business segments – property investment and development, and retail. It is focused on key markets in the region such as Singapore, the People’s Republic of China (“PRC”), Indonesia and the United Kingdom (“UK”) and Australia.



METRO HOLDINGS AT A GLANCE

PROPERTY INVESTMENT AND DEVELOPMENT

The Group's property arm has significant interests in almost 377,000 square metres of prime retail and office investment properties in gateway cities in the PRC, such as Shanghai, Guangzhou and Chengdu, as well as Singapore, London and Australia; and over 380,000 square metres of residential and mixed-use development properties predominantly held for sale. The Group also owns 14.9% of Top Spring International Holdings Limited ("Top Spring"), a Hong Kong-listed PRC property developer and invests 23.7% and 4.9% in InfraRed NF China Real Estate Fund II (A), L.P. ("InfraRed Fund II") and InfraRed Fund III respectively, both private equity real estate opportunity funds and 7.4% in Mapletree Global Student Accommodation ("MGSA") Private Trust, a private trust in Singapore.



Metro Tower and Metro City, Shanghai



Trans Park Bintaro, Jakarta



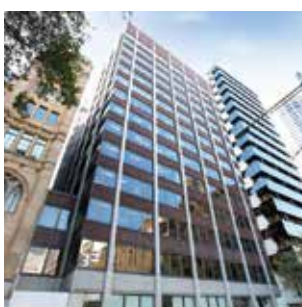
The Atrium Mall, Chengdu



5 Chancery Lane, London



GIE Tower, Guangzhou



50 Margaret Street, Sydney

CHINA

Shanghai

Metro City, Metro Tower, Shanghai Plaza, Shanghai Shama Century Park, Bay Valley

Guangzhou

GIE Tower

Chengdu

The Atrium Mall

INDONESIA

Jakarta

Trans Park Juanda, Bekasi, Trans Park Bintaro

SINGAPORE

The Crest at Prince Charles Crescent, 7 & 9 Tampines Grande

UNITED KINGDOM

Manchester

Middlewood Locks, Milliners Wharf The Hat Box

Sheffield

Sheffield Digital Campus

London

5 Chancery Lane

AUSTRALIA

New South Wales

50 Margaret Street, Jordan Springs, Lake Munmorah

Victoria

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

Queensland

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

Western Australia

59 Albany Highway, Dalyellup

CHINA INVESTMENT

Top Spring
InfraRed Fund II
InfraRed Fund III

SINGAPORE INVESTMENT

MGSA Private Trust

RETAIL

Metro's retail arm serves customers through two Metro department stores in Singapore. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise.

SINGAPORE

Causeway Point, Paragon and The Centrepoint (Closed in October 2019 upon lease expiry)

INDONESIA (Divested on 12 December 2019)

Jakarta, Bandung, Makassar, Surabaya and Solo



Singapore



Indonesia

KEY FACTS

**EARNINGS
PER SHARE**

3.9
cents

11.6 cents
in FY2019

**DIVIDEND
PER SHARE**

2.0
cents

4.5 cents
in FY2019

**PROFIT
ATTRIBUTABLE
TO SHAREHOLDERS**

S\$32.2
million

S\$96.3 million
in FY2019

**NET ASSET VALUE
ATTRIBUTABLE
TO SHAREHOLDERS**

S\$1,500
million

S\$1,510 million
in FY2019

REVENUE

S\$210.3
million

S\$172.0 million
in FY2019

**RETURN ON
SHAREHOLDERS'
FUNDS**

2.14%

6.47%
in FY2019

**NET ASSETS
PER SHARE**

S\$1.81

S\$1.82
in FY2019

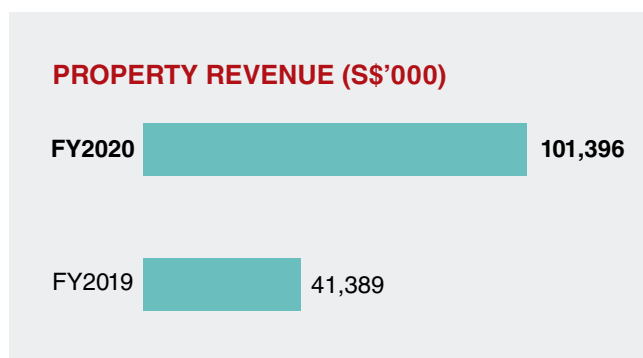
**DIVIDEND
PAYOUT RATE**

51.4 %

38.7%
in FY2019

KEY FACTS

PROPERTY DIVISION



The Property Division's revenue increased by S\$60.0 million to S\$101.4 million in FY2020, up from S\$41.4 million in FY2019 mainly from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Revenue from GIE Tower, Guangzhou, decreased by S\$0.7 million from S\$6.9 million in FY2019 to S\$6.2 million in FY2020 due to rental rebates extended to help tenants cushion the business impact arising from the COVID-19 pandemic.

The average occupancy rate for Metro's five investment properties – GIE Tower in Guangzhou; Metro City and Metro Tower in Shanghai, China; the fully-leased freehold office property at 5 Chancery Lane in Central London, the United Kingdom (the "UK"); and 7 & 9 Tampines Grande, Singapore – was 94.3% as at 31 March 2020.

Recent Developments

- **Singapore** – In April 2019, the Group grew its presence in Singapore by acquiring a 50% stake in 7 and 9 Tampines Grande, two blocks of premium Grade-A Green Mark Platinum Award office buildings strategically located at Tampines Regional Centre.
- **Chengdu, China** – In May 2019, the Group expanded its footprint to Chengdu, China with the acquisition of a 25% stake in a prime commercial mall ("The Atrium Mall") that is part of a landmark mixed-use development, The Atrium ("晶融汇").
- **Australia** – In November 2019, the Group expanded its regional footprint by acquiring a 20% stake in a portfolio of 14 quality freehold office and retail properties in Australia. This investment is in line with the Group's strategy to drive the diversification of its investment portfolio across the region and generate a stable and recurring income stream to the Group. To align the interest with its strategic partner and to grow its asset management arm, the Group invested a 20% equity stake in a newly incorporated asset

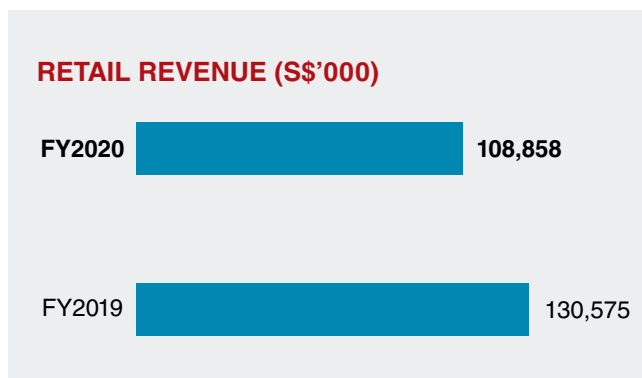
and investment management company, namely Sim Lian – Metro Capital Pte. Ltd., in November 2019 to manage the portfolio in Australia.

Outlook

- **Singapore** – The Group's premium Grade-A office towers at Tampines Regional Centre's average occupancy rate remains high and leasing is underway. Meanwhile, sales of the residential project, The Crest at Prince Charles Crescent, is subject to the impact of cooling measures in the Singapore property market and the COVID-19 pandemic.
- **China** – Recognising the challenging business environment caused by the COVID-19 pandemic, rental rebates and waivers as well as extension of payment terms were granted to some tenants at Metro City, Metro Tower and GIE Tower who faced cashflow difficulties due to the closure of business operation. The three properties continue to maintain a high average occupancy rate and contribute stable recurring income. Following the lifting of the lockdown measures in China, leasing activities for the three office buildings in Bay Valley are also improving. Asset management works for Shanghai Plaza and The Atrium Mall in Chengdu have resumed and leasing activities are in progress. Our associate, Top Spring, continues to be subject to the China market headwinds.
- **Indonesia** – The construction milestones of the two residential projects, namely Trans Park Juanda, Bekasi and Trans Park Bintaro, are progressing well and are on track. Trans Park Juanda, Bekasi comprises five 32-storey residential towers, where four towers have topped off and Trans Park Bintaro comprises two residential towers where one of the towers has topped off. Sales for both projects are underway.
- **United Kingdom** – Our office property at 5 Chancery Lane continues to be fully leased through 2023. For the Middlewood Locks development project in Manchester, we remain on track towards another major milestone with the submission of planning approval of Phase 3 development in May 2020. Phase 3 is expected to commence construction in early 2021 with completion expected in 2023. Development efforts on Vidrio House, Sheffield, is in progress.
- **Australia** – The recently acquired 20% equity stake in a portfolio of 14 quality freehold properties comprising four office buildings and 10 retail centres, will generate a stable and recurring income stream.

KEY FACTS

RETAIL DIVISION



Metro's retail revenue decreased to S\$108.9 million in FY2020 from S\$130.6 million in FY2019 mainly due to the absence of the Metro Centrepoint's sales as well as the shortening of operating hours in February and March 2020, arising from the outbreak of COVID-19 pandemic.

Recent Developments

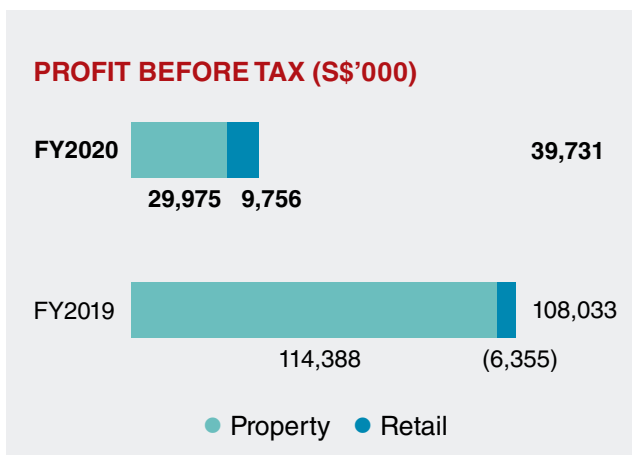
In line with our Group's long-term strategy of rationalising the retail business:

- Metro Centrepoint ceased operations in October 2019 upon lease expiry.
- In December 2019, Metro divested its Indonesian retail business to our existing partner whilst retaining a licensing fee.

Outlook

- Retail division continues to operate amidst difficult trading conditions.
- Capitalise on retail brand name in Singapore and continue to focus on multi-media strategy and deployment of technology to enhance customers shopping experience.
- Consolidate operational efforts to achieve higher efficiency and productivity.

PROFIT BEFORE TAX



The Group's FY2020 profit before tax ("PBT") was S\$39.7 million, as compared to S\$108.0 million in FY2019. This was mainly due to the fair value loss of the Group's investment properties held by our subsidiary, associates and joint ventures of S\$8.5 million in FY2020 versus a fair value gain of S\$49.1 million in FY2019. In addition, arising from the COVID-19 pandemic, the Group recorded a fair value loss of S\$7.9 million on the short term and long term investments in FY2020 versus a fair value gain of S\$9.3 million in FY2019, and S\$13.1 million of rental rebates and waivers granted to tenants for properties held by our subsidiary, associates and joint ventures. All these were partially mitigated by the divestment gain of S\$10.6 million from the disposal of the Group's 50% equity stake in its retail associate in Indonesia, PT Metropolitan Retailmart.

CHAIRMAN'S MESSAGE



Metro will take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows and liquidity, and actively managing our existing investment portfolio, for optimal returns.



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 2020 ("FY2020").

FY2020 was a volatile year for the global economy due to challenges brought about mainly by the ongoing trade war between China and the United States. This was further exacerbated by the COVID-19 pandemic, which has led to an unprecedented global economic crisis.

Against these headwinds, I am heartened to report that our recurring income base, which we strategically built up over the years, has allowed us to sustain our profitability amid these challenging times.

FINANCIAL REVIEW

In FY2020, the Group registered a 22.3% year-on-year ("YoY") growth in revenue to S\$210.3 million, an improvement of S\$38.3 million over last year ("FY2019") mainly driven by revenue recognition from the sale of property rights of the residential development properties in Bekasi and Bintaro, Jakarta. Metro's FY2020 profit before tax ("PBT") was S\$39.7 million, as compared to S\$108.0 million in FY2019, mainly due to fair value loss of the Group's investment properties held by our subsidiary, associates and joint ventures of S\$8.5 million, as compared to a fair value gain of S\$49.1 million in FY2019. As a result of the COVID-19 pandemic, the Group also recorded a fair value loss of S\$7.9 million on our short term and long term investments in FY2020, as compared to a fair value gain of S\$9.3 million in FY2019. Recognising the challenges faced by our tenants, the Group also extended rental rebates and waivers to tenants of properties held by our subsidiary, associates and joint ventures, amounting to S\$13.1 million. These were mitigated by the divestment gain of S\$10.6 million from the disposal of the Group's 50% equity interest

in its retail associate in Indonesia, PT Metropolitan Retailmart ("PT MRM"), as well as gains on disposal of short term investments of S\$0.9 million and foreign exchange differences of S\$2.7 million.

As at 31 March 2020, the Group maintained a healthy balance sheet, with net assets of S\$1.5 billion. The Group's strong financial position coupled with the S\$1 billion Multicurrency Debt Issuance Programme established in October 2018 provides headroom for us to seize growth opportunities in our key markets of Singapore, China, Indonesia, the UK, and more recently, Australia.

PROPERTY INVESTMENT AND DEVELOPMENT

Strategic Acquisitions and Expansion of Regional Presence

In line with Metro's strategy to drive the diversification of its investment portfolio across the region and generate a stable and recurring income stream, the Group continued to grow its presence in Singapore and China, and expanded its footprint into Australia during the year under review.

During the year under review, we identified opportunities in a Singapore commercial property namely 7 & 9 Tampines Grande, a prime commercial mall ("The Atrium Mall"), being part of the landmark mixed-use development The Atrium ("晶融汇") in Chengdu, China, and a portfolio of defensive Australian office and retail assets. Through these investments, we continued to strengthen our recurring income and portfolio diversification to achieve resilient growth.

The average occupancy of the Group's five investment properties in Guangzhou, Shanghai, London and Singapore as at 31 March 2020 was 94.3%.

Singapore

In view of the increasing demand within the decentralised office market, in April 2019, we acquired

CHAIRMAN'S MESSAGE

two blocks of premium Grade-A office towers, namely 7 & 9 Tampines Grande, through a 50% interest in a joint venture at Tampines Regional Centre which is well connected by both private and public transport, with easy access to major expressways.

The property enjoys a high average occupancy of 88.6% as at 31 March 2020 with a well-diversified tenant profile across various industries including conglomerate, technology, financial services and insurance industry. The buildings were conferred the Green Mark Platinum Award by the Building and Construction Authority and the LEED Gold Certification by the US Green Building Council.

China

In May 2019, we successfully entered into the most prime location in the high growth city of Chengdu with the acquisition of a 25% equity stake in The Atrium Mall, a LEED Gold certified property, for an investment amount of RMB200 million (S\$39.8 million). This ties in well with our strategy of investing in quality properties with the potential to improve returns through multiple active asset management strategies, including asset enhancement and tenant mix restructuring.

The Atrium Mall is strategically located in the heart of the Chun Xi Road Business District and surrounded by international hotels, upscale office buildings and modern shopping malls such as Chengdu International Finance Square and Taikoo Li Chengdu. The Atrium Mall also features excellent connectivity to the public transportation network being connected by two train stations and over 20 bus lines.

Indonesia

In Jakarta, Indonesia, the construction milestones of the two residential projects namely Trans Park Juanda, Bekasi and Trans Park Bintaro are progressing well and are on track. Trans Park Juanda, Bekasi comprises five 32-storey residential towers, where four towers have topped off and Trans Park Bintaro comprises two residential towers where one of the towers has topped off. Sales for both projects are underway.

Due to the COVID-19 pandemic restrictions all retail outlets in the Bekasi and Bintaro malls were closed from April to June 2020 except for Transmart, resulting in a slowdown in sales and construction. Despite this, sales continued online through Facebook, Instagram, Zoom and YouTube.

United Kingdom

For the Middlewood Locks development project in Manchester, we completed Phase 1 construction work for 571 units and the sold units are being handed over in stages. Over 800 apartments – 277 units in Phase 1 and all 546 units in Phase 2 – were sold to Get Living, a UK private rented sector venture backed by Delancey Oxford Residential, APG and Qatari Diar.

We remain on track towards another major milestone for this development project in Manchester with the submission of planning approval of Phase 3 development in May 2020. Phase 3 comprises two residential blocks to provide approximately 190 new homes, circa 5,000 sqft of retail, leisure and amenity accommodation together with 5,000 sqft of office net lettable area. Phase 3 is expected to commence construction in early 2021 with completion expected in 2023.

The entire mixed-use development will eventually provide 2,215 new homes and about 750,000 sqft of commercial space including offices, hotel, shops, restaurants, a convenience store and gym.

Australia

To drive the diversification of the Group's investment portfolio across the region and generate a stable and recurring income stream, we expanded our regional presence into Australia in November 2019. Through our first collaboration and partnership with the Sim Lian Group, Metro acquired a 20% equity stake in a portfolio of 14 quality freehold properties comprising four office buildings and 10 retail centres that span across four key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia. As at 31 March 2020, the portfolio average occupancy stood at 96.7% and with a long overall weighted average lease expiry of approximately 7.5 years.

To align the interest with our strategic partner and to grow the Group's asset management arm, we have also invested a 20% equity stake in a newly incorporated asset and investment management company, namely Sim Lian – Metro Capital Pte. Ltd., to manage the portfolio in Australia.

RETAIL

As part of the Group's strategy in rationalising our retail business, the Metro Centrepoint store was closed upon its lease expiry in October 2019. In December 2019, Metro also divested our Indonesian retail associate PT MRM which operated 11 Metro stores across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado, to our existing partner for a profit whilst retaining a trademark licensing fee.

We registered lower revenue of S\$108.9 million in FY2020 as compared to S\$130.6 million in FY2019 mainly due to the absence of the Metro Centrepoint's sales as well as the shortening of operating hours in February and March 2020 arising from the outbreak of COVID-19 pandemic.

Despite the lower revenue, the Group recorded an operating profit of S\$10.4 million, mainly due to the divestment gain of S\$10.6 million from the sale of the Group's 50% equity interest in PT MRM. Excluding this divestment gain, Metro retail's Singapore

CHAIRMAN'S MESSAGE

operation recorded a lower operating loss of S\$0.2 million in FY2020 as compared to an operating loss of S\$7.1 million in FY2019, mainly due to higher profit, an absence of provision for stock obsolescence and impairment of fixed assets that were recorded in FY2019.

OUTLOOK

As the COVID-19 pandemic continues to inflict high human costs worldwide, the global economy is facing an unprecedented crisis and an uncertain recovery. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and the widespread closure of businesses to slow the spread of the virus. While many countries have found success in containment measures and gradually eased lockdown restrictions, there remains a significant degree of uncertainty as the situation is fluid and subject to change on an ongoing basis. As a result of the COVID-19 pandemic triggered financial crisis, the global economy is projected to contract sharply by -4.9% in 2020¹.

Property investment and development

Due to extreme measures, including the total lockdown of entire cities in Hubei to contain the COVID-19 pandemic, China's economy contracted for the first time in nearly three decades. The country's gross domestic product ("GDP") contracted by 6.8% in 1Q 2020, a reversal from the 6.0% growth in 4Q 2019. In response to the crisis brought about by the pandemic, China has loosened its monetary policy to cushion the impact on the economy².

Recognising the challenging business environment caused by the COVID-19 pandemic, rental rebates and waivers as well as extension of payment terms were granted to some tenants at Metro City, Metro Tower and GIE Tower who faced cashflow difficulties due to the closure of business operations. Our three properties continue to maintain a high average occupancy rate and contribute stable recurring income. After the lockdown was lifted and businesses resumed in our properties, Metro City witnessed the increase in customer spending levels and leasing activities for the three office buildings in Bay Valley are also improving. Asset management works for Shanghai Plaza and The Atrium Mall in Chengdu have resumed and leasing activities are in progress. Nonetheless, the shadow

of a potential second COVID-19 wave in Beijing and Xinjiang, China and the ongoing trade tensions between China and the United States may likely weigh down the economy. For the near-term, our associate namely Top Spring continues to be subject to the China market headwinds.

In Singapore, the country's GDP contracted 12.6% on a YoY basis in the second quarter of 2020 due to the Circuit Breaker ("CB") measures that were implemented from 7 April to 1 June to slow the spread of COVID-19³ and the Ministry of Trade and Industry ("MTI") downgraded 2020 GDP growth forecast to "-7.0 to -4.0%"; from "-4.0 to -1.0%"⁴. For Singapore's commercial property sector, Grade-A core CBD vacancy rose to 4.6% as at 30 June 2020, due to newly completed buildings which have lower occupancy. Looking ahead, vacancies could rise further in the second half of 2020 with a contraction in net demand and incoming supply⁵. The Group's premium Grade-A office towers at Tampines Regional Centre's average occupancy rate remains high and leasing is underway. Meanwhile, sales of the residential project, The Crest at Prince Charles Crescent, is subject to the impact of cooling measures in the Singapore property market and the COVID-19 pandemic.

Indonesia's GDP in the second quarter of 2020 contracted by 3.8%, as a result of the economic impact of the COVID-19 pandemic. Indonesia's President Joko Widodo (Jokowi) was re-elected in 2019 for a second five-year term, which is perceived to provide several years of political stability for the nation and this should also provide market confidence for both developers and buyers of real estate. Developers in 2019 attempted to make unit prices more affordable by compressing unit sizes and, in general, smaller, cheaper units continued to attract more interest. Residential is the most active sector in terms of investor activity. International investors, particularly those from Japan, Singapore and Hong Kong, are consistently interested in developing both condominiums and landed housing in Greater Jakarta's sprawling townships. A number of these developers are currently working on multiple projects⁶. This bodes well for our two residential projects in Jakarta, namely Trans Park Juanda, Bekasi and Trans Park Bintaro, whose construction milestones are progressing well and are on track while sales and cash collections for our projects are slow due to the COVID-19 pandemic restrictions.

In the UK, take-up in the Central London office sector declined during 2Q2020 to a total of 1.1 million sqft because of the COVID-19 pandemic, a decline of 66% from the 10-year quarterly average. Availability continued to increase over the period, growing by 18% to stand at 16.1 million sqft⁷. Our office property at 5 Chancery Lane continues to be fully leased through 2023. Meanwhile, Manchester residential prices are forecast to grow around 3.2% per annum over the next five years, while rental growth is expected to

¹ IMF, *World Economic Outlook – June 2020*

² IMF, *Policy Responses to COVID-19*

³ MTI Singapore, *Singapore's GDP Contracted by 12.6 Per Cent in the Second Quarter of 2020 – 14 July 2020*

⁴ MTI Singapore, *MTI Downgrades 2020 GDP Growth Forecast to "-7.0 to -4.0 Per Cent" – 26 May 2020*

⁵ Colliers, *Opportunities for Resilient Occupiers | Office Q2 2020 – July 2020*

⁶ JLL, *Jakarta Property Market Review 4Q19 – February 2020*

⁷ CBRE, *Central London Office Market View Q2 2020*

CHAIRMAN'S MESSAGE

average 3.1% per annum⁸. For the Middlewood Locks development project in Manchester, we remain on track towards another major milestone with the submission of planning approval of Phase 3 development in May 2020. Phase 3 is expected to commence construction in early 2021 with completion expected in 2023. Development efforts on Vidrio House, Sheffield, is in progress.

On 7 July 2020, in Australia, the Reserve Bank of Australia ("RBA") decided to maintain the current policy settings, including the targets for the cash rate and the yield on 3-year Australian Government bonds of 25 basis points⁹. The property buyers remain focused on Sydney and Melbourne CBD office assets, as well as retail non-discretionary properties in Sydney, Brisbane and Melbourne¹⁰. This augurs well for the Group's recent acquisition of the 14 quality freehold properties, comprising four office buildings and 10 retail centres located in CBD and regionally respectively. As at 31 March 2020, the portfolio occupancy stood at 96.7%.

Retail

The retail division continues to operate amidst difficult trading conditions. Metro continues to focus on cost discipline amidst this highly competitive environment, to cope with margin pressures, while leveraging on our online platforms and multi-media strategy to capture the growing e-commerce market.

In Conclusion

Through strategic partnerships, we have expanded our geographical presence over the years in China, Singapore, Indonesia, the UK, and most recently, into Australia. Today, Metro has a well-diversified portfolio and we will continue to build our recurring income base.

Amidst the evolving COVID-19 pandemic situation, each region is in a different phase of the global challenge including the possibility of further lockdowns in the countries Metro operates and this has created huge uncertainty and volatility in the markets. Metro will continue to monitor the situation closely and take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows and liquidity, and actively managing our existing investment portfolio, for optimal returns. With regards to our asset management strategy, we will prioritise critical asset enhancement, while deferring uncommitted capital expenditure and implementing cost savings, where possible.

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

PROPOSED DIVIDEND

To reward shareholders, the Board has recommended, on a per share basis, dividends totalling 2.0 Singapore cents. This represents a dividend yield of 3.0%¹¹ and a payout ratio of 51.4% of the net profit attributable to shareholders for FY2020.

APPRECIATION

I wish to thank our loyal shareholders, valued customers, business partners, associates and stakeholders for their support and understanding throughout Metro's journey of over 60 years. Specifically, I would like to thank our staff for their commitment and dedication to the company during this extremely challenging period.

I would also like to take this opportunity to extend our appreciation to my fellow Board members for their guidance, counsel and advice.

We look forward to your continued support as we forge ahead with our long term strategy of driving sustainable growth and value for our shareholders. With our strong foundation and clear vision, we are well-positioned to continue our growth as a leading property investment and development group in both new and existing key markets.

Lt-Gen (Retd) Winston Choo
Chairman

7 August 2020

⁸ JLL, *Living with 2020 Vision: UK City Centre Forecasts – March 2020*

⁹ Reserve Bank of Australia, *Statement by Philip Lowe, Governor: Monetary Policy Decision – July 2020*

¹⁰ Savills, *Asia Pacific – Q4 2019, Investment Quarterly*

¹¹ Share price of S\$0.660 as at 31 March 2020

主席致词

美罗将采取积极主动的措施来加强我们的财务状况，包括保留现金、优化现金流和流动性、积极管理我们现有的投资组合，以获得最佳回报。

朱维良中将
集团主席



尊敬的各位股东：

我谨代表美罗控股有限公司（简称“美罗”或“集团”）董事会，很荣幸地向各位公布截至2020年3月31日财政年度（“2020财政年度”）的年度报告。

中美贸易战使得2020财政年度是全球经济动荡的一年。新型冠状病毒肺炎（“COVID-19”）大流行进一步加剧了动荡，导致了一场前所未有的全球经济危机。

面对这些不利因素，我很高兴地报告，我们多年来战略性地建立的持续收入基础使我们能够在这些充满挑战的时期保持盈利能力。

财务回顾

2020财政年度，集团的收入同比增长22.3%，达到2.103亿新元。较去年（“2019财政年度”）增加了3,830万新元。这主要来源于出售雅加达Bekasi和Bintaro住宅开发物业产权的收入确认。

美罗在2020财政年度取得的税前利润为3,970万新元，而2019财政年度的税前利润为1.08亿新元。这主要是由于子公司、联营公司和合资企业持有的集团投资性房地产的公允价值损失为850万新元，而2019财政年度的公允价值收益为4,910万新元。受新型冠状病毒肺炎大流行的影响，较之2019财政年度集团在短期和长期投资中930万新元的公允价值收益，集团在2020财政年度的公允价值损失为790万新元。理解到我们的租户所面临的挑战，集团亦将租金减免的范围扩大至子公司、联营公司和合资企业所持物业的租户，共计1,310万新元。集团出售在印尼零售联营公司PT Metropolitan Retailmart（“PT MRM”）50%的股权所获得1,060万新元

的资产销售收益，以及90万新元的短期投资处置收益和270万新元的汇兑差额，缓和了本年度的利润减少幅度。

截至2020年3月31日，集团保持稳健的资产负债表，净资产达15亿新元。集团强健的财务状况，加上2018年10月制定的10亿新元的多币种债券发行计划，为我们在新加坡、中国、印度尼西亚、英国以及最近的澳大利亚等主力市场中抓住增长机会提供了空间。

房地产投资和发展

战略性收购和扩大区域存在

根据美罗推动其投资组合在整个地区的多样化并产生稳定和持续收入的战略，集团继续扩大在新加坡和中国的业务，并在本年度内将业务拓展至澳大利亚。

本年度我们发掘机遇投资了新加坡写字楼7 & 9 Tampines Grande、中国成都的一个优质商业中心（“The Atrium Mall”）及澳大利亚办公楼和零售物业的防御性投资组合。成都The Atrium Mall是地标性商业综合体晶融汇（“The Atrium”）的一部分。通过这些投资，我们继续加强持续收入和投资组合多元化，以实现坚挺增长。

截至2020年3月31日，集团在广州、上海、伦敦和新加坡的五项投资性房地产的平均出租率为94.3%。

新加坡

鉴于分散式办公市场的需求不断增加，2019年4月，我们通过持有合资公司50%的股份，收购了7 & 9 Tampines Grande，两座位于在淡滨尼区域中心的优质甲级写字楼。淡滨尼区域中心良好地连接了私人 and 公共交通，可方便地通往主要高速公路。

主席致词

截至2020年3月31日，该物业的平均出租率高达88.6%，拥有多元化的租户，行业涉及综合企业、技术、金融服务和保险业。该写字楼获得建设局颁发的绿色建筑标志白金星级奖，并被美国绿色建筑委员会授予LEED金级认证。

中国

2019年5月，我们以2亿元人民币（3,980万新元）的投资额收购了The Atrium Mall 25%的股权，并成功进入了成都这个高增长城市最黄金地段。The Atrium Mall是一家LEED金级认证的商业购物中心。这与我们投资优质物业的策略紧密相连。该策略具有通过多种积极的资产管理策略（包括资产改造和租户组合重组）提高回报的潜力。

The Atrium Mall地理位置优越，位于春熙路商业区的中心，周围有国际酒店、高档写字楼和现代化购物中心如成都国际金融广场及成都太古里。The Atrium Mall还具有与公共交通网络的出色连通性，该公共交通网络由2个火车站和20多条公交线路连接在一起。

印度尼西亚

在印度尼西亚的雅加达，Trans Park Juanda, Bekasi和Trans Park Bintaro这两个住宅项目的建设进展顺利，正在按计划进行。Trans Park Juanda, Bekasi项目项下有5个32层的住宅楼，其中4栋楼已经封顶，而Trans Park Bintaro项目项下有2个住宅楼，其中1栋楼已经封顶。这两个项目的销售正在进行中。

受限于新型冠状病毒肺炎大流行，除了Transmart外，Bekasi和Bintaro商场的零售店从2020年4月至6月处于关闭状态，导致销售和施工放缓。尽管如此，销售还是通过Facebook、Instagram、Zoom和YouTube继续在网上传播。

英国

关于曼彻斯特the Middlewood Locks开发项目，我们完成了571个公寓的第一期施工，出售的单元正在分阶段移交。超过800多套公寓（第一期277套，第二期546套）被出售给Get Living。Get Living是一家由Delancey Oxford Residential、APG和Qatari Diar支持的英国私人公寓租赁企业。

随着2020年5月第三期开发项目规划审批的提交，我们将继续朝着曼彻斯特开发项目的另一个重要里程碑

迈进。第三期开发项目项下有2栋住宅楼，拥有约190个单元，约5,000平方英尺的零售、休闲和便利设施，以及5,000平方英尺的办公净出租面积。第三期开发项目预计于2021年初动工，预计2023年竣工。

整个综合用途开发项目最终将提供2,215套新住宅和约75万平方英尺的商业空间，包括办公室、酒店、商店、餐厅、便利店和健身房。

澳大利亚

为了推动集团投资组合在多地区的多元化发展，并产生稳定和持续的收入，我们于2019年11月将我们的区域业务扩展到澳大利亚。通过与森联集团的首次合作，美罗收购了14个优质永久业权物业的投资组合20%的股权。这些物业包括4栋办公楼和10个零售中心，分布在澳大利亚的四个主要州，即新南威尔士州、维多利亚州、昆士兰州和西澳大利亚州。截至2020年3月31日，投资组合的平均出租率为96.7%和加权平均租赁期约为7.5年。

为了与我们的战略合作伙伴保持利益一致，并发展集团的资产管理业务，我们投资了一家新成立的资产和投资管理公司（Sim Lian – Metro Capital Pte. Ltd.）20%的股权，以管理澳大利亚的投资组合。

零售业务

作为集团合理化零售业务战略的一部分，美罗先得坊Metro Centrepoint门店于2019年10月租赁期限届满后关闭。2019年12月，美罗亦剥离了我们的印尼零售联营公司PT MRM于我们现有的合作伙伴以获取利润，同时保留商标许可费。PT MRM在雅加达、万隆、泗水、孟加锡、梭罗和万鸦老经营11家Metro门店。

与2019财政年度的1.306亿新元相比，我们在2020财政年度的收入减少至1.089亿新元，主要原因是，美罗先得坊Metro Centrepoint门店销售额减少，以及新型冠状病毒肺炎大流行病的爆发造成2020年2月和3月营业时间缩短。

尽管收入较低，但集团仍取得1,040万新元的营业利润，主要是因为出售集团在PT MRM的50%股权而获得1,060万新元的资产销售收益。除去这一剥离资产收益，较之2019财政年度710万新元的营业亏损，美罗新加坡的零售业务在2020财政年度的营业亏损为20万新元。这主要是由于较高毛利润、没有了关于在2019财政年度存货报废和固定资产减值的计提金额。

主席致词

展望未来

随着新型冠状病毒肺炎大流行继续在全世界造成高昂的人力成本,全球经济正面临前所未有的危机和不确定性的复苏。为了保护生命和允许医疗系统应对,需要隔离、封锁和大范围关闭企业以减缓病毒的传播。虽然许多国家在遏制措施方面取得了成功,并逐步放宽了封锁限制,但由于局势不稳定,而且会不断发生变化,因此仍然存在很大程度的不确定性。由于新型冠状病毒肺炎大流行引发的全球金融危机,全球经济预计在2020年将大幅萎缩-4.9%¹。

房地产投资和发展

由于采取了极端措施,包括对湖北所有城市实施全面封锁,以遏制新型冠状病毒肺炎大流行,中国经济近30年来首次出现收缩。2020年第一季度,国内生产总值(GDP)因此下降了6.8%。这是对2019年第四季度6.0%增长的逆转。为了应对新型冠状病毒肺炎大流行带来的危机,中国放松了货币政策,以缓冲对经济的影响²。

理解到新型冠状病毒肺炎大流行所造成的具有挑战性的商业环境,美罗城、美罗大厦和广州国际电子大厦的一些租户因业务运营关闭而面临现金流困难,美罗向他们提供了租金减免并延长了其付款期限。我们的三个物业将继续保持较高的平均出租率,并提供稳定的持续收入。在解除封锁和我们物业的经营恢复后,美罗城感受到了消费者消费水平的增长,湾谷三栋写字楼的租赁活动也在改善。上海广场和成都The Atrium Mall的资产管理工作已经恢复,租赁活动正在进行中。尽管如此,受到在中国北京和新疆可能出现的第二轮新型冠状病毒肺炎流行,以及中美之间持续的贸易紧张局势的影响,中国经济可能会被拖累。短期内,我们的联营公司莱蒙将继续受到中国市场不利因素的影响。

在新加坡,由于4月7日至6月1日实施的病毒阻断措施(“CB”)以减缓新型冠状病毒肺炎大流行的传播³,2020年第二季度的国内生产总值同比收缩12.6%。贸易和工业部(MTI)预测2020年生产总值增长将从“-4.0%至-1.0%”下调至“-7.0%至-4.0%”⁴。截至2020年6月30日,新加坡商业地产行业的A级核心CBD空置率上升至4.6%,原因是新竣工的建筑入租率较低。展望未来,随着净需求和新增供应的萎缩,2020年下半年空置率可能进一步上升⁵。集团位于淡滨尼区域中心的超甲级写字楼的平均入租率仍然很高,租赁正在进行中。与此同时,位于查尔斯王储新月会(Prince Charles Crescent)的Crest住宅项目的销售受到新加坡房地产市场降温措施和新型冠状病毒肺炎大流行的影响。

受新型冠状病毒肺炎大流行的经济影响,印度尼西亚2020年第二季度的国内生产总值收缩了3.8%。印尼总统佐科·维多多(Joko Widodo)于2019年连任第二个五年任期。这被认为可以为国家带来数年的政治稳定,也将为房地产开发商和买家提供市场信心。2019年,开发商试图通过压缩单元面积,使单元价格更实惠。总体而言,较小、较便宜的单元能继续吸引更多消费者的兴趣。就投资者活动而言,住宅是最活跃的行业。国际投资者,特别是来自日本、新加坡和香港的投资者,一直对在大雅加达区域开发公寓和有地住宅感兴趣。许多开发商目前正在从事多个项目⁶。这对我们在雅加达的两个住宅项目,即Trans Park Juanda, Bekasi和Trans Park Bintaro来说是一个好兆头。这两个项目建设里程碑进展顺利且步入正轨。但新型冠状病毒肺炎大流行的限制导致项目的销售和现金收款缓慢。

在英国,由于新型冠状病毒肺炎大流行,伦敦市中心写字楼的需求积在2020年第二季度下降至总计110万平方英尺,较十年季度平均水平下降了66%。在此期间,可用性面销继续增加,增长了18%,达到1,610万平方英尺⁷。到2023年,我们位于Chancery Lane 5号的办公楼将继续全部出租。同时,预计曼彻斯特住宅价格在未来五年内将以每年3.2%左右的速度增长,而租金的年平均增长率预计为3.1%⁸。关于位于曼彻斯特的the Middlewood Locks开发项目,随着2020年5月提交第三期开发项目的规划审批,我们将继续朝着另一个重要里程碑迈进。第三期预计于2021年初动工,预计2023年竣工。Vidrio House, Sheffield的开发工作正在进行中。

¹ IMF, *World Economic Outlook – June 2020*

² IMF, *Policy Responses to COVID-19*

³ MTI Singapore, *Singapore's GDP Contracted by 12.6 Per Cent in the Second Quarter of 2020 – 14 July 2020*

⁴ MTI Singapore, *MTI Downgrades 2020 GDP Growth Forecast to “-7.0 to -4.0 Per Cent” – 26 May 2020*

⁵ Colliers, *Opportunities for Resilient Occupiers | Office Q2 2020 – July 2020*

⁶ JLL, *Jakarta Property Market Review 4Q19 – February 2020*

⁷ CBRE, *Central London Office Market View Q2 2020*

⁸ JLL, *Living with 2020 Vision: UK City Centre Forecasts – March 2020*

主席致词

2020年7月7日,澳大利亚储备银行(RBA)决定维持当前的政策部署,包括现金利率目标和3年期澳大利亚政府债券收益率25个基点⁹。房地产买家仍然关注悉尼和墨尔本市中心写字楼资产,以及悉尼、布里斯班和墨尔本的必需品零售物业¹⁰。这有利于集团近期收购14家优质永久业权物业的投资组合,包括分别位于CBD地区的4栋办公楼和10个零售中心。截至2020年3月31日,投资组合的出租率为96.7%。

零售业务

在艰难的贸易条件下,零售业务继续经营。在这种高度竞争的环境中,美罗继续专注于成本控制,以应对利润压力,同时利用我们的在线平台和多媒体战略来占领不断增长的电子商务市场。

结论

通过战略合作伙伴关系,我们多年来在中国、新加坡、印度尼西亚、英国以及最近的澳大利亚扩大了我们的地理位置。今天,美罗拥有多元化的投资组合。我们也将继续建立持续收入基础。

在不断演变的新新型冠状病毒肺炎大流行形势下,每个地区都处于全球挑战的不同阶段,包括美罗持有业务的国家有可能会实行进一步封锁。这给市场带来了巨大的不确定性和波动性。美罗将继续密切关注形势,并采取积极主动的措施来加强我们的财务状况,包括保留现金、优化现金流和流动性、积极管理我们现有的投资组合,以获得最佳回报。关于我们的资产管理战略,我们将优先考虑增强关键资产,同时尽可能推迟支付未承付的资本支出并节省成本。

展望未来,我们将继续展示我们利用审慎的资本结构把握机会的能力,并相信我们将能够继续进行战略扩张,以实现坚挺增长。

股息提议

为了报答股东们,董事会对股息分配做出提议。建议每股总股息为2.0分新元。这表明美罗在2020财政年度的股息率为3.0%¹¹,派息率为集团股东应占净利润的51.4%。

致谢

我要感谢我们忠实的股东、尊贵的客户、商业伙伴、合伙人和利益相关者在美罗60多年的历程中给予的支持和理解。我要特别感谢我们员工在这个极具挑战性的时期对公司的承诺和奉献。

我也借此机会感谢董事会其他成员的指导、引导和建议。

我们会努力往前,推动可持续的增长和为股东创造价值。凭借雄厚的基础和清晰的愿景,我们将巩固自身优势继续发展,成为现有和新主要市场的领先房地产投资和开发集团。

朱维良中将
集团主席

2020年8月7日

⁹ Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision – July 2020

¹⁰ Savills, Asia Pacific – Q4 2019, Investment Quarterly

¹¹ Share price of S\$0.660 as at 31 March 2020

BOARD OF DIRECTORS



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



PHUA BAH LEE
Director, Non-Executive and Independent



GERALD ONG CHONG KENG
Director, Non-Executive



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



TAN SOO KHOON
Director, Non-Executive and Independent



DEBORAH LEE SIEW YIN
Director, Non-Executive and Independent



YIP HOONG MUN
Group Chief Executive Officer, Executive Director

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

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

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

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

朱维良中将曾于1959年至1992年期间拥有卓越辉煌的军旅生涯，并于1974年至1992年间担任新加坡国防部队三军总长。他曾于1994年至1997年间同时担任新加坡驻澳大利亚最高专员兼任驻斐济的大使。2000年至2006年间，他也曾担任新加坡驻南非和巴布亚新几内亚独立国的非常驻最高专员。从2006年至2020年，他担任新加坡驻以色列的非常驻大使。

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

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

PHUA BAH LEE **潘峇厘**

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

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

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

潘峇厘先生于1993年加入美罗董事会。他是薪酬委员会的主席及提名委员会的成员。他也是富雅金融有限公司的董事会成员，也在多家私人企业担任董事。

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

GERALD ONG CHONG KENG **王宗庆**

Director, Non-Executive
非执行董事

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

He is currently the Deputy Chairman of the PrimePartners Corporate Finance Group and was the Chairman of Aseana Properties Ltd (listed on the London Stock Exchange Main List). Mr Ong has more than 25 years of corporate finance related experience. He has held senior positions at various financial institutions including NM Rothschilds & Sons (Singapore) Ltd, the DBS Bank Group, Tokyo-Mitsubishi International (Singapore) Pte Ltd and Hong Leong (Malaysia) Group. During his time with these institutions, Mr Ong’s duties encompassed the provision of a wide variety of Corporate Finance services from advisory, M&A activities and fund raising exercises incorporating various structures such as equity, debt, equity-linked and derivative-enhanced issues.

BOARD OF DIRECTORS

Mr Ong has been recognised as an IBF Distinguished Fellow and is a Council Member and Treasurer 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、提名和投资委员会的成员之一。

他现在是建力企业财务策划有限公司的副主席，他也是Aseana Properties Ltd, 一家在伦敦证券交易所主板上市公司的主席。王先生在金融领域拥有超过25年的丰富经验。他曾经在多家金融机构，包括洛希尔父子（新加坡）有限公司、新加坡星展银行集团、东京三菱国际（新加坡）有限公司以及马来西亚丰隆集团担任资深职务。王先生在以上机构任职期间的责任覆盖广泛，包括金融顾问，企业并购，以及通过资本、债务、资本关联和强化衍生债权的企业融资服务。

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

FANG AI LIAN (MRS)

方爱莲夫人

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

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

She is an Independent Director of Banyan Tree Holdings Limited, Singapore Post Limited, Jubilant Pharma Limited and Cromwell EREIT Management Pte. Ltd. and Advisor to the Far East Organization Group. She is the Chairman of the Board of Trustees of the Singapore Business Federation and Medishield Life Council. She is also a member of the SGX Listings Advisory Committee, SingHealth Fund Limited and Tote Board (Singapore Totalisator Board).

Mrs Fang was a member of Board of Trustees of Singapore University of Technology and Design until August 2019. She was the Chairman of Great Eastern Holdings Limited and its insurance subsidiaries as well as a Director of OCBC Bank until her retirement in April 2014. Prior to that, she was with Ernst & Young ("EY") for 37 years where she last held the position of Chairman of EY Singapore until her retirement on 31 March 2008. She previously served as Chairman of the Charity

Council. She was also a Justice of the Peace and was awarded the Public Service Star in 2009. Her past directorships include 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、新加坡邮政有限公司、Jubilant Pharma有限公司以及Cromwell EREIT管理私人有限公司的独立董事，同时是远东机构的顾问。她是新加坡工商联合总会受托人董事会和终身健保委员会的主席。她也是新交所上市咨询委员会、SingHealth Fund Limited以及新加坡赛马博彩管理局的董事会成员。

她曾是新加坡科技设计大学受托人董事会的成员直到2019年8月。在2014年4月她退休之前，方夫人曾担任大东方控股公司及其保险子公司的主席，以及华侨银行的董事，在此之前，方夫人在安永会计事务所任职37年。方夫人于2008年3月31日以新加坡安永会计事务所主席的身份退休。方夫人也曾担任慈善理事会的主席。身为太平绅士，方夫人在2009年被授予公共服务星章。她曾经在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。

TAN SOO KHOON

陈树群

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

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

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

Mr Tan holds a bachelor's degree in Business Administration with Honours from the National University of Singapore. Mr Tan was a Member of the Singapore Parliament from 1976 to 2006. He also

BOARD OF DIRECTORS

served as Speaker of Parliament from 1989 to 2002. Since 2007, he has been Singapore's non-resident Ambassador to the Czech Republic. He also serves as the Honorary Patron of the Down Syndrome Association (Singapore).

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

陈先生是一位商人，现任多家私人公司的董事。自1978年以来，他一直担任手表分销公司Crystal Time (S) Pte Ltd和Crystal Time (M) Sdn Bhd的主席。他曾担任的董事包括百盛零售亚洲有限公司。

陈先生毕业于新加坡国立大学，获荣誉工商管理学士学位。1976年至2006年间，他曾担任新加坡国会议员。1989年至2002年间，他则被委任为新加坡国会议长。从2007年至今，陈先生仍担任新加坡驻捷克共和国的非常驻大使。他还担任唐氏综合症协会（新加坡）的名誉赞助人。

DEBORAH LEE SIEW YIN

李秀缨女士

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

Ms Deborah Lee Siew Yin was appointed a Director of Metro in June 2018. She is a member of the Audit and Remuneration Committees.

Ms Lee is presently an Independent Director of Ascott Residence Trust Management Limited, Ascott Business Trust Management Pte Ltd and Assurity Trusted Solutions Pte Ltd. She is also a board member of WTL Capital Pte Ltd and Integrated Health Information Systems Pte Ltd.

Ms Lee was previously Executive Vice-President, Corporate Development of Singapore Press Holdings Ltd ("SPH") from 2007 to 2015. Prior to joining SPH, she was a consultant, specialising in corporate development work and mergers and acquisitions.

Before her consultancy work, Ms Lee was Senior Vice-President, Business Development at the Wuthelam Group, overseeing the establishment of the industrial electronics business, real estate business development and private equity investment for the Group in the region. Ms Lee started her career as an auditor with Pricewaterhouse and subsequently joined Hewlett Packard, holding various management positions over a period of 11 years.

Ms Lee holds a Bachelor of Accountancy (Honours) and a Master in Applied Finance from the National University of Singapore. She is a Chartered Financial Analyst charterholder.

李秀缨女士于2018年6月受委为美罗的董事。她是审计和薪酬委员会的成员之一。

李女士现为Ascott Residence Trust Management Limited, Ascott Business Trust Management Pte Ltd以及Assurity Trusted Solutions Pte Ltd的独立董事，她也是WTL Capital Pte Ltd和Integrated Health Information Systems Pte Ltd的董事会成员。

从2007年至2015年，李女士曾担任新加坡报业控股（SPH）企业发展的执行副总裁。加入新加坡报业控股之前，李女士担任顾问职务，专长于企业发展、收购及合并项目。

李女士在担任顾问之前，曾任职于Wuthelam Group为业务发展高级副总裁，负责该集团在区域开发和建立工业电子业务、房地产发展和私募股权投资业务。李女士早年加入普华永道审计事务所（Pricewaterhouse）作为审计师，开始了她的职业生涯。随后她加入了惠普（Hewlett Packard），在11年中担任多个资深管理职务。

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

BOARD OF DIRECTORS

YIP HOONG MUN

叶康文

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

Mr Yip Hoong Mun was appointed Group Chief Executive Officer and Executive Director with effect from 1 June 2019. He is a member of the Investment Committee.

As Group Chief Executive Officer, he plays a key role in the Group's investment strategies and holds executive responsibility over the business performance of the Metro Group of companies. He oversees the Group's property investment and development projects and joint ventures in Singapore, China, Indonesia, the United Kingdom and Australia. Prior to this, he was Metro's Deputy Group Chief Executive Officer, a position he assumed since May 2018. Before this, Mr Yip served as Group Chief Operating Officer and Chief Executive Officer of Metro China.

Mr Yip has over 30 years of experience in executive and senior management roles in strategic planning, operations, hospitality, real estate investment and development. Mr Yip started his career with Indeco Engineers and later joined BP South East Asia. Prior to joining Metro, he spent over 20 years with the CapitaLand Group, and served different roles in various strategic business units. He was Managing Director of Ascott China in 2003 and then Chief Executive Officer, Asia Pacific and the Gulf Region of The Ascott Group in 2006. Subsequent to that, Mr Yip has been involved in property developments in the Gulf Region, Vietnam and Indonesia of the CapitaLand Group.

Mr Yip has a Bachelor of Civil Engineering degree with first class honours from the National University of Singapore and a Master's degree in Business Administration from Stanford University, USA. He also completed a management course at Fudan University, Shanghai, China.

叶康文先生于2019年6月1日起受委为美罗集团首席执行官和执行董事。他也是投资委员会的成员之一。

作为美罗集团的首席执行官,叶先生对集团的投资策略发挥着关键作用,对集团各公司的经营业绩担负着执行责任。叶先生管理着集团的房地产投资和发展项目,以及在新加坡、中国、印尼、英国和澳洲的美罗合资企业。在担任此重任之前,叶先生自2018年5月起,为集团副首席执行官,在此之前担任美罗的首席运营官及美罗中国控股私人有限公司首席执行官。

叶先生担任执行级和高层管理职位超过30年,在企业的策略制定、营运、管理服务、房地产投资和开发各方面拥有丰富的管理经验。叶先生的职业生涯始于Indeco Engineers,随后他加入英国石油东南亚公司。在加入美罗之前,他在凯德集团任职20多年,曾在多个商务部门担任不同的职务。2003年,他在雅诗阁 - 中国公司出任常务董事。2006年,叶先生受委为雅诗阁集团在亚太和中东湾区的首席执行官,随后他从事凯德集团在中东湾区、越南及印尼的房地产开发工作。

叶康文先生早年在新加坡国立大学获得土木工程系一级荣誉学位,并在美国史坦福大学获得工商管理硕士学位。他也在中国上海的复旦大学完成了管理课程。

KEY MANAGEMENT



LAWRENCE CHIANG KOK SUNG

Advisor

YIP HOONG MUN

Group Chief Executive Officer

WONG SIOE HONG

*Executive Chairman,
Metro (Private) Limited*



EVE CHAN BEE LENG

*Group Chief Financial Officer &
Joint Company Secretary*

DAVID TANG KAI KONG

*Chief Executive Officer,
Metro (Private) Limited*

LAWRENCE CHIANG KOK SUNG

Advisor

Mr Lawrence Chiang was appointed as the Group Chief Executive Officer and Executive Director of Metro in June 2016 until handing over to Mr Yip on 31 May 2019. On 1 June 2019, he was appointed Advisor of the Group to provide management oversight.

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

Mr Chiang joined Metro in 1989 and has held positions as the Group's Head, Corporate Affairs and Special Projects and Financial Controller. He was appointed the Group General Manager in April 2007 before being re-designated as the Group Chief Operating Officer in July 2013. He was appointed as the Acting Group Chief Executive Officer in February 2016. He has 46 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel, engineering and trading operations.

YIP HOONG MUN

Group Chief Executive Officer

Mr Yip Hoong Mun was appointed Group Chief Executive Officer and Executive Director with effect from 1 June 2019.

As Group Chief Executive Officer, he plays a key role in the Group's investment strategies and holds executive responsibility over the business performance of the Metro Group of companies. He oversees the Group's property investment and development projects and joint ventures in Singapore, China, Indonesia, the United Kingdom and Australia. Prior to this, he was Metro's Deputy Group Chief Executive Officer, a position he assumed since May 2018. Before this, Mr Yip served as Group Chief Operating Officer and Chief Executive Officer of Metro China.

Mr Yip has over 30 years of experience in executive and senior management roles in strategic planning, operations, hospitality, real estate investment and development. Mr Yip started his career with Indeco Engineers and later joined BP South East Asia. Prior to joining Metro, he spent over 20 years with the CapitaLand Group, and served different roles in various strategic business units. He was Managing Director of Ascott China in 2003 and then Chief Executive Officer, Asia Pacific and the Gulf Region of The Ascott Group

KEY MANAGEMENT

in 2006. Subsequent to that, Mr Yip has been involved in property developments in the Gulf Region, Vietnam and Indonesia of the CapitaLand Group.

Mr Yip has a Bachelor of Civil Engineering degree with first class honours from the National University of Singapore and a Master's degree in Business Administration from Stanford University, USA. He also completed a management course at Fudan University, Shanghai, China.

He has accumulated extensive experience and network in numerous overseas markets and is trilingual in English, Mandarin and Malay.

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.

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

EVE CHAN BEE LENG

Group Chief Financial Officer & Joint Company Secretary

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

Ms Chan has more than 26 years of experience in group finance, audit, tax, accounting, corporate finance and treasury with public listed firms, engineering/power plant, real estate/property developer/private equity funds/REITs, hospitality and international auditing firm. She has also been involved in numerous corporate exercises such as mergers, acquisition and divestment exercises, Public Offering launches as well as the organisation and structuring of private equity

real estate funds and real estate investment trusts with portfolios that span across Asia Pacific and Middle East regions. Prior to joining Metro, she was the Group Financial Controller for PacificLight Power Group. Ms Chan also previously held various finance positions at ST Engineering, Keppel REIT, Kingdom Hotel Investment, CapitaLand/Ascott Group with portfolios that span across Asia Pacific and Middle East regions.

Ms Chan holds a Bachelor of Accountancy Degree from the Nanyang Technological University of Singapore and an Executive Master's of Business Administration from the University of Hull (UK). She is a Fellow Chartered Accountant of Singapore and a member of the Institute of Certified Public Accountants of Australia (CPA Australia).

DAVID TANG KAI KONG

Chief Executive Officer, Metro (Private) Limited

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

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

PARTNERSHIPS



TRANS CORP

(Since 2001)

Trans Corp is the Media, Lifestyle, Retail and Entertainment arm of CT Corp, a diversified holding company with businesses across a wide spectrum of industries. Trans Corp's businesses include two free-to-air news and entertainment television broadcast, Pay TV Channel, News Portal, shopping malls and hotels, indoor theme park and franchisee for certain food and beverage, as well as international high-end fashion franchises. Trans Corp also owns majority ownership of Trans Retail Indonesia (formerly Carrefour Indonesia), together with GIC.

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

Today, Metro Indonesia is one of the leading retailers in the country, housing a wide range of well-known international and local brands. Metro Indonesia currently has 10 stores spread across Jakarta, Bandung, Surabaya, Makassar and Solo.

In November 2017, Metro entered into further collaboration with PT. Trans Corpora for the development, marketing and sales of apartment units in Bekasi, Jakarta, Indonesia. In April 2018, Metro strengthened the partnership with PT. Trans Corpora with the development, marketing and sales of apartment and SoHo units in Bintaro, Jakarta, Indonesia.

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



INFRA RED NF CHINA REAL ESTATE FUND

(Since 2007)

Headquartered in London with offices in Hong Kong, Sydney, New York and Seoul, 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 Vervain Group (which includes entities operating under the former name of "Nan Fung China"), 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 Tesco Lifespace malls in Fuzhou, Xiamen and Shenyang. Metro and the Fund have 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, Metro extended the Group's partnership with Fund II through a co-investment in a real estate debt instrument.

In 2018 and 2019, Metro invested in InfraRed NF China Real Estate Fund III L.P. ("Fund III") as well as co-invested with Fund III in real estate debt instruments.

PARTNERSHIPS



TOP SPRING INTERNATIONAL HOLDINGS LIMITED

(Since 2011)

Top Spring International Holdings Limited (“Top Spring”) is a real estate property developer in the PRC specialising in the development and operation of urban mixed-use communities and the development and sale of residential properties in the Greater Bay Area, the Yangtze River Delta, the Central China, the Beijing-Tianjin and the Chengdu-Chongqing regions in the PRC. Metro acquired an initial stake of 5% in Top Spring when it was listed on the Main Board of The Stock Exchange of Hong Kong Limited in March 2011. Top Spring’s revenue stood at HK\$0.7 billion for the year ended 31 December 2019.

In FY2013, Metro invested S\$48 million for 30% equity in Nanchang Top Spring Real Estate Co., Ltd (“Nanchang Top Spring”), a partnership with Top Spring. Known as Nanchang Fashion Mark and located at Hong Gu Tan Central Business District in Nanchang, Jiangxi Province in the PRC, the mixed-use development initially had total leasable/saleable gross floor area (“GFA”) of approximately 780,000 square metres (“sqm”). Metro and Top Spring divested their interest in Nanchang Top Spring in 2017/2018.

In December 2013, Metro acquired a 30% stake in Shanghai Shama Century Park from Top Spring for RMB 524 million. The property operated as serviced apartments with a total of 284 residential units across a total GFA of approximately 49,357 sqm. All 284 residential units have been sold and handed over as at 31 March 2020.

On 1 July 2014, Top Spring became an associated company of the Metro Group when Metro’s nominated representative was appointed to the board of directors of Top Spring as non-executive director. As at 31 March 2020, Metro has an equity stake of approximately 16.2% voting rights and 14.9% ownership interest in Top Spring.

In September 2017, Metro, together with Top Spring, acquired three office buildings in Bay Valley in New Jiangwan City, Yangpu District, Shanghai, for RMB 2.5 billion. Metro’s stake is 30%.



WING TAI HOLDINGS LIMITED

(Since 2012)

Wing Tai Holdings Limited is a public listed company in Singapore with a market cap of approximately S\$1.6 billion and total asset value exceeding S\$4 billion as at 31 December 2019. Its principal activity is that of an investment holding company focused on key markets in the Asia Pacific, with core businesses in property investment and development, hospitality management and lifestyle retail. The Wing Tai Asia network of companies include Wing Tai Holdings Limited, Wing Tai Malaysia Sdn. Bhd., Wing Tai Properties Limited and their subsidiaries in Singapore, Australia and China, as well as in Malaysia and Hong Kong. In late 2012, Metro invested 40% in a joint venture with Wing Tai Holdings Limited to jointly develop The Crest at Prince Charles Crescent in Singapore.

PARTNERSHIPS



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 focusing 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 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-unit new build residential development). The collaboration was further strengthened in February 2016, when Metro participated in another joint venture with the Scarborough Group to develop two office buildings on a site in Sheffield, United Kingdom.



LEE KIM TAH HOLDINGS LIMITED

(Since 2017)

The Lee Kim Tah Group (“LKT Group”) built both its business and reputation upon sound foundations that date back to the 1920s. The LKT Group had its nascent beginnings when the late Mr Lee Kim Tah, who went on to become the founding Chairman of the LKT Group, took over the family business of supplying materials and labour to the British army, which was then stationed in Singapore. Steered by Mr Lee’s stalwart commitment to quality and innovation, the company grew to become a leader in the construction industry, as it introduced much needed modern construction technology to Singapore in the 1980s. The eventual listing in 1984 marked an important milestone for the local construction industry: the LKT Group was among the first few construction companies to be listed on the Singapore Exchange. The LKT Group was delisted from the Singapore Exchange in 2014.

Having firmly established itself in the construction sector, the LKT Group vigorously diversified into investment and property development. Its diversification saw the LKT Group successfully deliver a wide spectrum of developments, including luxury apartments, landed properties, shopping malls and hotels. The LKT Group’s footprint straddles across Australia, China, India, Indonesia and United Kingdom.

In November 2017, Metro, together with Trans Corp and the LKT Group, entered into a joint venture to develop, market and sell five 32-storey residential towers in Bekasi, Jakarta, Indonesia. In January 2018, Metro entered into a 50:50 joint venture with the LKT Group to jointly acquire a freehold office property in London, United Kingdom. Another joint venture with Trans Corp and the LKT Group followed in April 2018 to develop, market and sell two residential towers in Bintaro, Jakarta, Indonesia.



EVIA REAL ESTATE

(Since 2019)

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



SIM LIAN GROUP OF COMPANIES

(Since 2019)

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

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

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

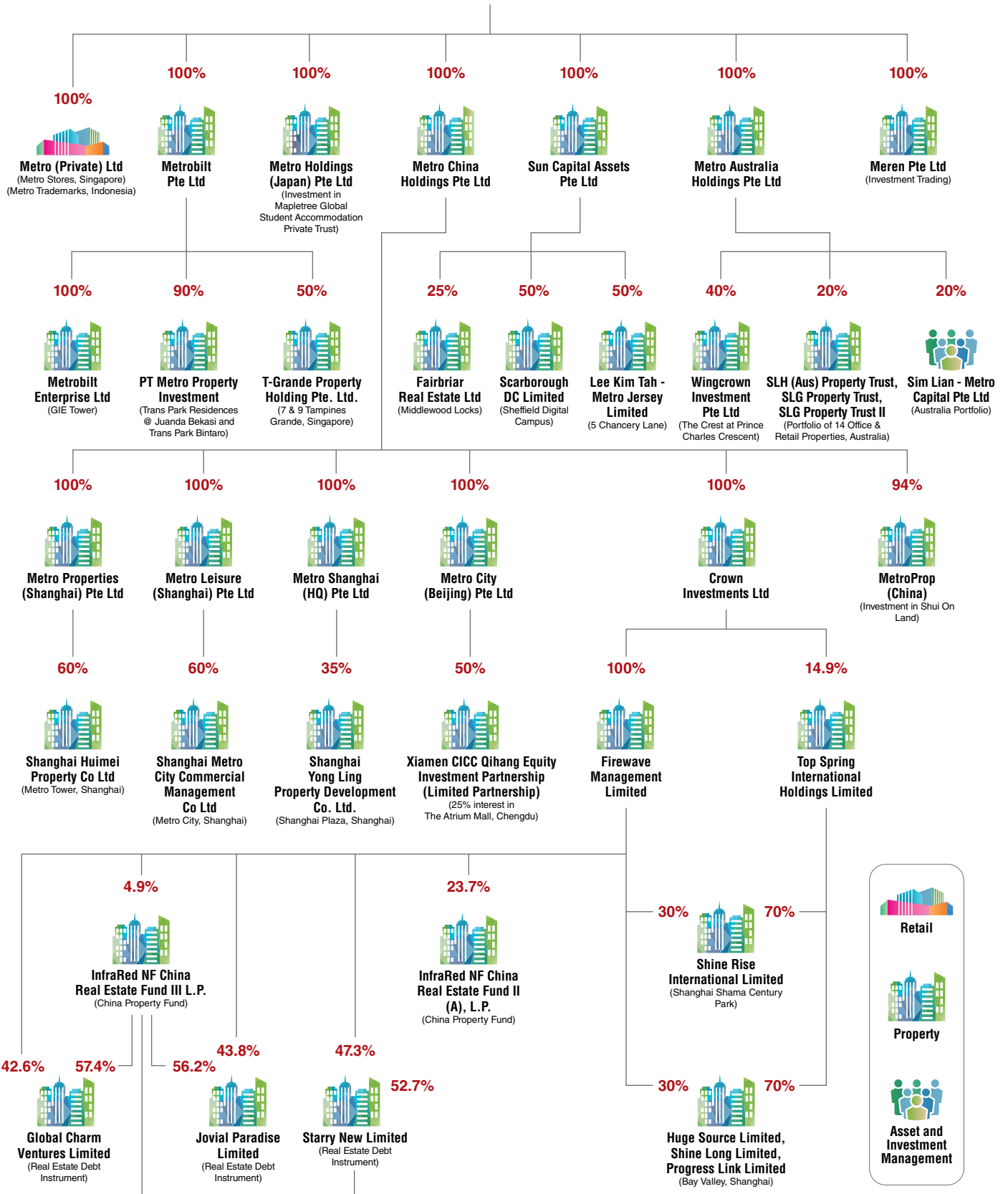
In November 2019, Metro expanded its regional footprint by investing 20% in a joint venture with Sim Lian that owns a portfolio of 14 quality freehold properties comprising 4 office buildings and 10 retail centres that span across 4 key states in Australia, namely New South Wales, Victoria, Queensland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



(Since 2019)

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

CORPORATE STRUCTURE



Retail

Property

Asset and Investment Management

PORTFOLIO REVIEW

PROPERTY INVESTMENT AND DEVELOPMENT

INVESTMENT PROPERTIES

As at 31 March 2020, average occupancy for the Group's five investment properties, including those held by joint ventures, remained high at 94.3% (31 March 2019: 98.1%¹).

OCCUPANCY RATES

	As at 31.3.2020 (%)	As at 31.3.2019 (%)
GIE Tower, Guangzhou	93.8	94.2
Metro City, Shanghai	94.8	99.7
Metro Tower, Shanghai	94.3	98.3
5 Chancery Lane, London	100.0	100.0
7 & 9 Tampines Grande, Singapore	88.6	–

PROPERTY VALUATIONS

As at 31 March 2020, GIE Tower, Guangzhou, Metro City and Metro Tower, Shanghai registered decline in valuation.

	FY2020 (RMB'm)	FY2019 (RMB'm)	Change (%)	FY2020 (S\$m)	FY2019 (S\$m)	Change (%)
GIE Tower, Guangzhou ²	542	555	-2.3	109	112	-2.7
Metro City, Shanghai ²	944	987	-4.4	190	199	-4.5
Metro Tower, Shanghai ²	1,134	1,162	-2.4	228	235	-3.0

	FY2020 (GBP'm)	FY2019 (GBP'm)	Change (%)	FY2020 (S\$m)	FY2019 (S\$m)	Change (%)
5 Chancery Lane, London ²	80	80	–	140	141	-0.7

	FY2020 (S\$m)	FY2019 (S\$m)	Change (%)
7 & 9 Tampines Grande, Singapore ²	405 ³	–	n.m.

n.m. not meaningful

¹ Does not include 7 & 9 Tampines Grande, which was acquired in FY2020

² As at 31 March

³ Market valuation at acquisition in April 2019 was S\$395 million

⁴ Above figures represent 100% of the property valuations and are appraised by independent valuers Cushman & Wakefield Limited (Shanghai and Guangzhou), Colliers International Valuation UK LLP and Savills Valuation and Professional Services (S) Pte Ltd

Exchange rates:

FY2020: S\$1: RMB4.975: GBP0.5698

FY2019: S\$1: RMB4.950: GBP0.5669

China's GDP grew 3.2% year-on-year in the second quarter, reversing the 6.8% contraction in the first quarter. This allowed China to avoid a recession and marks the first major economy to show a recovery from the damage caused by the COVID-19 pandemic. Nonetheless, the shadow of a potential second COVID-19 wave in Beijing and Xinjiang, China and the ongoing trade tensions between China and the United States may likely weigh down the economy.

In the UK, Central London office take-up declined in 2Q2020 to 1.1 million sqft amidst the COVID-19 pandemic, a decline of 66% from the 10-year quarterly average. Availability continued to increase over the period, growing by 18% to stand at 16.1 million sqft.

Singapore's GDP contracted 12.6% on a year-on-year basis in the second quarter of 2020. Singapore's Ministry of Trade and Industry ("MTI") downgraded 2020 GDP growth forecast to -7.0 to -4.0%.

EXPIRY PROFILE BY GROSS RENTAL INCOME

	1HFY2021 (%)	2HFY2021 (%)
GIE Tower, Guangzhou	20.9	10.3
Metro City, Shanghai	18.4	14.3
Metro Tower, Shanghai	5.6	3.0
5 Chancery Lane, London	–	–
7 & 9 Tampines Grande, Singapore	15.7	29.1

PORTFOLIO REVIEW

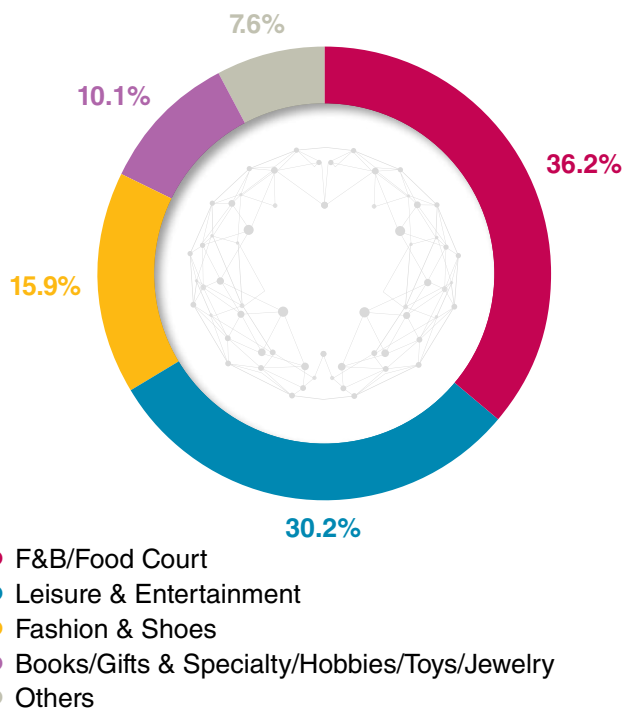
METRO CITY SHANGHAI

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

Its occupancy rate as at 31 March 2020 was 94.8% (2019: 99.7%).

KEY STATISTICS	
% owned by Group	60
Site Area (sqm)	15,434
Lettable Area (sqm)	38,774
Tenure	36-year term from 1993 (9 years remaining)
No. of Tenants	176
Occupancy Rate (%)	94.8
Valuation (100%)	S\$190 million (RMB944 million)

MALL TENANT MIX BY LETTABLE AREA
(As at 31 March 2020)



PORTFOLIO REVIEW

METRO TOWER

SHANGHAI

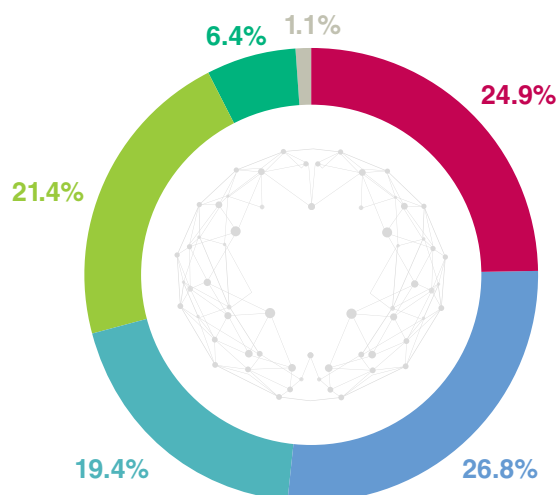
Located next to Metro City, Shanghai, Metro Tower offers nearly 40,000 square metres of Grade-A office space, spread across 26 floors.

Metro Tower, Shanghai, is supported by a strong multinational tenant base and its occupancy remains high at 94.3% as at 31 March 2020 (2019: 98.3%).

KEY STATISTICS	
% owned by Group	60
Site Area (sqm)	4,993
Lettable Area (sqm)	39,295
Tenure	50-year term from 1993 (23 years remaining)
No. of Tenants	35
Occupancy Rate (%)	94.3
Valuation (100%)	S\$228 million (RMB1,134 million)

OFFICE TENANT MIX BY LETTABLE AREA

(As at 31 March 2020)



- F&B
- IT & Advertising Services & Telecommunication
- Pharmaceutical/Chemicals
- Consumer Products
- Banking, Insurance & Financial Services
- Others



PORTFOLIO REVIEW

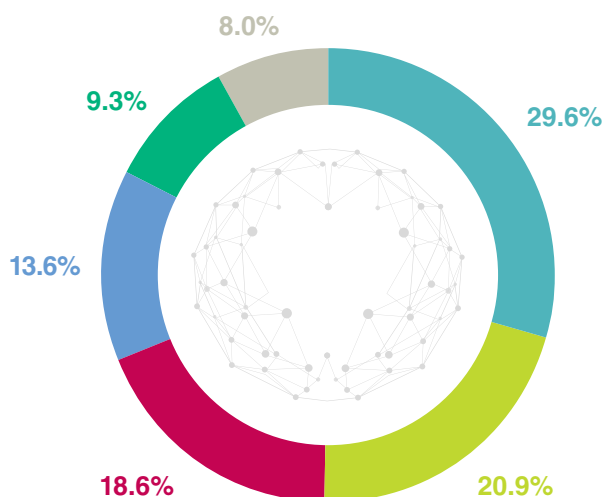
GIE TOWER GUANGZHOU

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

The Group owns over 28,000 square metres of office and retail space in the building. GIE Tower's occupancy rate was 93.8% as at 31 March 2020 (2019: 94.2%).

KEY STATISTICS	
% owned by Group	100
Site Area (sqm)	Strata-titled
Lettable Area (sqm)	28,390
Tenure	50-year term from 1994 (24 years remaining)
No. of Tenants	36
Occupancy Rate (%)	93.8
Valuation (100%)	S\$109 million (RMB542 million)

OFFICE TENANT MIX BY LETTABLE AREA (As at 31 March 2020)



- Pharmaceutical/Medical & Petroleum/Chemicals
- Consumer Products, Trading and Education
- F&B
- IT and Shipping Services & Telecommunication
- Banking, Insurance & Financial Services
- Others



PORTFOLIO REVIEW

7 & 9 TAMPINES GRANDE SINGAPORE



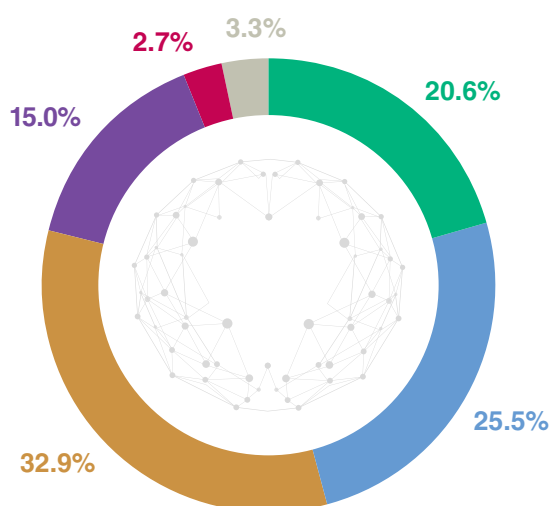
In April 2019, the Group grew its presence in Singapore by acquiring a 50% stake in 7 and 9 Tampines Grande, two blocks of premium Grade-A office buildings. The buildings were conferred the Green Mark Platinum Award by the Building and Construction Authority and LEED Gold Certification by US Green Building Council.

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

Its occupancy rate remains high at 88.6% as at 31 March 2020 and leasing is underway.

KEY STATISTICS	
% owned by Group	50
Site Area (sqm)	8,000
Lettable Area (sqm)	26,724
Tenure	99-year term from 2007 (86 years remaining)
No. of Tenants	16
Occupancy Rate (%)	88.6
Valuation (100%)	S\$405 million

OFFICE TENANT MIX BY LETTABLE AREA (As at 31 March 2020)



- Banking, Insurance & Financial Services
- IT & Telecommunication
- MNCs/Conglomerates
- Consultancy & Services
- F&B
- Others

PORTFOLIO REVIEW

SHANGHAI PLAZA

SHANGHAI



Artist impression after asset enhancement works

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

Asset enhancement works and leasing activities are in progress.

KEY STATISTICS

% owned by Group	35
Lettable Area (sqm)	39,045
Tenure	50-year term from 1992 (22 years remaining)
Valuation (100%)	S\$618 million (RMB3,075 million)

PORTFOLIO REVIEW

BAY VALLEY

SHANGHAI

Acquired in September 2017, the two office buildings C7 and 48% of A4 comprise gross floor area of approximately 38,420 square metres. The properties C7 and 48% of A4 were reclassified from properties held for sales to investment properties in December 2018 and December 2019 respectively.



Located at No. 33 and 36 and No. 78 and 79, 1688 Guoquan North Road, the properties are well-located within the integrated business community development known as the Bay Valley. Bay Valley is situated in New Jiangwan City, which is in the Yangpu District of Shanghai, one of China's most established industrial centres.

The properties are currently fully leased.

KEY STATISTICS

Completion Date	2014
% owned by Group	30
Land use rights tenure ending on	2 November 2058
Saleable/Leaseable GFA (sqm)	38,420
Valuation (100%)	S\$203 million (RMB1,009 million)

SHANGHAI SHAMA CENTURY PARK

SHANGHAI

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 2020, all 284 units have been sold and handed over.

KEY STATISTICS

Completion Date	2006
% owned by Group	30
Land use rights tenure ending on	30 December 2072



PORTFOLIO REVIEW

THE ATRIUM MALL CHENGDU

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



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

Phase 1 asset enhancement works is underway and expected to complete by end September 2020.

KEY STATISTICS

% owned by Group	25
Lettable Area (sqm)	25,069
Tenure	40-year term from 2007 (27 years remaining)
Valuation (100%)	S\$285 million (RMB1,420 million)

5 CHANCERY LANE LONDON

The freehold office property at 5 Chancery Lane, London, has 84,836 square feet of office and ancillary facilities spread across its basement, lower ground, ground and five upper floors.



It is situated in a central and traditional office location in the heart of Midtown Central London and in close proximity to a few underground stations, namely Chancery Lane station, Temple station and the new Farringdon station hub of the upcoming Crossrail. It is also strategically located in the heart of the traditional legal area that is within a short walking distance from various key legal institutions such as the Law Society Building and the Royal Courts of Justice.

The property is currently fully leased until 2023.

KEY STATISTICS

% owned by Group	50
Site Area (acres)	0.487
Lettable Area (sqm)	7,882
Tenure	Freehold
No. of Tenants	1
Occupancy Rate (%)	100
Valuation (100%)	S\$140 million (£80 million)

PORTFOLIO REVIEW

PORTFOLIO OF 14 OFFICE AND RETAIL PROPERTIES

AUSTRALIA

In November 2019, Metro expanded its regional footprint by investing 20% in a joint venture with Sim Lian that owns a portfolio of 14 quality freehold properties¹ comprising 4 office buildings and 10 retail centres that span across 4 key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia. The four office buildings are strategically

located in the core CBD of Sydney and Brisbane, and the fringe CBD of Melbourne and Perth. The other 10 retail centres are located regionally with over 90% of the retail space being anchored by defensive non-discretionary retailers such as supermarkets that cater to day-to-day necessities of the community within the primary residential catchment area.



Office Building at 100 Edward Street, Brisbane City, QLD



Office Building at 50 Margaret Street, Sydney, NSW

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

¹ See map on page 2 for complete list of 14 properties

KEY STATISTICS

% owned by Group	20
Lettable Area (sqm)	130,925
Tenure	Freehold
Average Occupancy Rate (%)	96.7
Weighted Average Lease Expiry	~7.5 years
Valuation (100%)	S\$760 million (A\$865 million)



Retail Centre at 6 Coltman Plaza, Lucas, VIC



Dalyellup Shopping Centre, WA

PORTFOLIO REVIEW

DEVELOPMENT PROPERTIES

Sales of the residential project, The Crest at Prince Charles Crescent, is subject to the impact of cooling measures in the Singapore property market and the COVID-19 pandemic.

Following the lifting of the lockdown measures arising from the COVID-19 pandemic in China, leasing activities for the three office buildings in Bay Valley, Shanghai are improving.

In Jakarta, Indonesia, due to the COVID-19 pandemic restrictions, all shops in the Bekasi and Bintaro malls were closed from April to June 2020 except for Transmart, resulting in a slowdown in sales and cash

collection for the Group's residential units, namely Trans Park Juanda, Bekasi and Trans Park Bintaro. Construction milestones are progressing well and are on track.

In the UK, Manchester residential prices are forecast to grow around 3.2% per annum over the next five years, while rental growth is expected to average 3.1% per annum¹. Despite the temporary closure of the Middlewood Locks marketing suite due to the COVID-19 pandemic, the team has shifted marketing online via website listings, Instagram, virtual tours and mortgage webinars.

¹ JLL, Living with 2020 Vision: UK City Centre Forecasts - March 2020

BAY VALLEY

SHANGHAI



Acquired in September 2017, the two office buildings C4 and 52% of A4 comprise a total gross floor area of approximately 59,434 square metres.

Located at No. 25 and No. 78 and 79, 1688 Guoquan North Road, the properties are well-located within the integrated business community development known as the Bay Valley. Bay Valley is situated in New Jiangwan City, which is in the Yangpu District of Shanghai, one of China's most established industrial centres.

Leasing activities are underway.

The office buildings located at No. 33 and 36 and part of No. 78 and 79, 1688 Guoquan North Road, were reclassified from properties held for sales to investment properties in December 2018 and December 2019 respectively.

KEY STATISTICS

Completion Date	2014
% owned by Group	30
Land use rights tenure ending on	2 November 2058
Saleable/Leaseable GFA (sqm)	59,434
Gross Development Value	S\$325 million (RMB1,620 million)

PORTFOLIO REVIEW

TRANS PARK BEKASI

JAKARTA

Trans Park Juanda, Bekasi consists of five 32-storey residential towers with approximately 5,622 units and is part of the larger Trans Park @ Juanda Bekasi, a quality landmark mixed-development consisting of a hotel, a school, Small office Home office (“SoHo”) apartments, shophouses, an office building and a Transmart mall over a total site area of 4.5 hectares. The Transmart

mall, with a gross floor area of approximately 30,485 sqm, opened in April 2019 with department stores, supermarket, F&B and cinemas, as well as a theme park with Snow World and Kidcity.

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



KEY STATISTICS

% owned by Group	90
Construction start date	November 2017
Expected completion date	End-2020
Total saleable GFA (sqm)	162,754
Purchase consideration (100%)	IDR1.99 trillion

TRANS PARK BINTARO

JAKARTA

Trans Park Bintaro consists of two residential towers with approximately 1,260 apartment units and 170 SoHo units and is part of the larger Trans Park Bintaro, a quality landmark mixed-development that includes a Transmart mall over a total site area of 1.6 hectares. The Transmart mall, with a gross floor area of approximately 22,361 sqm, opened in December

2019 with department stores, supermarket, F&B and cinemas, as well as a theme park with Snow World and Kidcity.

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



KEY STATISTICS

% owned by Group	90
Construction start date	March 2018
Expected completion date	Mid-2021
Total saleable GFA (sqm)	61,619
Purchase consideration (100%)	IDR1.33 trillion

PORTFOLIO REVIEW

THE CREST AT PRINCE CHARLES CRESCENT SINGAPORE

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, is of superior spatial quality, offering an openness and unblocked views that the site affords.

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

The development was completed in February 2017.



KEY STATISTICS

% owned by Group	40
Site Area (sqm)	23,785
Construction start date	June 2013
TOP	February 2017
Total GFA (sqm)	50,854
Land cost	S\$516.3 million

SHEFFIELD DIGITAL CAMPUS SHEFFIELD

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

Acero Works, a Grade-A office building with six floors, spanning 7,460 sqm and with a secure car park facility, was completed in 3Q2017 and sold in May 2018.

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

Development works are now focused on Vidrio House.



KEY STATISTICS

% owned by Group	50
Site Area (acres)	1.03
Tenure	Freehold
Expected completion date	2017/2022
Estimated total saleable GFA (sqm)	13,252

PORTFOLIO REVIEW

MIDDLEWOOD LOCKS

MANCHESTER



Middlewood Locks is situated at the Western boundary of the Manchester City Centre, next to the River Irwell and the Trinity Way Inner Ring Road. The development is a short distance away from major roads and is set to be a vibrant neighbourhood which will eventually provide 2,215 new homes. There will also be about 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym.

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

Middlewood Locks' residential properties will be developed in phases.

Construction for Phase 1, comprising 571 apartment units, has been completed and apartments sold are being handed over. 277 units in Phase 1 and all 546 units in Phase 2 have been sold to Get Living, a UK private rented sector venture.

Sales and marketing activities for the remaining apartments in Phase 1 are in progress. Construction work for Phase 2 is ongoing. Phase 3 is expected to commence construction in early 2021 with completion expected in 2023.

KEY STATISTICS

% owned by Group	25
Site Area (acres)	24.0
Tenure	Freehold
Estimated total GFA (sqft)	2.4 million
Gross Development Value	£700 million

PORTFOLIO REVIEW

TOP SPRING INTERNATIONAL HOLDINGS LIMITED



The Group owns about 14.9% of Top Spring as at 31 March 2020.

The Top Spring Group is specialised in the development and operation of urban mixed-use communities and the development and sale of residential properties in the Greater Bay Area, the Yangtze River Delta, the Central China, the Beijing-Tianjin and the Chengdu-Chongqing regions in the People's Republic of China (the "PRC").

As at 31 December 2019, the Top Spring Group had a total of 19 projects over 10 cities in various stages

of development, including an estimated net saleable/leasable gross floor area ("GFA") of completed projects of approximately 331,012 square metres ("sqm"), an estimated net saleable/leasable GFA of projects under development of approximately 121,548 sqm, an estimated net saleable/leasable GFA of projects held for future development of approximately 30,494 sqm and an estimated net saleable/leasable GFA of projects contracted to be acquired or under application for change in land use of approximately 29,534 sqm, totalling an estimated net saleable/leasable GFA of approximately 512,588 sqm.

PORTFOLIO REVIEW



RETAIL

RETAIL OPERATIONS

Since the late Mr Ong Tjoe Kim (王梓琴) launched his flagship store at 72 High Street in 1957, Metro has grown into a retailer with an established brand name in the region.

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

As part of the Group's long-term strategy of rationalising its retail business, it closed Metro Centrepoint upon lease expiry in October 2019 and divested its 50% equity stake in its retail associate in Indonesia, PT Metropolitan Retailmart ("PT MRM"), in December 2019. PT MRM operated 11 department stores spread across Jakarta, Bandung, Surabaya, Makassar, Solo and Manado. This divestment represents a good opportunity for the Group to realise and unlock its value, thus delivering value to our shareholders.

Metro Retail has undertaken to transform itself with a strong focus on multi-media strategy and in developing fresh concepts and improving assortment of merchandise to entice customers. This, coupled with better in-store shopping experience, is driven

towards meeting the evolving needs of customers and supporting a complete online-to-offline ("O2O") customer experience. The Group also introduced the convenient cross-store merchandising and selling option, where customers can now buy, collect, exchange and return merchandise from any Metro store.

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

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

To grow its brand presence amidst the ongoing digital transformation, the Group continues to focus on its multi-media strategy of engaging its customers through various digital platforms such as Metro Online, Metro LazMall, Facebook, Twitter, Instagram, mobile web and electronic direct mail. With the rising popularity of messaging applications, the Group has embarked on multi-media platforms to further engage customers via instant marketing promotions and its "Metro App".

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

PORTFOLIO REVIEW

SINGAPORE

METRO STORES

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

- Metro Paragon
- Metro Causeway Point, Woodlands
- Metro Centrepoint (Closed in October 2019)

Metro Paragon continues to evolve as a fashion store having an array of in-house, local and international brand names while Metro Woodlands continues to serve the neighbourhood community in Singapore's North West District.

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

INDONESIA (Divested on 12 December 2019)

METRO STORES

Metro started its operations in the Indonesian market in 1991 at Pondok Indah Mall. PT MRM, which was divested in December 2019 to the Group's existing partner, currently operates 10 stores in Indonesia:

- Metro Pondok Indah, Jakarta
- Metro Plaza Senayan, Jakarta
- Metro Bandung Supermal, Bandung
- Metro Taman Anggrek, Jakarta
- Metro Trans Studio Makassar, Makassar
- Metro Gandaria City, Jakarta
- Metro Ciputra World, Surabaya
- Metro Park Solo, Solo
- Metro Puri Mall, Jakarta
- Metro Grand Kawanua Manado, Manado (closed)
- Metro Trans Studio Mall Cibubur, Jakarta

Metro granted PT MRM permission to use its "Metro" trademarks in Indonesia.

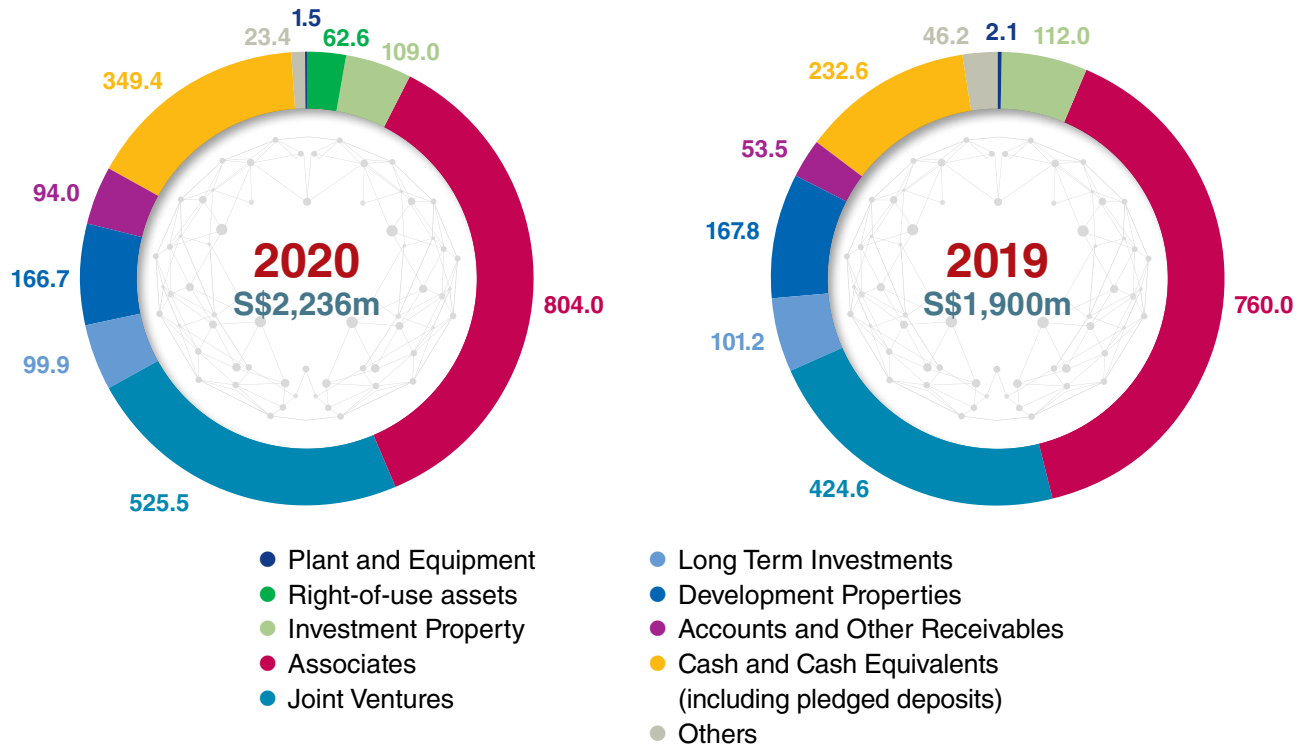
OUTLOOK

Given the headwinds exacerbated by the COVID-19 pandemic, US-China trade tensions, competitive retail environment and high operating costs, the Group expects the division to remain under pressure. Notwithstanding the challenges, the division will capitalise on our strong retail brand name in Singapore, continue to focus on multi-media strategy and deployment of technology to enhance customers' shopping experience and consolidate operational efforts to achieve higher efficiency and productivity.

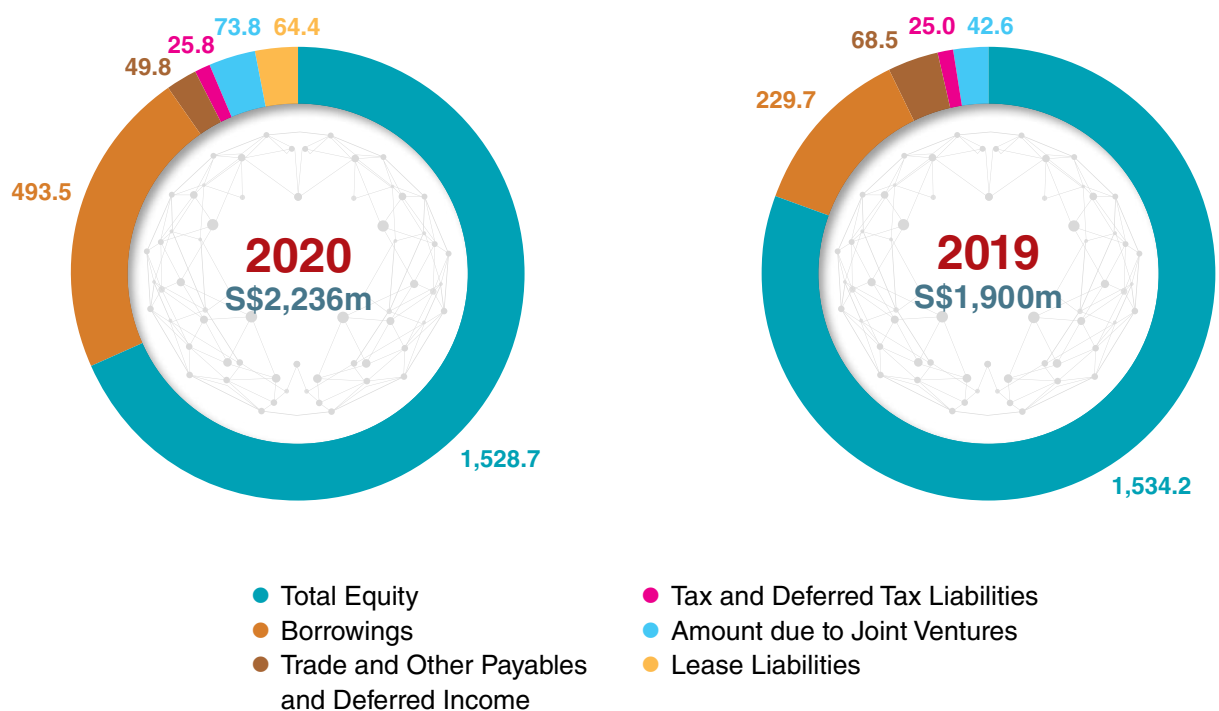


FINANCIAL HIGHLIGHTS

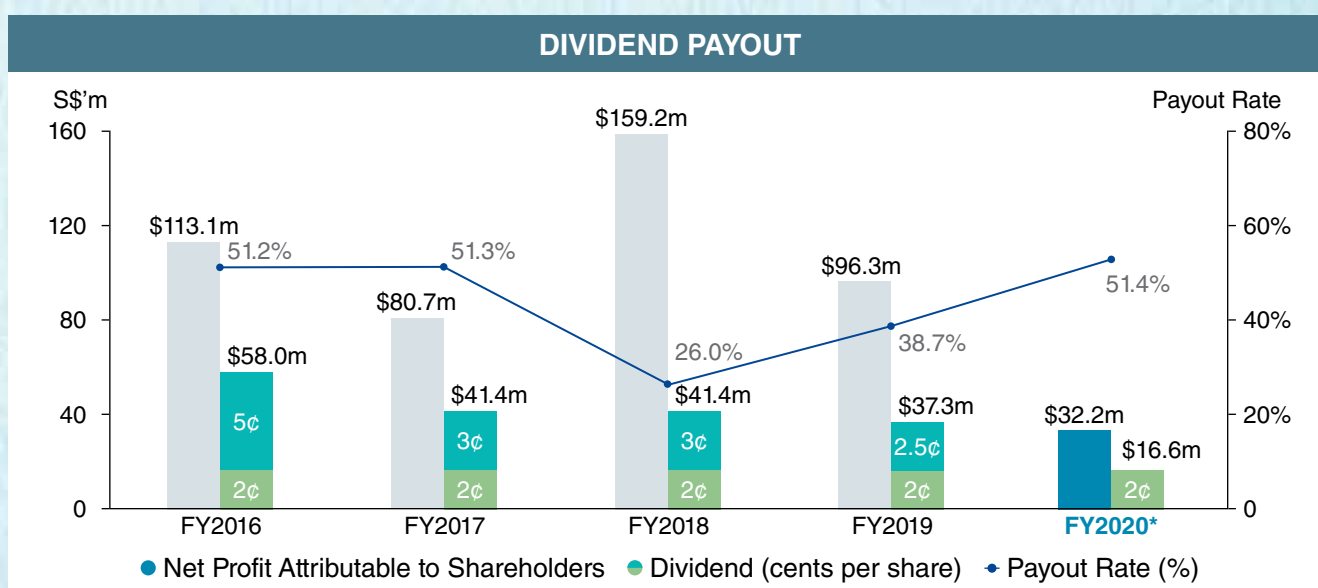
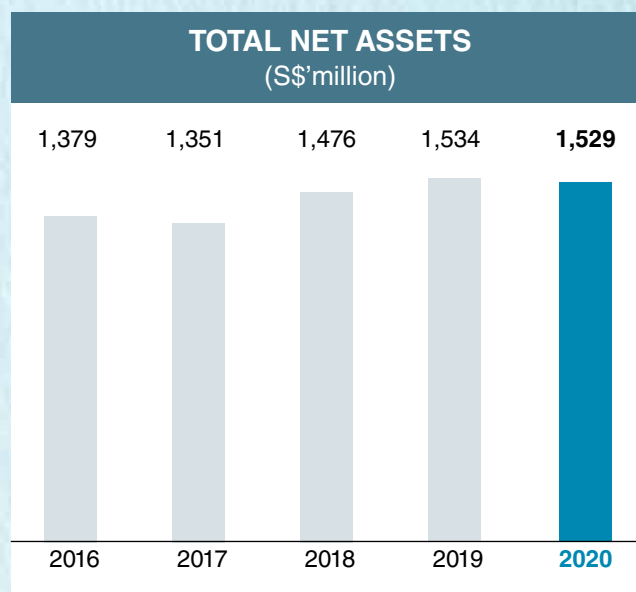
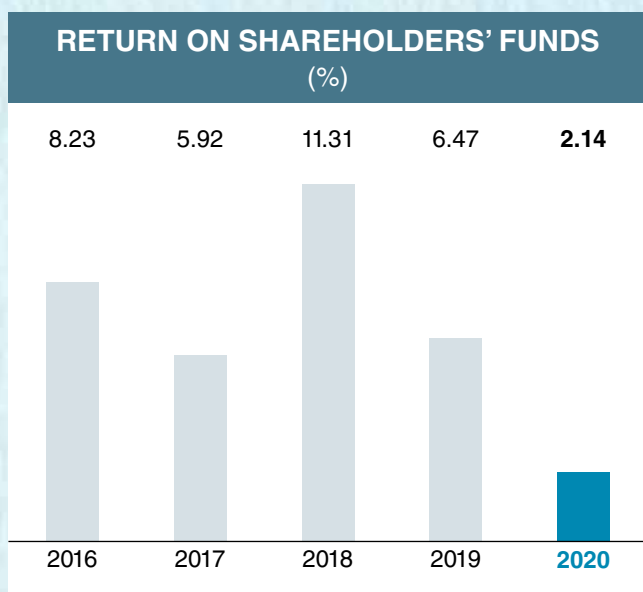
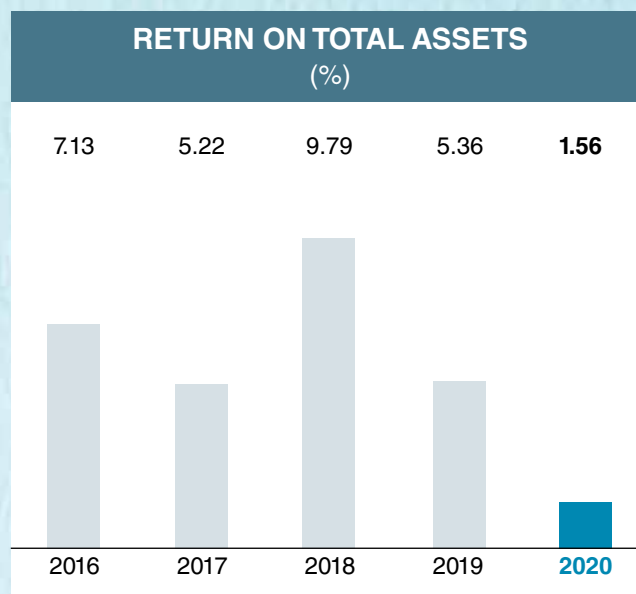
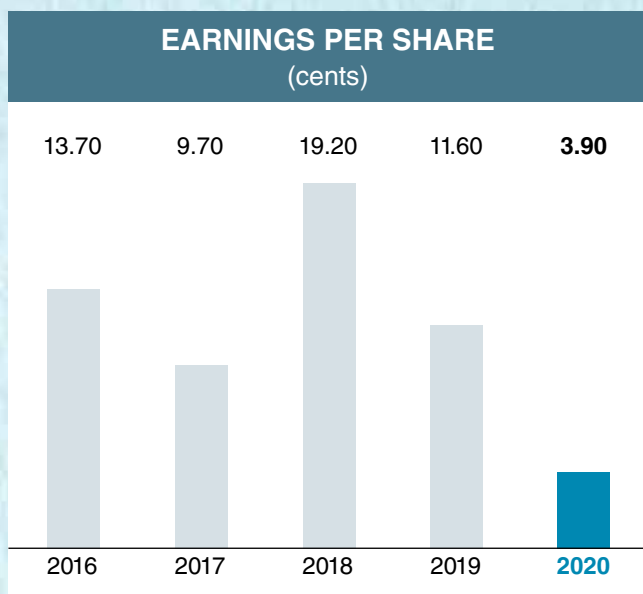
TOTAL ASSETS OWNED (S\$ million)



TOTAL LIABILITIES AND CAPITAL (S\$ million)



FINANCIAL HIGHLIGHTS



* FY2020's proposed dividend subject to shareholders' approval at the AGM in September 2020

FINANCIAL SUMMARY

	2020	2019*	2018*	2017	2016
Financial Results (S\$'000)					
Turnover	210,254	171,964	136,326	131,224	154,595
Net profit from operating activities before tax	39,731	108,033	170,702	82,541	122,332
Taxation	(6,651)	(11,338)	(11,007)	(1,522)	(9,040)
Profit after tax	33,080	96,695	159,695	81,019	113,292
Non-controlling interests	(832)	(413)	(500)	(337)	(163)
Net profit attributable to shareholders	32,248	96,282	159,195	80,682	113,129
Net final dividend proposed/paid	16,561	16,561	16,561	16,561	16,561
Net final special dividend proposed/paid	–	20,701	24,841	24,841	41,402
Balance Sheets (S\$'000)					
Plant and equipment	1,465	2,128	4,466	5,062	4,872
Investment properties	109,022	112,029	100,214	104,423	106,653
Other non-current assets	1,296,495	1,092,036	1,038,513	986,347	865,142
Current assets	829,357	693,492	552,813	460,225	558,301
Total assets	2,236,339	1,899,685	1,696,006	1,556,057	1,534,968
Current liabilities	(208,619)	(166,376)	(192,076)	(175,247)	(126,546)
Long-term and deferred liabilities	(499,023)	(199,154)	(27,702)	(30,111)	(28,930)
Net assets	1,528,697	1,534,155	1,476,228	1,350,699	1,379,492
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	1,332,130	1,342,350	1,299,694	1,180,277	1,207,698
Shareholders' funds	1,500,079	1,510,299	1,467,643	1,348,226	1,375,647
Non-controlling Interests	28,618	23,856	8,585	2,473	3,845
	1,528,697	1,534,155	1,476,228	1,350,699	1,379,492

Notes:

* The results for the period ended 31 March 2019 have been restated following the adoption of the new Singapore Financial Reporting Standards (International) (SFRS(I)). As a result, the Group's 2018 financial figures have been adjusted, as disclosed in page 88 of the financial statements.

FINANCIAL SUMMARY

	2020	2019*	2018*	2017	2016
Financial Ratios					
Earnings per share after tax and non-controlling interests (cents) [#]	3.90	11.60	19.20	9.70	13.70
Return on shareholders' funds (%) [^] #	2.14	6.47	11.31	5.92	8.23
Return on total assets (%) [^] #	1.56	5.36	9.79	5.22	7.13
Dividend proposed					
Special final & interim net dividend per share (cents)	–	2.50	3.00	3.00	5.00
Final/Interim net dividend per share (cents)	2.00	2.00	2.00	2.00	2.00
Dividend cover (times) [#]	1.95	2.58	3.85	1.95	1.95
Net assets per share (S\$) [#]	1.81	1.82	1.77	1.63	1.66
Debt equity ratio	0.10	Net Cash	Net Cash	Net Cash	Net Cash
Total liabilities to shareholders' funds (times)	0.47	0.24	0.15	0.15	0.11
Interest cover (times) [#]	3.09	19.62	85.13	298.98	220.63

Notes:

* The results for the period ended 31 March 2019 and 31 March 2018 have been restated following the adoption of the new Singapore Financial Reporting Standards (International) (SFRS(I)).

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

[#] The financial ratios are based on continuing operations.

CORPORATE SOCIAL RESPONSIBILITY



As Metro continues its strategic expansion to achieve resilient growth, the Group remains committed to giving back to society. Specifically, we continue to focus on enabling the young through education, as well as taking care of the elderly.

EMPOWERING THROUGH EDUCATION

Shanghai, China

Metro Scholarship

Metro believes that regardless of socio-economic background, every child deserves access to education, and this is key to a better future. As such, the Group has enabled many students of the Shanghai Xuhui district to attain an education that would have otherwise been impossible given financial difficulties.

Established by the late Mr Jopie Ong (former Managing Director of Metro) in 2005, our flagship Metro scholarship has been running for 16 years and has benefitted more than 3,000 deserving primary and secondary school students through a grant of RMB100,000 each year. In 2020, Shanghai Metro will donate another RMB100,000 to assist students in need of financial aid.

Supporting Minority Students

For the past 11 years, Shanghai Metro has pledged its support to minority students of the Xuhui district. During the year, Shanghai Metro donated RMB10,000 to 9 universities, benefiting 90 students of minority races. This includes a set of books to inspire them and provide words of encouragement. This December, Shanghai Metro will donate a further RMB10,000 to this meaningful cause.



Tongjiang, Sichuan, China

Happy Summer in Metro

FY2020 marks the 20th year of our “Happy Summer in Metro” event and this has become a popular community activity central to the Shanghai Metro brand. The programme motivates and rewards underprivileged high-achieving students with an experiential excursion to the top modern cities of China. During the year, Metro Shanghai invited more than 10 teachers and low-income students from Tong Jiang Secondary School of Sichuan province to participate in the event and visit the world-class city of Shanghai. Metro Shanghai will contribute RMB50,000 towards this cause.

In 2019, as an extension of the programme, Shanghai Metro donated RMB150,000 to the Shanghai Xuhui District Education Development Fund to further the development of education and reward outstanding teachers. Shanghai Metro plans to donate a further RMB150,000 in 2020.

CORPORATE SOCIAL RESPONSIBILITY



Anhui, China

Shanghai Metro Hope School

In September 2019, the Metro Shanghai team once again visited the Shanghai Metro Hope School in Feng Yang County, Anhui Province, China. We also donated computers and printers to aid the school in its digitalisation efforts. In 2020, Shanghai Metro contributed RMB15,000 in student financial aid and to further enhance the school's teaching facilities.

ENGAGING THE ELDERLY

For more than a decade, Shanghai Metro has been making contributions to Shanghai Xujiahui Street Home for the elderly. In February 2020, Shanghai Metro donated bedroom necessities totalling RMB10,000 to the home to provide a more conducive and hygienic environment for the elderly to live in.

FULLY INVESTED IN OUR SOCIAL RESPONSIBILITIES

The community is crucial to Metro's progress and Metro shares the fruits of its success through various community engagement activities. The Group remains fully invested in its charitable efforts and will continue to uphold its social responsibilities of making the world a better place and creating a brighter future for generations to come.

CORPORATE GOVERNANCE

Metro Holdings Limited (“**Metro**” or “the **Company**”) is committed to high standards of corporate governance. This Report describes the Company’s corporate governance practices with specific reference made to the principles and provisions of the revised Code of Corporate Governance 2018 (the “**2018 Code**”).

Pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors of the Company (the “**Board**”) confirms that the Company and the Group, have for FY2020 complied with the Principles as set out in the 2018 Code. The Board also confirms that where there are deviations from the Provisions of the 2018 Code, explanations for the deviation and how the Group’s practices are consistent with the intent of the relevant principle are provided in the sections below.

THE BOARD’S CONDUCT OF AFFAIRS

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

Provisions 1.1 and 1.2

Board roles and directors’ duties

Board’s role

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

Scope of directors’ duties

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

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

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

Conflicts of interest

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

Continuous Training for Directors and Orientation for incoming Directors

Directors also are regularly updated on the business activities of the Group during the Board meetings. Changes to regulations and accounting standards are monitored closely by Management. Directors are updated on regulatory changes, such as changes in laws and regulations, code of corporate governance, financial reporting standards to enable them to effectively discharge their duties. News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority (“**ACRA**”) which are relevant to the Directors are circulated to the Board by the Company Secretary so that the Board as a whole is kept up-to-date on pertinent matters relating to the relevant regulatory requirements and their key changes such as listing rules, corporate governance, risk management, financial reporting standards and the Companies Act, Chapter 50.

CORPORATE GOVERNANCE

Newly-appointed directors will be given briefings by the Management on the business activities of the Group and its strategic directions as well as its corporate governance practices. If a newly-appointed Director has no prior experience as a director of SGX-ST listed company, he is required to attend courses and training organised by institutions such as Singapore Institute of Directors, the ACRA and the SGX at the Company's expense.

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

During the year, a director attended the SID course on Board and Director Fundamentals.

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

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

The Board is also responsible for the succession planning, appointment and replacement of directors, as well as appointment of key management personnel and the determination of their remuneration.

Board organisation and support

Provision 1.4 – Delegation to Board Committees

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

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

Provision 1.5 – Board and Board Committee meetings and attendance records

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

In order to ensure that the Board is able to fulfill its responsibilities, prior to the Board meetings, the Management provides the Board with information containing relevant background or explanatory information required to support the decision-making process.

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

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

CORPORATE GOVERNANCE

The Company's Constitution permits directors to attend meetings through the use of audio-visual communication equipment. The attendance of directors at Board and Committees' meetings, whilst they were members in FY2020, as well as at the Annual General Meeting held in 2019 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	4	4*	1	1	1	1	6	6	1
Phua Bah Lee	4	2	4	3*	1	1	1	1	6	-	1
Gerald Ong Chong Keng	4	4	4	4	1	1	1	1*	6	5	1
Mrs Fang Ai Lian	4	4	4	4	1	1	1	1*	6	1*	1
Tan Soo Khoon	4	4	4	4	1	1*	1	1*	6	6	1
Deborah Lee Siew Yin	4	4	4	4	1	1*	1	1	6	3*	1
Yip Hoong Mun [#]	4	4 ⁽¹⁾	4	4*	1	1*	1	1*	6	6 ⁽³⁾	1
Lawrence Chiang Kok Sung [®]	4	4 ⁽²⁾	4	4*	1	1*	1	1*	6	6 ⁽⁴⁾	1

* Attendance by invitation

⁽¹⁾ Attended one meeting by invitation

⁽²⁾ Attended three meetings by invitation

⁽³⁾ Attended two meetings by invitation

⁽⁴⁾ Attended four meetings by invitation

[#] Appointed as the Executive Director and Group Chief Executive Officer, and as a member of the Investment Committee on 1 June 2019.

[®] Stepped down as an Executive Director and Group Chief Executive Officer, and as a member of the Investment Committee on 31 May 2019. Appointed as Advisor on 1 June 2019.

During FY2020, the independent directors and non-executive director also met amongst themselves and/or with the Executive Director and Group Chief Executive Officer ("CEO") and management team on an ad hoc basis to approve and/or discuss specific issues or matters relating to the Group. Such informal discussion and meetings are not included in the above table.

Provision 1.6 – Access to Information

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

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

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

In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memorandum to enable the Directors to make informed decisions.

CORPORATE GOVERNANCE

Provision 1.7 – Independent professional advice/company secretary

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

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

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

During FY2020, the company secretary attended meetings of the Board and its committees and the minutes of such meetings were circulated to all members of the Board and Board Committees.

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

BOARD COMPOSITION AND GUIDANCE

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

The Board comprises the following directors:

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

Lt-Gen (Retd) Winston Choo Wee Leong is the non-executive and independent Chairman. Mr Gerald Ong Chong Keng is a non-executive director and who is a representative of Eng Kuan Company Private Limited with effect from 5 June 2018. Mr Phua Bah Lee, Mrs Fang Ai Lian, Mr Tan Soo Khoon and Ms Deborah Lee Siew Yin are non-executive and independent directors. Mr Yip Hoong Mun is the Executive Director and Group CEO of the Company.

Provision 2.1 – Director Independence

There is strong and independent element on the Board. The Board consists of seven board members, out of which five are independent directors, one non-executive director and one executive director.

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

CORPORATE GOVERNANCE

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

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

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

For FY2020, the NC had assessed the independence of Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian, Mr Tan Soo Khoo and Ms Deborah Lee Siew Yin, and was satisfied that there was no relationship or other factors such as financial assistance, past association, business dealings, being a representative of a shareholder, financial dependence, relationship with the Group or the Group's management, which would impair or compromise their independent judgment or which would deem them not to be independent.

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

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

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

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

As at 31 March 2020, three independent directors, namely Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong and Mrs Fang Ai Lian have served on the Board for more than nine years from the date of their respective first appointment. In subjecting the independence of Mr Phua Bah Lee, Lt-Gen (Retd) Winston Choo Wee Leong and Mrs Fang Ai Lian to particularly rigorous review, the NC 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 or her duties rather than imposing a maximum number of years that he or she should serve.

The NC and the Board have noted that each of them has not hesitated to express his or her own viewpoint as well as seeking clarification from management on issues he or she deems necessary. It is noted that each of them is able to exercise objective judgment on corporate matters independently, in particular from management and substantial shareholders, notwithstanding that each of them has served more than 9 years on the Board. In addition, these directors continue to provide stability to the Board and the Company has benefited greatly from them who are specialists in their own field and they have, over time, not only gained valuable insight into the Group, its business, markets and industry but have brought their breadth and depth of business experience to the Company.

The NC and the Board also noted that Mr Phua Bah Lee is also able to exercise objective judgment on corporate matters independently notwithstanding his common directorship in Ngee Ann Development Pte Ltd.

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

In line with the SGX-ST Listing Rule 210(5)(d)(iii) which will take effect from 1 January 2022, all independent directors who have served the Board for an aggregate period of more than nine years will undergo the mandatory two-tier voting process at the 2021 Annual General Meeting ("**AGM**").

CORPORATE GOVERNANCE

Provision 2.2 – Composition of independent directors on the Board

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

For FY2020, more than half of the Board members were made up of independent and non-executive directors. Therefore, the NC is of the view that the Board has sufficient independent element and its composition is appropriate to facilitate effective decision-making.

Provision 2.3 – Proportion of non-executive directors

In FY2020, independent and non-executive directors constitute more than half of the Board. There is one non-executive director on the Board. The independent and non-executive directors had constructively challenged and contributed to the development of both the Group's short-term and long-term business strategies. Their views and opinions also provide different perspectives to the Group's businesses. The management's progress in implementing such agreed business strategies is being monitored by the independent and non-executive directors who ensured objectivity in such deliberations.

Provision 2.4 – Board composition and size

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

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

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

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

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

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

Provision 2.5 – Regular meetings of non-executive directors

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

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

CORPORATE GOVERNANCE

CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and Management, and no individual has unfettered powers of decision-making.

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

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

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

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

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

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

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

Provision 3.3 – Lead Independent Director

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

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

BOARD MEMBERSHIP

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

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

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

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

- (i) reviewing and assessing candidates for directorships (including executive directorships) before nominating such candidates for the approval by the Board of Directors;
- (ii) reviewing and recommending to the Board of Directors the re-election of any Director under the retirement provisions and appointment of Director, if required, in accordance with the Company's Constitution at each annual general meeting;
- (iii) reviewing the composition of the Board of Directors annually to ensure that the Board of Directors has an appropriate balance of independent directors and ensuring an appropriate balance of expertise, skills, attributes and abilities among our directors;

CORPORATE GOVERNANCE

- (iv) reviewing and determining annually if a director is independent, in accordance with the 2018 Code and any other salient factors;
- (v) where a director has multiple board representations, deciding whether the director is able to and has been adequately carrying out his duties as director; and
- (vi) reviewing the succession plan for directors and key executives of the Group.

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

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

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

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

Mr Yip Hoong Mun, who was then the Deputy Group CEO, was appointed as the Executive Director and Group CEO in FY2020 in place of Mr Lawrence Chiang Kok Sung. Mr Lawrence Chiang Kok Sung retired as part of succession plan and has been appointed as Advisor of the Group.

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

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

CORPORATE GOVERNANCE

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

Name of Director	Appointment	Date of Initial Appointment	Date of Last re-election
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive/ Independent Director	18 June 2007	27 July 2018
Phua Bah Lee	Non-Executive/ Independent Director	5 October 1993	29 July 2019
Gerald Ong Chong Keng	Non-Executive Director	18 June 2007	29 July 2019
Mrs Fang Ai Lian	Non-Executive/ Independent Director	16 July 2008	17 July 2017
Tan Soo Khoon	Non-Executive/ Independent Director	9 December 2011	17 July 2017
Deborah Lee Siew Yin	Non-Executive/ Independent Director	12 June 2018	27 July 2018
Yip Hoong Mun	Executive Director and Group Chief Executive Officer	1 June 2019	29 July 2019

The following directors are due to retire by rotation under Article 94 of the Company's Constitution and have offered themselves for re-election:

- (a) Lt-Gen (Retd) Winston Choo Wee Leong;
- (b) Mrs Fang Ai Lian; and
- (c) Mr Tan Soo Khoon.

After assessing the contribution and performance of the retiring directors, the NC has recommended that Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon be re-elected at the forthcoming AGM. The Board has accepted the recommendation of the NC.

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

Subject to their re-election:

- (i) Lt-Gen (Retd) Winston Choo Wee Leong shall continue to serve as an independent director and Chairman of the Board, NC and IC and a member of the RC;
- (ii) Mrs Fang Ai Lian shall continue to serve as an independent director and Chairman of the AC and a member of the NC; and
- (iii) Mr Tan Soo Khoon shall continue to serve as an independent director and a member of the AC and IC.

The requisite information required under Appendix 7.4.1 of the SGX-ST Listing Manual pertaining to Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon can be found on pages 174 to 177 of this Annual Report.

CORPORATE GOVERNANCE

Provision 4.4 – Continuous review of the directors' independence

Each independent director of the Company will confirm his independence (or otherwise) based on a checklist annually. The checklist is drawn up based on the guidelines provided under the 2018 Code. In FY2020, the NC had reviewed the independence of the independent directors, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code, its Practice Guidance and the SGX-ST Listing Manual. Details of the review process are set out under Provision 2.1 of this report.

Provision 4.5 – Multiple directorships

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

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

BOARD PERFORMANCE

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

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

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

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

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

Provision 6.3 – Developing remuneration framework

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

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

Provision 6.4 – RC access to advice on remuneration matters

The RC has explicit authority to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters when necessary. During FY2020, the RC did not engage the service of an external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

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

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

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

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

CORPORATE GOVERNANCE

The independent directors and non-executive directors are remunerated based on basic fees for serving on the Board and Board committees as is the executive director. Such fees are recommended for approval by shareholders as a lump sum payment at the AGM.

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

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

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

DISCLOSURE ON REMUNERATION

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

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

The breakdown of directors' remuneration for FY2020 is as follows:

Name of Director	Total Remuneration S\$'000	Base Salary etc/Directors' Fees	Performance-Related/Bonuses	Long Term Incentive
Lt-Gen (Retd) Winston Choo Wee Leong	239	100%	–	–
Phua Bah Lee	81	100%	–	–
Gerald Ong Chong Keng	157	100%	–	–
Mrs Fang Ai Lian	129	100%	–	–
Tan Soo Khoo	150	100%	–	–
Deborah Lee Siew Yin	97	100%	–	–
Yip Hoong Mun ⁽¹⁾	1,812	56%	38%	6%

⁽¹⁾ Mr Yip Hoong Mun was appointed as Executive Director and Group Chief Executive Officer on 1 June 2019 and the remuneration in this table included the period in which he was the Deputy Group Chief Executive Officer until 31 May 2019.

CORPORATE GOVERNANCE

Remuneration of top four key executives (who are not directors) for FY2020:

Remuneration Band & Name of Key Executive	Base Salary etc	Performance-Related/Bonuses	Long Term Incentive
<i>S\$1,000,000 to S\$1,249,999</i>			
Lawrence Chiang Kok Sung ⁽²⁾	82%	15%	3%
Eve Chan Bee Leng	60%	40%	–
<i>S\$500,000 to S\$749,999</i>			
David Tang Kai Kong	81%	19%	–
<i>S\$250,000 to S\$499,999</i>			
Wong Sioe Hong	85%	15%	–

⁽²⁾ Mr Lawrence Chiang Kok Sung was appointed as Advisor on 1 June 2019 and the remuneration in this table included the period in which he was the Executive Director and Group Chief Executive Officer until 31 May 2019.

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 or the Group CEO) of the Group is only set out in bands of S\$250,000 and above. Their profiles are found on pages 20 and 21.

The aggregate total remuneration of the top four key executives (who are not directors or the Group CEO) was S\$3,340,000.

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

There are no employees of the Group who are immediate family members of a director or the Group CEO and whose remuneration exceeds S\$100,000 for the financial year.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT & INTERNAL CONTROLS

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

Provision 9.1: Nature and Extent of Risks

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

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

The main areas of financial risk faced by the Group are foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. Further details of the financial risks and how the Group manages them are set out in note 31 to the financial statements.

CORPORATE GOVERNANCE

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

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

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

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

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

In FY2020, based on the Group CEO and the Group CFO's representation, the Board issued negative assurance statements in its quarterly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Board has obtained a written confirmation from :

- (a) the Group CEO, who is also the Executive Director, and the Group Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group CEO and other key management personnel who are responsible regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

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

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors, and the statutory audit conducted by the External Auditor, and reviews performed by Management and various Board committees including the Audit Committee and Investment Committee, 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 2020 to meet the needs of the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or misstatements, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

There was no material weakness in risk management and internal controls noted as at 31 March 2020.

CORPORATE GOVERNANCE

Principle 10: Audit Committee

Provisions 10.1, 10.2 and 10.3

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 Gerald Ong Chong Keng, Mr Tan Soo Khoon and Ms Deborah Lee Siew Yin. The Audit Committee has full authority to investigate matters relating to the Group and any matters within its terms of reference.

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

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

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

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

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

CORPORATE GOVERNANCE

The AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant issues were discussed with management and the External Auditor and reviewed by the AC in respect of FY2020:

Significant matters	How the Audit Committee addressed these issues
Valuation of investment property	<p>The Audit Committee considered the appropriateness of the approach and methodology applied to the valuation model in assessing the valuation of the investment property, as well as the independence, objectivity and competence of the external appraiser appointed to perform the valuation.</p> <p>The Audit Committee also considered the reasonableness of the basis and the inputs used in the valuation model, in light of the increase in the level of estimation uncertainty arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.</p> <p>The valuation of investment property was also an area of focus for the External Auditor. The External Auditor has included this item as a key audit matter in its audit report for FY2020 on page 73 of the Annual Report.</p>

Significant matters	How the Audit Committee addressed these issues
Accounting of interests in associates and joint ventures	<p>The Audit Committee considered the appropriateness of the approach and methodology used in the accounting of interests in associates and joint ventures, which are mainly involved in the business of property investment and development.</p> <p>The recoverability of the interests in and results from these associates and joint ventures are dependent on the fair valuation of the investment properties and the success of the relevant development projects.</p> <p>The Audit Committee was periodically briefed on the factors affecting the valuation of the investment properties and development of key projects, including the strength of the economy, government policies, demand and supply in the respective markets. The Audit Committee also considered the risk of downward valuation of the investment properties and development projects in light of the prevailing conditions.</p> <p>The accounting of interests in associates and joint ventures was also an area of focus for the External Auditor. The External Auditor has included this item as a key audit matter in its audit report for FY2020 on pages 73 and 74 of the Annual Report.</p>

Provision 10.4 – internal audit function

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

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

CORPORATE GOVERNANCE

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

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

The AC assesses the adequacy and effectiveness of the internal audit function annually. The function of internal audit is guided by the Standards for the Professional Practice of Internal Auditing.

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

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

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

The AC having reviewed the nature and extent of non-audit services provided by Ernst & Young LLP (“EY”) and Ernst & Young member firms, including the fees paid for their audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 March 2020, is of the view that the independence of the External Auditor of the Company has not been compromised.

Rule 712 of the Listing Manual of SGX-ST

The Audit Committee has also reviewed and confirmed that EY is a suitable audit firm to meet the Company’s audit obligations, after taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA and having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, EY’s other audit engagements, size and complexity of the Metro Group, number and experience of supervisory and professional staff assigned to the audit. Accordingly, the Audit Committee recommended to the Board the re-appointment of EY as External Auditor of the Group for the year ending 31 March 2021. Therefore, the Company complies with Rule 712 of the Listing Manual.

Rule 715 of the Listing Manual of SGX-ST

The Group has complied with the Rule 715 of the Listing Manual in relation to its auditing firms. EY has been engaged to audit the financial statements of the Company and all its Singapore-incorporated subsidiaries. Rule 716 does not apply to the Group as all its Singapore-incorporated subsidiaries are audited by EY and its Singapore-incorporated joint venture and associated company, which are not considered significant*, are audited by one of the big four audit firms and a local audit firm respectively.

The financial statements of the significant* foreign-incorporated associated company is audited by KPMG, one of the big four audit firms.

All the significant* foreign-incorporated joint ventures are audited by EY member firms in their respective countries. The Group has certain foreign-incorporated joint ventures and associated companies which are currently not considered significant* to the Group, and the financial statements of these joint ventures and associated companies are audited by three of the big four audit firms or the ninth largest audit firm (in terms of fee income) in the respective countries.

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

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

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

CORPORATE GOVERNANCE

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

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.

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

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

Shareholders are encouraged to attend the Annual General Meeting to ensure a greater level of shareholders’ participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the Notice of Annual General Meeting and circulars and notices pertaining to any Extraordinary General Meetings of the Company. To facilitate participation by the shareholders, the Constitution of the Company allows the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the general meetings while a member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the general meetings through proxy forms deposited 72 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST’s website.

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.

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

Every matter requiring shareholders’ approval is proposed as a separate resolution. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. As authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email. Participation of shareholders is encouraged at the Annual General Meeting through the open question and answer session.

CORPORATE GOVERNANCE

Provision 11.3 – Attendees at general meetings

The Directors, Management and the External Auditor are present and available at the general meetings to address any queries or concerns on matters relating to the Group and its operations. The attendance of the directors who attended the Annual General Meeting in 2019 is set out under Provision 1.5 of this report.

Provision 11.5 – Minutes of general meetings

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

Provision 11.6 – Dividend policy

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

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

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1 – Avenue of communication between the Board and shareholders

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

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

Provisions 12.2 and 12.3 – Investor relations policy

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

CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS

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

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

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

More details on the Company's strategy and key areas of focus in relation to the management of stakeholders' relationships will be disclosed in the standalone Sustainability Report for FY2020 which will be issued not later than 5 months after the end of the financial year.

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

OTHER CORPORATE GOVERNANCE MATTERS

DEALINGS IN SECURITIES

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

As the Company has ceased quarterly reporting in respect of financial year ended 31 March 2020, the internal code on dealing in securities of the Company has been updated whereby the Company, Directors and employees of the Group are not permitted to deal with the securities of the Company during the period beginning one month before the announcement of the half year and full year financial statements results and ending on the date of the announcement.

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

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

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

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

DIRECTORS' INTERESTS IN CONTRACTS ENTERED WITH THE GROUP

There was no transaction by the directors or with firms/companies in which they are members and/or have a substantial financial interest during FY2020.

INTERESTED PERSON TRANSACTIONS

There was no interested person transaction during FY2020.

INDEX

70

Directors' Statement

72

Independent Auditor's Report

77

Consolidated Income Statement

78

Consolidated Statement of Comprehensive Income

79

Balance Sheets

80

Statements of Changes in Equity

83

Consolidated Statement of Cash Flows

85

Notes to the Financial Statements

166

Statistics of Shareholdings

167

Substantial Shareholders

168

Notice of Annual General Meeting and Notice of Record Date

174

Information on Directors Seeking Re-election

Proxy Form

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 2020.

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 2020 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date, and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Winston Choo Wee Leong (Chairman)
Phua Bah Lee
Gerald Ong Chong Keng
Fang Ai Lian (Mrs)
Tan Soo Khoon
Deborah Lee Siew Yin
Yip Hoong Mun (Group Chief Executive Officer)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

Name of director	Shareholdings in which the director is deemed to have an interest		
	As at 1.4.2019	As at 31.3.2020	As at 21.4.2020
Ordinary shares			
Phua Bah Lee	72,576	72,576	72,576

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

DIRECTORS' STATEMENT

5. OPTIONS

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

6. AUDIT COMMITTEE

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

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

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

The Committee has also reviewed all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

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

7. AUDITOR

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

On behalf of the board of directors:

Winston Choo Wee Leong
Chairman

Yip Hoong Mun
Executive Director

7 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2020

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 2020, the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group and the statements of changes in equity of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year then ended.

Basis for opinion

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

Key audit matters

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2020

Key audit matters (cont'd)

1. Valuation of investment property

As at 31 March 2020, the carrying value of the Group's investment property amounted to S\$109.0 million. The Group records its investment property at fair value. Management engages independent professional valuer ("External Appraiser") in the country in which the investment property is located to determine the fair value of the property. Management reviews the valuation carried out by the External Appraiser and adopts the valuation as fair value.

The valuation of the investment property is considered a key audit matter because it involves the use of a range of estimates (amongst others, capitalisation rates and rental rates) made by management and the External Appraiser. In addition, as disclosed and explained in more detail in Note 3.2(i) – *Key sources of estimation uncertainty*, there was an increase in the level of estimation uncertainty in determining the valuation of investment property as at 31 March 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

As part of our audit procedures, we evaluated the professional competency, independence and objectivity of the External Appraiser. We also read the terms of engagement of the External Appraiser to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the External Appraiser. We read the external valuation report, inquired with the External Appraiser and obtained explanations to support the selection of valuation method, valuation adjustments made in light of the increased estimation uncertainty as well as the key assumptions including rental income and capitalisation rate used to establish the valuation. We also reviewed the reasonableness of the key assumptions used in the projected cash flows by comparing to supporting leases and available industry data.

We responded to the increased estimation uncertainty over the valuation of the investment property by evaluating the reasonableness of any valuation adjustments made by the External Appraiser and performed sensitivity analysis where applicable.

We also reviewed the adequacy of the Group's disclosures in Note 12, 32(d) and 3.2(i) to the financial statements relating to Investment property, Fair value of assets or liabilities, level 3 fair value measurements and Key sources of estimation uncertainty which are fundamental to users understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the fair value, including information that the fair value of the investment property recorded in the Group's balance sheet as at 31 March 2020 was estimated based on conditions prevailing on that date.

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

2. Accounting of interests in associates and joint ventures

The Group has significant interests in associates and joint ventures which comprise the investments in and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property investment and development. As at 31 March 2020, the carrying value of the interests in associates and joint ventures amounted to S\$1,132.9 million, representing 80.5% of non-current assets and 50.7% of total assets of the Group. For the financial year ended 31 March 2020, the Group's share of associates and joint ventures results was S\$27.0 million, representing 67.9% of the Group's profit before taxation.

The recoverability of the interests in and results from these associates and joint ventures are dependent on the fair valuation of their investment properties and the success of the relevant development projects. The valuation of the investment properties and contributions from development projects are dependent on a number of factors including the economy, government policies, and demand and supply for properties in their respective markets. Consequently, there is a risk of downward valuation of the investment properties and development projects. Annually, management conducts an assessment to determine whether any indicator of impairment exists.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2020

Key audit matters (cont'd)

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

We identified this as a key audit matter because the interests in associates and joint ventures and the share of the results are material to the Group's balance sheet and profit or loss, and the valuation and impairment assessment involve significant management judgement. In addition, as disclosed and explained in more detail in Note 3.2(ii) – *Key sources of estimation uncertainty*, there was an increase in the level of estimation uncertainty in determining the valuation of investment properties and the success of development projects as at 31 March 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

Amongst other audit procedures, we discussed with management and auditors of the associates and joint ventures about the future market conditions, the status and the impact of COVID-19 pandemic on the development projects and properties. We assessed the reasonableness of revenue recognised during the financial year and performance of the projects. In addition, we assessed the reasonableness of the estimated selling prices of the development properties and properties under construction by comparing to recently transacted prices and prices of comparable projects located in the vicinity as the development projects. For those associates and joint ventures with significant investment properties, we read the valuation reports, inquired with the external valuers and/or management and obtained explanations to support the selection of valuation methods, valuation adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the rental income and capitalisation rates used to establish the valuations. For certain investment properties, we obtained the support of our valuation specialists, we reviewed the reasonableness of the key assumptions including the rental income and capitalisation rates used in the projected cash flows by comparing to supporting leases and available industry data. We responded to the increased estimation uncertainty over the valuations of the investment properties by evaluating the reasonableness of any valuation adjustments made by the External Appraisers and performed sensitivity analysis, where applicable.

We obtained the latest available audited financial statements of the Group's associates and joint ventures, and checked mathematical accuracy on the computation of the share of results. Where the accounting periods of the associates, joint ventures and the Group are not coterminous, we reviewed management's adjustments made for the effects of significant transactions or events that occurred between the date of those financial statements and the date of the Group's financial statements.

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

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

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2020

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRO HOLDINGS LIMITED

For the financial year ended 31 March 2020

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

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Tan Seng Choon.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
7 August 2020

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2020

(In Singapore dollars)

	Note	2020 \$'000	2019 \$'000
Revenue	4	210,254	171,964
Cost of revenue	5	(190,097)	(161,857)
Gross profit		20,157	10,107
Other net income	6	36,141	33,945
Fair value (loss)/gain on an investment property	12	(2,452)	14,706
General and administrative expenses		(22,115)	(23,974)
Finance costs	7	(18,970)	(5,803)
Share of results of associates, net of tax	15	(28,965)	13,841
Share of results of joint ventures, net of tax	16	55,935	65,211
Profit from operations before taxation	8	39,731	108,033
Taxation	9	(6,651)	(11,338)
Profit net of taxation		33,080	96,695
Attributable to:			
Owners of the Company		32,248	96,282
Non-controlling interests		832	413
		33,080	96,695
		Cents	Cents
Earnings per share			
Basic	10	3.9	11.6
Diluted	10	3.9	11.6

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 2020

(In Singapore dollars)

	2020 \$'000	2019 \$'000
Profit net of taxation	<u>33,080</u>	<u>96,695</u>
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss</i>		
Share of other comprehensive income of an associate	–	558
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	1,075	4,759
Share of other comprehensive expense of associates and joint ventures	<u>(7,259)</u>	<u>(17,502)</u>
Other comprehensive expense for the financial year	<u>(6,184)</u>	<u>(12,185)</u>
Total comprehensive income for the financial year	<u>26,896</u>	<u>84,510</u>
Total comprehensive income/(expense) attributable to:		
Owners of the Company	28,387	83,791
Non-controlling interests	<u>(1,491)</u>	<u>719</u>
	<u>26,896</u>	<u>84,510</u>

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

BALANCE SHEETS

As at 31 March 2020

(In Singapore dollars)

	Note	Group			Company		
		31.3.2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	31.3.2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
ASSETS							
Non-current assets							
Plant and equipment	11	1,465	2,128	4,466	22	30	42
Right-of-use assets	27	62,590	–	–	3,840	–	–
Investment property	12	109,022	112,029	100,214	–	–	–
Subsidiaries	13	–	–	–	17,790	17,790	17,790
Amounts due from subsidiaries	14	–	–	–	542,055	474,675	535,448
Associates	15	795,642	758,058	544,174	500	500	500
Joint ventures	16	337,269	232,782	414,003	–	–	–
Long term investments							
– Fair value through profit or loss	17	99,873	101,196	–	–	–	–
– Available-for-sale	17	–	–	80,336	–	–	–
Deferred tax assets	9	1,121	–	–	–	–	–
		<u>1,406,982</u>	<u>1,206,193</u>	<u>1,143,193</u>	<u>564,207</u>	<u>492,995</u>	<u>553,780</u>
Current assets							
Development properties	18	166,735	167,787	50,556	–	–	–
Inventories	19	10,159	13,695	16,950	–	–	–
Prepayments		1,499	707	1,922	–	–	–
Accounts and other receivables	20	94,030	53,520	135,350	415	2,273	192
Amounts due from subsidiaries	14	–	–	–	290,970	259,196	–
Amounts due from associates	15	8,321	1,976	–	–	–	–
Amounts due from joint ventures	16	188,258	191,849	–	4,296	4,169	–
Short term investments	17	10,988	31,400	30,262	–	–	–
Pledged fixed bank deposits	21	–	37,242	158,409	–	–	–
Cash and cash equivalents	21	349,367	195,316	159,364	63,703	33,743	9,588
		<u>829,357</u>	<u>693,492</u>	<u>552,813</u>	<u>359,384</u>	<u>299,381</u>	<u>9,780</u>
Total assets		<u>2,236,339</u>	<u>1,899,685</u>	<u>1,696,006</u>	<u>923,591</u>	<u>792,376</u>	<u>563,560</u>
EQUITY AND LIABILITIES							
Current liabilities							
Borrowings	22	145,165	80,484	136,752	18,789	–	–
Accounts and other payables	23	48,006	60,881	53,876	6,280	6,407	7,954
Amounts due to subsidiaries	23	–	–	–	192,886	274,465	–
Amount due to a joint venture	16	–	22,357	–	–	–	–
Lease liabilities	27	10,573	–	–	523	–	–
Provision for taxation		4,875	2,654	1,448	111	26	15
		<u>208,619</u>	<u>166,376</u>	<u>192,076</u>	<u>218,589</u>	<u>280,898</u>	<u>7,969</u>
Net current assets		<u>620,738</u>	<u>527,116</u>	<u>360,737</u>	<u>140,795</u>	<u>18,483</u>	<u>1,811</u>
Non-current liabilities							
Borrowings	22	348,348	149,187	–	348,348	149,187	–
Amounts due to subsidiaries	23	–	–	–	–	–	255,192
Amounts due to joint ventures	16	73,813	20,210	–	–	–	–
Lease liabilities	27	53,871	–	–	3,483	–	–
Deferred income	23	2,100	7,436	11,325	–	–	–
Deferred tax liabilities	9	20,891	22,321	16,377	7	26	12
		<u>499,023</u>	<u>199,154</u>	<u>27,702</u>	<u>351,838</u>	<u>149,213</u>	<u>255,204</u>
Total liabilities		<u>707,642</u>	<u>365,530</u>	<u>219,778</u>	<u>570,427</u>	<u>430,111</u>	<u>263,173</u>
Net assets		<u>1,528,697</u>	<u>1,534,155</u>	<u>1,476,228</u>	<u>353,164</u>	<u>362,265</u>	<u>300,387</u>
Equity attributable to owners of the Company							
Share capital	24	169,717	169,717	169,717	169,717	169,717	169,717
Treasury shares	24	(1,768)	(1,768)	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	25	1,332,130	1,342,350	1,299,694	185,215	194,316	132,438
		<u>1,500,079</u>	<u>1,510,299</u>	<u>1,467,643</u>	<u>353,164</u>	<u>362,265</u>	<u>300,387</u>
Non-controlling interests		<u>28,618</u>	<u>23,856</u>	<u>8,585</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total equity		<u>1,528,697</u>	<u>1,534,155</u>	<u>1,476,228</u>	<u>353,164</u>	<u>362,265</u>	<u>300,387</u>
Total equity and liabilities		<u>2,236,339</u>	<u>1,899,685</u>	<u>1,696,006</u>	<u>923,591</u>	<u>792,376</u>	<u>563,560</u>

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 2020

(In Singapore dollars)

Group	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve			Statutory reserve \$'000	Other reserve \$'000	Revenue reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
				\$'000	\$'000	\$'000						
At 1 April 2019 (as previously stated)		169,717	(1,768)	(7,007)	4,321	1,006	1,348,933	1,515,202	23,856	1,539,058		
Effects of adoption of SFRS(I) 1-23	2.2	-	-	-	-	-	(4,903)	(4,903)	-	(4,903)	-	(4,903)
At 1 April 2019 (as restated)		169,717	(1,768)	(7,007)	4,321	1,006	1,344,030	1,510,299	23,856	1,534,155		
Effects of adoption of SFRS(I) 16	2.2	-	-	-	-	-	(1,345)	(1,345)	-	(1,345)	-	(1,345)
At 1 April 2019 (as adjusted)		169,717	(1,768)	(7,007)	4,321	1,006	1,342,685	1,508,954	23,856	1,532,810		
Profit for the year		-	-	-	-	-	32,248	32,248	832	33,080		
Other comprehensive income												
Currency translation adjustments on foreign subsidiaries, associates and joint ventures		-	-	3,398	-	-	-	3,398	(2,323)	1,075		
Share of other comprehensive expense of associates and joint ventures		-	-	(6,687)	-	(572)	-	(7,259)	-	(7,259)		
Other comprehensive expense for the financial year, net of tax		-	-	(3,289)	-	(572)	-	(3,861)	(2,323)	(6,184)		
Total comprehensive (expense)/ income for the financial year		-	-	(3,289)	-	(572)	32,248	28,387	(1,491)	26,896		
Contributions by and distributions to owners		-	-	-	-	-	(37,262)	(37,262)	-	(37,262)		
Dividends paid	26	-	-	-	-	-	(37,262)	(37,262)	-	(37,262)		
Total contributions by and distributions to owners		-	-	-	-	-	(37,262)	(37,262)	-	(37,262)		
Changes in ownership interests in a subsidiary		-	-	-	-	-	-	-	6,253	6,253		
Interest in a subsidiary		-	-	-	-	-	-	-	-	-		
Total changes in ownership interests in a subsidiary		-	-	-	-	-	-	-	6,253	6,253		
Others												
Transfer to statutory reserve fund		-	-	-	413	-	(413)	-	-	-		
Total others		-	-	-	413	-	(413)	-	-	-		
At 31 March 2020		169,717	(1,768)	(10,296)	4,734	434	1,337,258	1,500,079	28,618	1,528,697		

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

(In Singapore dollars)

Group	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Statutory reserve \$'000	Other reserve \$'000	Revenue reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 April 2018 (as previously stated)		169,717	(1,768)	5,237	4,081	1,811	1,294,479	1,473,557	8,585	1,482,142
Effects of adoption of SFRS(I) 1-23	2.2	-	-	-	-	-	(5,914)	(5,914)	-	(5,914)
At 1 April 2018 (as restated)		169,717	(1,768)	5,237	4,081	1,811	1,288,565	1,467,643	8,585	1,476,228
Profit for the year		-	-	-	-	-	96,282	96,282	413	96,695
Other comprehensive income										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures		-	-	4,453	-	-	-	4,453	306	4,759
Share of other comprehensive (expense)/income of associates and joint ventures		-	-	(16,697)	-	(805)	558	(16,944)	-	(16,944)
Other comprehensive (expense)/income for the financial year, net of tax		-	-	(12,244)	-	(805)	558	(12,491)	306	(12,185)
Total comprehensive (expense)/income for the financial year		-	-	(12,244)	-	(805)	96,840	83,791	719	84,510
Contributions by and distributions to owners										
Dividends paid	26	-	-	-	-	-	(41,402)	(41,402)	-	(41,402)
Dividends unclaimed		-	-	-	-	-	267	267	-	267
Total contributions by and distributions to owners		-	-	-	-	-	(41,135)	(41,135)	-	(41,135)
Changes in ownership interests in a subsidiary										
Interest in a subsidiary		-	-	-	-	-	-	-	14,552	14,552
Total changes in ownership interests in a subsidiary		-	-	-	-	-	-	-	14,552	14,552
Others										
Transfer to statutory reserve fund		-	-	-	240	-	(240)	-	-	-
Total others		-	-	-	240	-	(240)	-	-	-
At 31 March 2019		169,717	(1,768)	(7,007)	4,321	1,006	1,344,030	1,510,299	23,856	1,534,155

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 2020

(In Singapore dollars)

Company	Note	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
At 1 April 2019 (as previously stated)		169,717	(1,768)	194,316	362,265
Effects of adoption of SFRS(I) 16	2.2	–	–	(125)	(125)
At 1 April 2019 (as adjusted)		169,717	(1,768)	194,191	362,140
Profit for the year, representing total comprehensive income for the financial year		–	–	28,286	28,286
<u>Contributions by and distributions to owners</u>					
Dividends paid	26	–	–	(37,262)	(37,262)
At 31 March 2020		169,717	(1,768)	185,215	353,164
At 1 April 2018		169,717	(1,768)	132,438	300,387
Profit for the year, representing total comprehensive income for the financial year		–	–	103,013	103,013
<u>Contributions by and distributions to owners</u>					
Dividends paid	26	–	–	(41,402)	(41,402)
Dividends unclaimed		–	–	267	267
At 31 March 2019		169,717	(1,768)	194,316	362,265

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 2020

(In Singapore dollars)

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities:			
Operating cash flows before changes in working capital			
Operating profit/(loss) before reinvestment in working capital	(a)	15,045	(5,095)
Increase in development properties		(16,701)	(114,428)
Decrease in inventories		3,149	1,193
(Increase)/decrease in accounts and other receivables		(46,422)	83,115
(Decrease)/increase in accounts and other payables		(20,426)	7,273
Cash flows used in operations		(65,355)	(27,942)
Interest expense paid		(17,762)	(5,664)
Interest income received		41,232	14,217
Income taxes paid		(5,737)	(3,860)
Net cash flows used in operating activities		(47,622)	(23,249)
Cash flows from investing activities:			
Purchase of plant and equipment	11	(724)	(1,967)
Decrease/(increase) in long term investments		2,658	(12,077)
Purchase of short term investments		–	(967)
Proceeds from disposal of plant and equipment		7	1
Proceeds from disposal of short term investments		14,053	–
Proceeds from disposal of an associate		23,750	–
Investment in associates		(93,429)	(20,725)
Investment in joint ventures		(40,758)	–
Increase in amounts due to joint ventures		30,915	43,407
Increase in amounts due from associates		(16,372)	(207,614)
(Increase)/decrease in amounts due from joint ventures		(11,789)	31,859
Dividends received from associates		16,892	21,526
Dividends received from joint ventures		–	7,888
Dividends received from long term investments	6	4,348	3,753
Dividends received from short term investments	6	1,805	1,978
Changes in pledged fixed bank deposits		37,242	121,167
Net cash flows used in investing activities		(31,402)	(11,771)
Cash flows from financing activities:			
Drawdown of borrowings	22	290,414	172,450
Repayment of borrowings	22	(23,400)	(74,054)
Payment of lease liabilities	27(b)	(12,465)	–
Dividends paid	26	(37,262)	(41,402)
Advances from non-controlling interests		7,481	–
Contributions from non-controlling interests		6,253	14,552
Net cash flows from financing activities		231,021	71,546
Net increase in cash and cash equivalents		151,997	36,526
Effect of exchange rate changes in cash and cash equivalents		2,054	(574)
Cash and cash equivalents at 1 April		195,316	159,364
Cash and cash equivalents at 31 March	21	349,367	195,316

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

(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	2020 \$'000	2019 \$'000
Profit from operations before taxation		39,731	108,033
Adjustments for:			
Fair value loss/(gain) on an investment property	12	2,452	(14,706)
Finance costs	7	18,970	5,803
Depreciation of plant and equipment	11	1,387	3,272
Depreciation of right-of-use assets	27	11,513	–
Share of results of associates, net of tax		28,965	(13,841)
Dilution loss on interest in associates		55	158
Share of results of joint ventures, net of tax		(55,935)	(65,211)
Interest income	6	(22,708)	(19,157)
Dividends from long term investments	6	(4,348)	(3,753)
Dividends from short term investments	6	(1,805)	(1,978)
Inventories written down	8	738	1,487
Allowance for doubtful debts	8	–	1
Impairment of plant and equipment	8	–	990
Plant and equipment written off	8	–	43
(Write-back of)/allowance for obsolete inventories	8	(351)	575
Net change in fair value of investments at fair value through profit or loss	6	7,898	(9,255)
Gain on disposal of plant and equipment	8	(7)	(1)
Gain on disposal of an associate	6	(10,592)	–
Gain on disposal of short term investments	6	(896)	–
Foreign exchange adjustments		(22)	2,445
Operating gain/(loss) before reinvestment in working capital		<u>15,045</u>	<u>(5,095)</u>

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 2020

1. CORPORATE INFORMATION

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Adoption of SFRS(I)

On 1 April 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 *Leases* and SFRS(I) 1-23 *Borrowing Costs*:

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT FRS 104 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT FRS 15 *Operating Leases-Incentives* and SFRS(I) INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.2 Adoption of SFRS(I) (cont'd)

SFRS(I) 16 Leases (cont'd)

The effect of adopting SFRS(I) 16 as at 1 April 2019 was as follows:

	Group \$'000	Company \$'000
	Increase/ (decrease)	Increase/ (decrease)
Assets		
Right-of-use assets	46,209	4,389
Total assets	46,209	4,389
Liabilities		
Lease liabilities (current)	11,155	508
Lease liabilities (non-current)	36,399	4,006
Total liabilities	47,554	4,514
Total adjustment on equity		
Retained earnings	(1,345)	(125)

Upon adoption of SFRS(I) 1-16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.24. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.2 Adoption of SFRS(I) (cont'd)

SFRS(I) 16 Leases (cont'd)

Based on the above, as at 1 April 2019:

- right-of-use assets of \$46,209,000 were recognised and presented separately in the balance sheets;
- additional lease liabilities of S\$47,554,000 were recognised; and
- the net effect of these adjustments of \$1,345,000 had been adjusted to retained earnings. Comparative information is not restated.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	Group \$'000	Company \$'000
Operating lease commitment as at 31 March 2019	23,989	2,130
Less:		
Commitments relating to short-term leases	(325)	–
Commitments relating to advertising, promotion and service charges	(6,630)	(229)
	17,034	1,901
Weighted average incremental borrowing rate as at 1 April 2019	2.94%	2.94%
Discounted operating lease commitments as at 1 April 2019	16,387	1,818
Add:		
Lease payments relating to renewal periods not included in operating lease commitments as at 31 March 2019	31,167	2,696
Lease liabilities as at 1 April 2019	47,554	4,514

SFRS(I) 1-23 Borrowing Costs

In 2018, the IFRS Interpretations Committee (“IFRIC”), which works with the IASB in supporting the application of IFRS standards, received a submission on whether a real estate developer capitalises borrowing costs as part of the cost of units for a residential multi-unit real estate development, for which the developer recognises revenue over time for the sale of individual units in the development based on IFRS 15 *Revenue from Contracts with Customers*.

In November 2018, the IFRIC issued a Tentative Agenda Decision containing explanatory material for the decision and how the applicable principles and requirements in International Accounting Standards (“IAS”) 23 *Borrowing Costs* apply to the fact pattern in the submission. The IFRIC tentatively concluded that such an entity should not capitalise borrowing costs. This Tentative Agenda Decision was finalised in its original form on 20 March 2019.

As SFRS(I) 1-23 and SFRS(I) 15 are aligned to IAS 23 and IFRS 15 respectively, the above Agenda Decision has relevant impact to the Group’s activities as a property developer. Following this Agenda Decision, borrowing costs which were previously capitalised for development projects over the period of development are now expensed as incurred to the income statement.

The Group’s share of borrowing costs previously capitalised by a joint venture of \$4,903,000 and \$5,914,000 have been reclassified to retained earnings as at 31 March 2019 and 1 April 2018 for the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.2 Adoption of SFRS(I) (cont'd)

SFRS(I) 1-23 *Borrowing Costs* (cont'd)

Comparatives have been restated to reflect prior year adjustments, as summarised below:

	31 March 2019		
	As previously reported \$'000	Adjustments \$'000	Restated \$'000
Statement of comprehensive income			
Share of results of joint ventures	64,200	1,011	65,211
Statement of financial position			
Joint ventures	237,685	(4,903)	232,782
Revenue reserve	1,348,933	(4,903)	1,344,030
<hr/>			
	1 April 2018		
	As previously reported \$'000	Adjustments \$'000	Restated \$'000
Statement of financial position			
Joint ventures	419,917	(5,914)	414,003
Revenue reserve	1,294,479	(5,914)	1,288,565

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 <i>Definition of Material</i>	1 April 2020
Amendments to SFRS(I) 3 <i>Definition of Business</i>	1 April 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 <i>Interest Rate Benchmark Reform</i>	1 April 2020
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 April 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

(a) Basis of consolidation (cont'd)

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

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

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

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

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

(b) Business combinations and goodwill

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

(b) *Business combinations and goodwill* (cont'd)

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

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

2.5 *Transactions with non-controlling interests*

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

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

2.6 *Foreign currency*

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

(a) *Transactions and balances*

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

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

Net investment in foreign operations

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.6 Foreign currency (cont'd)

(b) Consolidated financial statements

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

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

2.7 Plant and equipment

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

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

Plant, equipment, furniture and fittings – 1 to 5 years or over the lease period

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

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

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

2.8 Investment property

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.9 *Development properties*

Development properties are property rights for properties under development that were purchased from the property developer. These rights will be sold to end buyers.

The rights are measured initially at cost. Following initial acquisition, the property rights are carried at cost less any accumulated impairment losses. Property rights are assessed for impairment whenever there is an indication that the rights may be impaired.

Gains or losses arising from derecognition of the property rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

2.10 *Subsidiaries*

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

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

2.11 *Joint arrangements*

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

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

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

Joint ventures

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

2.12 *Joint ventures and associates*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

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

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

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

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

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

2.13 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.13 *Financial instruments* (cont'd)

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

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derivatives

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

Derecognition

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

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.13 *Financial instruments* (cont'd)

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

Derecognition

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

2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (“a lifetime ECL”).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when the counterparty fails to make contractual payments and when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 *Impairment of non-financial assets*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.15 *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.

2.16 *Cash and cash equivalents*

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

2.17 *Inventories*

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

For retail inventories, cost is calculated using the Retail Method where the selling price of the merchandise is reduced by the calculated gross margin.

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

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

2.18 *Borrowings*

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in income statement over the period of the borrowings using the effective interest method.

2.19 *Provisions*

General

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

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

2.20 *Government grants*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.21 *Financial guarantees*

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

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

2.22 *Borrowing costs*

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

2.23 *Employee benefits*

(a) *Defined contribution plans*

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

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

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

(b) *Employee leave entitlements*

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

(c) *Long-service benefits*

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

(d) *Profit-sharing bonuses*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.24 Leases

These accounting policies are applied on and after the initial application date of SFRS(I) 16, 1 April 2019:

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

(a) As lessee

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

Right-of-use assets

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

Leasehold building – 2 to 10 years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.24 Leases (cont'd)

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

These accounting policies are applied before the initial application date of SFRS(I) 16, 1 April 2019:

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

(b) *As lessor*

The accounting policy applicable to the Group as a lessor in the comparative period was the same as under SFRS(I) 16.

2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods – retail*

Revenue from the sale of goods is recognised upon the satisfaction of each performance obligations which is usually on the delivery of goods to customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Sale of property rights, completed development properties and development properties under construction*

Revenue from sale of property rights for properties under development that were purchased from the property developer, completed development properties and development properties under construction is recognised upon the satisfaction of performance obligations which is when the control of the asset have been transferred to the buyer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.25 Revenue (cont'd)

(c) *Rental income*

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

(d) *Commissions from concessionaire sales*

Commissions from concessionaire sales are recognised upon the sale of goods by the relevant stores.

(e) *Fee and service income*

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

(f) *Dividend income*

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

(g) *Interest income*

Interest income is recognised using the effective interest method.

2.26 Taxes

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.26 Taxes (cont'd)

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

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.

2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

2.29 Treasury shares

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

2.30 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's 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 has made the following judgments which have the most significant effect on the amounts recognised in the financial statements:

(i) Investments in associates and joint ventures

The Group is able to exercise significant influence over an associate, as disclosed in Note 15, notwithstanding that the Group holds less than 20% interests in this investee. The Group has the ability to exercise significant influence by virtue of its representation on the board.

The Group has not accounted for its interests in certain joint ventures as subsidiaries, as disclosed in Note 34, although its interests is in excess of 50% because under the joint venture agreements, the joint venture parties are entitled to a share of the profits of the joint ventures in proportion to their respective capital contributions but have contractual joint control of the joint ventures and require unanimous consent for all major decisions over the relevant activities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

(ii) *Taxation*

The Group has exposure to income and other taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 March 2020 are \$4,875,000 (31 March 2019: \$2,654,000, 1 April 2018: \$1,448,000) and \$20,891,000 (31 March 2019: \$22,321,000; 1 April 2018: \$16,377,000) respectively.

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.

(i) *Valuation of investment property*

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

Management engages an independent professional valuer ("External Appraiser") in the country in which the investment property is located to determine the fair value of the property. Management reviews the valuation carried out by the External Appraiser and adopts the valuation as fair value.

The determination of the fair value of the investment property involves the use of a range of estimates (amongst others, capitalisation rates and rental rates) made by management and the External Appraiser. There was an increase in the level of estimation uncertainty in determining the valuation of the investment property as at 31 March 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

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

(ii) *Impairment assessment of interests in associates and joint ventures*

The Group has significant interests in associates and joint ventures which comprise the investments in and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property investment and development.

The recoverability of the interests in and results from these associates and joint ventures are dependent on the fair valuation of their investment properties and the success of the relevant development projects. The valuation of the investment properties and contributions from development projects are dependent on a number of factors including the economy, government policies, and demand and supply for properties in their respective markets. Consequently, there is a risk of downward valuation of the investment properties and development projects. Annually, management conducts an assessment to determine whether any indicator of impairment exists. There was an increase in the level of estimation uncertainty in determining the valuation of investment properties and the success of development projects at 31 March 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

4. REVENUE

	Note	Group	
		2020 \$'000	2019 \$'000
Revenue from contracts with customers	(a)	204,019	165,031
Rental income from an investment property	12	6,235	6,933
		<u>210,254</u>	<u>171,964</u>

(a) Disaggregation of revenue:

Segments	Retail		Property		Total revenue	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Primary geographical markets						
Singapore	108,858	130,575	–	–	108,858	130,575
Indonesia	–	–	95,161	34,456	95,161	34,456
Total revenue from contracts with customers	<u>108,858</u>	<u>130,575</u>	<u>95,161</u>	<u>34,456</u>	<u>204,019</u>	<u>165,031</u>
Major revenue streams						
Sales of goods	76,200	99,829	–	–	76,200	99,829
Net commission from concessionaires	32,658	30,746	–	–	32,658	30,746
Sales of property rights	–	–	95,161	34,456	95,161	34,456
Total revenue from contracts with customers	<u>108,858</u>	<u>130,575</u>	<u>95,161</u>	<u>34,456</u>	<u>204,019</u>	<u>165,031</u>

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

The gross revenue from concessionaire sales is analysed as follows:

	Group	
	2020 \$'000	2019 \$'000
Gross revenue from concessionaire sales	<u>116,941</u>	<u>111,054</u>

5. COST OF REVENUE

	Group	
	2020 \$'000	2019 \$'000
Retail	104,019	131,375
Property		
– Cost of property rights sold	85,348	29,521
– Rental	730	961
	<u>190,097</u>	<u>161,857</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

6. OTHER NET INCOME

	Note	Group	
		2020 \$'000	2019 \$'000
Interest income from:			
– Financial instruments at amortised cost		22,708	19,157
Dividends, gross from:			
– Long term investments		4,348	3,753
– Short term investments		1,805	1,978
		6,153	5,731
Net change in fair value of investments at fair value through profit or loss:			
– Long term investments		(644)	9,084
– Short term investments		(7,254)	171
		(7,898)	9,255
Management fee income from associate		292	375
Foreign exchange gain/(loss)		117	(2,553)
Other rental income		944	1,122
Gain on disposal of:			
– Short term investments		896	–
– An associate	(a)	10,592	–
Sundry income		2,337	858
		36,141	33,945

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

7. FINANCE COSTS

	Note	Group	
		2020 \$'000	2019 \$'000
Interest on borrowings carried at amortised cost		1,755	2,882
Interest on notes carried at amortised cost		15,231	2,734
Lease liabilities	27	1,460	–
Others		524	187
		18,970	5,803

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

8. PROFIT FROM OPERATIONS BEFORE TAXATION

Profit from operations before taxation is stated after charging:

	Group	
	2020	2019
	\$'000	\$'000
Staff costs, including Directors' emoluments, are as follows:		
Salaries, bonuses and other related costs	19,006	22,100
Contributions to CPF	1,926	2,363
Provision for long-service benefits	472	393
	<u>21,404</u>	<u>24,856</u>

Directors' emoluments included in staff costs are as follows:

Directors of the Company		
– Other emoluments	1,714	2,040
– Fees payable	955	923
	<u>2,669</u>	<u>2,963</u>

		Group	
	Note	2020	2019
		\$'000	\$'000
Rental expense		10,652	24,362
Depreciation of plant and equipment	11	1,387	3,272
Depreciation of right-of-use assets	27	11,513	–
Inventories written down	19	738	1,487
(Write-back of)/allowance for obsolete inventories	19	(351)	575
Audit fees:			
– Auditor of the Company		420	454
– Other auditors		147	201
Non-audit fees:			
– Auditor of the Company		147	146
– Other auditors		98	122
Allowance for doubtful debts	20	–	1
Impairment of plant and equipment	11	–	990
Plant and equipment written off		–	43
Gain on disposal of plant and equipment		<u>(7)</u>	<u>(1)</u>

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2020 amounting to \$3,698,000 (2019: \$3,501,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

8. PROFIT FROM OPERATIONS BEFORE TAXATION (cont'd)

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

	Note	Group	
		2020 \$'000	2019 \$'000
Revenue	4	210,254	171,964
Cost of revenue	5	(190,097)	(161,857)
Gross profit		20,157	10,107
Other net income		33,689	48,651
General and administrative expenses		(22,115)	(23,974)
Finance costs	7	(18,970)	(5,803)
Share of associates' results, net of tax	15	(28,965)	13,841
Share of joint ventures' results, net of tax	16	55,935	65,211
Profit before taxation		39,731	108,033
Taxation	9	(6,651)	(11,338)
Profit for the financial year		33,080	96,695

9. TAXATION

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2020 and 2019 are:

Consolidated income statement

	Group	
	2020 \$'000	2019 \$'000
Current taxation		
– Current income taxation	9,118	4,986
– Under/(over) provision in respect of prior financial years	23	(7)
	9,141	4,979
Deferred taxation		
– Origination and reversal of temporary differences	(2,729)	6,476
– Under/(over) provision in respect of prior financial years	239	(117)
	(2,490)	6,359
Income tax expense recognised in the consolidated income statement	6,651	11,338

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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	
	2020 \$'000	2019 \$'000
Profit from operations before taxation	39,731	108,033
Less: Share of results of equity-accounted associates*	28,965	(13,841)
Less: Share of results of equity-accounted joint ventures*	(55,935)	(65,211)
	<u>12,761</u>	<u>28,981</u>
Taxation calculated at Singapore statutory income tax rate of 17% (2019: 17%)	2,169	4,927
Expenses not deductible for tax purposes	5,060	5,899
Difference arising from tax rates applicable to foreign entities	(298)	498
Income not subject to tax	(2,756)	(1,960)
Unremitted foreign sourced income	2,145	2,066
Deferred tax not recognised	–	(44)
Under/(over) provision in respect of prior financial years	262	(124)
Others	69	76
Taxation expense recognised in the consolidated income statement	<u>6,651</u>	<u>11,338</u>

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

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

	Group	
	2020	2019
China	25%	25%
Hong Kong	16.5%	16.5%
Indonesia	25%	25%
Mauritius	15%	15%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

9. TAXATION (cont'd)

(c) *Deferred taxation*

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Balance at beginning of financial year	22,321	16,377	26	12
(Credited)/charged to income statement	(2,490)	6,359	(19)	14
Foreign exchange adjustments	(61)	(415)	–	–
Balance at end of financial year	19,770	22,321	7	26

	Group			Company		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Deferred tax assets	(1,121)	–	–	–	–	–
Deferred tax liabilities	20,891	22,321	16,377	7	26	12
Balance at end of financial year	19,770	22,321	16,377	7	26	12

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

	Consolidated balance sheet			Consolidated income statement		Company balance sheet		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000

Deferred tax liabilities

Differences in depreciation	15,068	14,550	14,372	590	599	–	–	–
Fair value changes	–	363	1,320	(363)	(957)	–	–	–
Undistributed profits of subsidiaries, associates and joint ventures	5,714	5,303	4,865	454	580	–	–	–
Unremitted foreign sourced interest income	1,280	3,507	1,807	(2,262)	1,699	7	26	12
	22,062	23,723	22,364			7	26	12

Deferred tax assets

Fair value loss on investment properties	(1,109)	(498)	(4,507)	(613)	3,676	–	–	–
Fair value changes	(1,121)	–	–	(1,121)	–	–	–	–
Deferred income and other deferred tax assets	(62)	(904)	(1,480)	825	762	–	–	–
	19,770	22,321	16,377			7	26	12

Deferred tax (credit)/expense				(2,490)	6,359			
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

9. TAXATION (cont'd)

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

Unrecognised tax losses

Singapore tax law allows for Group relief where a Singapore company belonging to a group may transfer its current year unabsorbed capital allowances, current year unutilised trade losses and current year unabsorbed donations (loss items) to other Singapore companies belonging to the same group, to be deducted against the assessable income in the year of income.

There are estimated tax losses and unabsorbed capital allowances amounting to \$15,130,000 and \$27,000 (31 March 2019: \$16,964,000 and \$27,000; 1 April 2018: \$17,220,000 and \$27,000) respectively, available for offset against future taxable profits of certain subsidiaries of which \$14,931,000 (31 March 2019: \$15,168,000; 1 April 2018: \$15,424,000) 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 (2019: 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 financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

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

	Group	
	2020 Cents	2019 Cents
Basic	3.9	11.6
Diluted	3.9	11.6

	Group	
	2020 \$'000	2019 \$'000
Profit net of taxation attributable to owners of the Company, used in the computation of basic and diluted earnings per share	32,248	96,282

	No. of shares '000	No. of shares '000
	Weighted average number of ordinary shares for basic and diluted earnings per share computation	828,036

As at 31 March 2020, there are no dilutive potential ordinary shares (2019: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

11. PLANT AND EQUIPMENT

	Plant, equipment, furniture and fittings \$'000
Group	
Cost	
At 1 April 2018	33,228
Additions	1,967
Disposals	(18)
Write-offs	(319)
At 31 March 2019	34,858
Additions	724
Disposals	(81)
Write-offs	(13,263)
Exchange adjustment	(3)
At 31 March 2020	22,235
Accumulated depreciation and impairment loss	
At 1 April 2018	28,762
Charge for 2019	3,272
Impairment for 2019	990
Disposals	(18)
Write-offs	(276)
At 31 March 2019	32,730
Charge for 2020	1,387
Disposals	(81)
Write-offs	(13,263)
Exchange adjustment	(3)
At 31 March 2020	20,770
Net book value	
At 1 April 2018	4,466
At 31 March 2019	2,128
At 31 March 2020	1,465

Impairment of assets

During the previous financial year, the Group carried out a review of the recoverable amount of the plant and equipment in the retail segment. An impairment loss of \$990,000 was recognised in "General and administrative expenses" line item of profit or loss for the financial year ended 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

11. PLANT AND EQUIPMENT (cont'd)

	Plant, equipment, furniture and fittings \$'000
Company	
Cost	
At 1 April 2018	1,805
Additions	19
Disposals	(18)
At 31 March 2019	1,806
Additions	12
At 31 March 2020	1,818
Accumulated depreciation	
At 1 April 2018	1,763
Charge for 2019	31
Disposals	(18)
At 31 March 2019	1,776
Charge for 2020	20
At 31 March 2020	1,796
Net book value	
At 1 April 2018	42
At 31 March 2019	30
At 31 March 2020	22

12. INVESTMENT PROPERTY

	Note	Group	
		2020 \$'000	2019 \$'000
Balance sheet:			
Balance at 1 April		112,029	100,214
Adjustments to fair value		(2,452)	14,706
Foreign exchange adjustments		(555)	(2,891)
Balance at 31 March		109,022	112,029
Consolidated income statement:			
Rental income from an investment property	4	6,235	6,933
Direct operating expenses (including repairs, maintenance and refurbishment) arising from a rental generating property		(730)	(962)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

12. INVESTMENT PROPERTY (cont'd)

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

Name of building	Description	Tenure of land	Name of valuer	Valuation method	Fair value		
					2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'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 (24 years remaining)	Cushman & Wakefield Limited	Average of direct capitalisation and direct comparison method	109,022	112,029	100,214

Valuation of investment property

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

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

Impact of the Coronavirus (COVID-19) outbreak

In March 2020, the World Health Organization declared that the COVID-19 outbreak to be a pandemic. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our businesses. The scale and duration of these developments remain uncertain as at the date of this report.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses. Further, the market that the property is valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. This being the case, the independent valuer has drawn the users' attention that the value of investment property recorded in the consolidated balance sheet determined by reference to fair value at 31 March 2020 is estimated based upon conditions prevailing on that date.

13. SUBSIDIARIES

	Company		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Unquoted equity shares, at cost	21,828	21,828	21,828
Impairment losses	(4,038)	(4,038)	(4,038)
Carrying amount of investments	17,790	17,790	17,790

Movement in impairment loss is as follows:

	Company	
	2020 \$'000	2019 \$'000
Balance at beginning and end of financial year	4,038	4,038

Details of subsidiaries are shown in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

14. AMOUNTS DUE FROM SUBSIDIARIES

	Note	Company		
		2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Non-current				
Amounts due from subsidiaries	(a)	544,982	477,602	538,375
Impairment losses		(2,927)	(2,927)	(2,927)
		<u>542,055</u>	<u>474,675</u>	<u>535,448</u>
Current				
Amounts due from subsidiaries	(b)	<u>290,970</u>	<u>259,196</u>	<u>–</u>

Movement in impairment loss is as follows:

	Company	
	2020 \$'000	2019 \$'000
Balance at beginning and end of financial year	<u>2,927</u>	<u>2,927</u>

There is no movement in allowance for expected credit losses of amounts due from subsidiaries during the financial year.

(a) Amounts due from subsidiaries – Non-current

The non-current amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest-free, except for \$184,691,000 (31 March 2019: \$153,627,000; 1 April 2018: \$4,005,000), which bear interest ranging from 2.3% to 5.1% (31 March 2019: 4.2% to 5.1%; 1 April 2018: 3.7% to 4.2%) per annum. The total amounts are not expected to be repaid within the next financial year, of which \$357,364,000 (31 March 2019: \$321,048,000; 1 April 2018: \$531,443,000) form part of the Company's net investment in the subsidiaries.

(b) Amounts due from subsidiaries – Current

The current amounts due from subsidiaries are unsecured, repayable on demand and interest-free, except for \$13,163,000 (31 March 2019 : Nil) which bear interest ranging from 2.3% to 2.9% (31 March 2019 : Nil) per annum.

15. ASSOCIATES

	Note	Group			Company		
		2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Non-current							
Investment in associates	(a)	376,116	345,809	346,573	500	500	500
Add:							
Amounts due from associates	(b)	419,526	412,249	197,601	–	–	–
		<u>795,642</u>	<u>758,058</u>	<u>544,174</u>	<u>500</u>	<u>500</u>	<u>500</u>
Current							
Amounts due from associates	(c)	<u>8,321</u>	<u>1,976</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

15. ASSOCIATES (cont'd)

(a) Investment in associates

	Group			Company		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Quoted equity shares, at cost	117,700	117,700	117,700	–	–	–
Share of post-acquisition reserves	137,328	160,495	169,221	–	–	–
Foreign currency translation reserve	6,306	(4,206)	296	–	–	–
Other reserves	1,843	1,607	1,811	–	–	–
	<u>263,177</u>	<u>275,596</u>	<u>289,028</u>	<u>–</u>	<u>–</u>	<u>–</u>
Unquoted equity shares, at cost	156,156	76,489	55,764	500	500	500
Share of post-acquisition reserves	(40,988)	(2,256)	18,245	–	–	–
Foreign currency translation reserve	(2,229)	(4,910)	(16,796)	–	–	–
Other reserves	–	890	332	–	–	–
	<u>112,939</u>	<u>70,213</u>	<u>57,545</u>	<u>500</u>	<u>500</u>	<u>500</u>
	<u>376,116</u>	<u>345,809</u>	<u>346,573</u>	<u>500</u>	<u>500</u>	<u>500</u>
Market value of quoted shares	<u>37,821</u>	<u>94,037</u>	<u>124,722</u>	<u>–</u>	<u>–</u>	<u>–</u>

(b) Amounts due from associates – Non-current

Included in the non-current amounts due from associates of \$419,526,000 (31 March 2019: \$412,249,000; 1 April 2018: \$197,601,000), \$103,603,000 (31 March 2019: \$101,997,000; 1 April 2018: \$79,751,000) are interest-free and \$315,923,000 (31 March 2019: \$310,252,000; 1 April 2018: \$117,850,000) are interest-bearing with interest rates that range between 2.8% and 16.8% (31 March 2019: 2.5% and 16.8%; 1 April 2018: 2.3% and 16.8%) per annum. The total amounts are not expected to be repaid within the next financial year, of which \$114,006,000 (31 March 2019: \$112,173,000; 1 April 2018: \$89,906,000) form part of the Company's net investment in the associates.

The amounts are unsecured except for \$271,399,000 (31 March 2019: \$290,091,000; 1 April 2018: \$107,489,000), whereby the loans to associates and loans extended by our associates to third parties are secured by way of share charge over the issued share capital of certain companies, assignment of shareholders' loans, legal mortgage over the underlying land and properties, personal guarantees and/or corporate guarantees.

(c) Amounts due from associates – Current

The current amounts due from associates are interest-free, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

15. ASSOCIATES (cont'd)

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

	Group		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Amounts due from associates:			
– Sterling Pound	10,403	38,241	83,512
– Chinese Renminbi	146,187	113,948	79,751
– United States Dollar	135,040	125,747	34,338

Details of the associates are shown in Note 34.

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

	Group	
	2020	2019
	\$'000	\$'000
Operating results	(12,949)	(1,438)
Fair value adjustments on investment properties	(6,675)	19,099
Non-operating results	(i) –	5,963
Taxation	(6,873)	(8,510)
Others	(2,468)	(1,273)
	<u>(28,965)</u>	<u>13,841</u>

- (i) During the previous financial year, the non-operating results of associates of \$5,963,000 relate to the Group's share of compensation income for aborted investment received by Top Spring International Holdings Limited ("TSI").

As at 31 March 2020, the Group's share of the carrying value of the sales consideration to be received by TSI amounted to \$31,600,000 (2019: \$40,500,000). These receivables from third parties will be settled upon the obtaining of certain specific approval from the local authorities for the underlying disposed projects.

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

	Group	
	2020	2019
	\$'000	\$'000
(Loss)/profit net of taxation	(10,677)	11,122
Other comprehensive income	(836)	(1,383)
Total comprehensive income	<u>(11,513)</u>	<u>9,739</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

15. ASSOCIATES (cont'd)

The summarised balance sheet in respect of material investment in associates, based on their HKFRS 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		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Summarised balance sheet			
Current assets	3,021,026	3,531,659	3,034,448
Non-current assets	1,581,848	1,402,205	1,471,527
Total assets	<u>4,602,874</u>	<u>4,933,864</u>	<u>4,505,975</u>
Current bank and other borrowings (excluding bonds/notes)	(726,369)	(574,816)	(487,945)
Other current liabilities	(911,492)	(1,394,159)	(1,261,085)
Non-current bank and other borrowings (excluding bonds/notes)	(942,009)	(934,836)	(444,808)
Other non-current liabilities	(212,412)	(179,636)	(372,781)
Total liabilities	<u>(2,792,282)</u>	<u>(3,083,447)</u>	<u>(2,566,619)</u>
Net assets	1,810,592	1,850,417	1,939,356
Non-controlling interests	(28,691)	(19,683)	(27,115)
Net assets excluding non-controlling interests	<u>1,781,901</u>	<u>1,830,734</u>	<u>1,912,241</u>
Net assets excluding non-controlling interests	1,781,901	1,830,734	1,912,241
Proportion of the Group's ownership	14.9%	14.9%	15.0%
Group's share of net assets	266,038	273,329	285,881
Other adjustments ⁽¹⁾	(2,861)	2,267	3,147
Carrying amount of the investment	<u>263,177</u>	<u>275,596</u>	<u>289,028</u>

⁽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.

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

	Top Spring International Holdings Limited	
	2020	2019
	\$'000	\$'000
Summarised statement of comprehensive income		
Revenue	<u>132,341</u>	<u>107,210</u>
(Loss)/profit net of taxation	(97,507)	22,109
Other comprehensive income	(44,718)	(100,463)
Total comprehensive income	<u>(142,225)</u>	<u>(78,354)</u>
Other summarised information		
Dividends received/receivable	<u>2,353</u>	<u>10,317</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

15. ASSOCIATES (cont'd)

Top Spring International Holdings Limited ("TSI")

TSI is a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Group has a nominated representative on TSI's board. The Group has assessed that it has the ability to exercise significant influence in TSI and accordingly, equity accounted TSI's results. As at 31 March 2020, the Group has an effective indirect equity stake of approximately 16.2% voting rights and 14.9% ownership interest in TSI.

The financial year-end of TSI is 31 December. Due to the timing of availability of the financial information of TSI and as TSI is unable to provide financial information to the Group without providing equivalent information to all its other investors, the Group equity accounts for TSI for the period from 1 January 2019 to 31 December 2019 (2019: 1 January 2018 to 31 December 2018; 2018: 1 January 2017 to 31 December 2017) and adjusts for any significant transactions and events that occur between 1 January 2020 and 31 March 2020. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Impact of the Coronavirus (COVID-19) outbreak

In March 2020, the World Health Organization declared that the COVID-19 outbreak to be a pandemic. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our businesses. The scale and duration of these developments remain uncertain as at the date of this report.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses. Further, the markets that the underlying investment properties are valued in are being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. This being the case, the independent valuers have drawn the users' attention that the values of investment properties determined by reference to fair value at 31 March 2020 are estimated based upon conditions prevailing on that date.

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

Further as disclosed in Note 3.2, the accounting for the interests in associates was based on market conditions at 31 March 2020.

16. JOINT VENTURES

	Note	Group			Company		
		2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Non-current							
Investment in joint ventures	(a)	271,090	218,375	195,082	–	–	–
Add:							
Amounts due from joint ventures	(b)	66,179	14,407	218,921	–	–	–
		<u>337,269</u>	<u>232,782</u>	<u>414,003</u>	<u>–</u>	<u>–</u>	<u>–</u>
Amounts due to joint ventures	(c)	73,813	20,210	–	–	–	–
Current							
Amounts due from joint ventures	(d)	188,258	191,849	–	4,296	4,169	–
Amount due to a joint venture	(e)	–	22,357	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. JOINT VENTURES (cont'd)

Joint ventures as at 1 April 2018 and 31 March 2019 have been restated following the finalisation of the IFRIC Tentative Agenda Decision on the capitalisation of borrowing costs. Details of the adjustments are disclosed in Note 2.2 to the financial statements.

(a) Investment in joint ventures

	Group		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Unquoted equity shares, at cost	96,312	55,554	55,554
Share of post-acquisition reserves	179,332	159,197	128,423
Foreign currency translation reserve	(3,145)	4,225	11,105
Other reserve	(1,409)	(601)	–
	<u>271,090</u>	<u>218,375</u>	<u>195,082</u>

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

The non-current amounts due from joint ventures are unsecured and interest-free, except for \$15,229,000 (31 March 2019: \$14,407,000; 1 April 2018: \$53,627,000) which bear interest ranging from 6.3% to 6.7% (31 March 2019: 6.5% to 6.7%; 1 April 2018: 3.7% to 10.5%) per annum. The total amounts are not expected to be repaid within the next financial year, of which \$50,950,000 (31 March 2019: Nil; 1 April 2018: \$165,294,000) form part of the Company's net investment in the joint ventures.

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

The non-current amounts due to joint ventures bear interest ranging from 2.0% to 2.5% (31 March 2019: 2.4% to 2.5%), are unsecured and not expected to be repaid within the next financial year.

(d) Amounts due from joint ventures – Current

The current amounts due from joint ventures are interest-free, except for \$133,811,000 (31 March 2019: \$4,169,000; 1 April 2018: \$Nil) which bear interest ranging from 3.0% to 4.1% (31 March 2019: 4.8% to 5.3%) per annum, unsecured and expected to be repaid within the next financial year.

(e) Amount due to a joint venture – Current

The current amount due to a joint venture bore interest ranging from 2.4% to 2.5%, was unsecured and repayable on demand.

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

	Group		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Sterling Pound	15,230	14,407	49,622
United States Dollar	4,296	4,169	4,005
Chinese Renminbi	54,447	22,432	46

Details of the joint ventures are shown in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. JOINT VENTURES (cont'd)

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

	Group	
	2020 \$'000	2019 \$'000
Operating results	72,181	56,616
Fair value adjustments on investment properties	127	26,042
Taxation	(16,373)	(17,447)
	55,935	65,211

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

	Group	
	2020 \$'000	2019 \$'000
Profit net of taxation, representing total comprehensive income	23,738	15,106

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

	Shanghai Metro City Commercial Management Co. Ltd			Shanghai Huimei Property Co Ltd		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Current assets	95,334	92,039	99,795	33,520	34,236	31,310
Non-current assets	207,821	223,259	207,564	227,764	234,980	202,691
Total assets	303,155	315,298	307,359	261,284	269,216	234,001
Current liabilities	(70,054)	(91,665)	(82,535)	(20,942)	(27,336)	(24,897)
Non-current liabilities	(32,442)	(31,611)	(33,512)	(52,430)	(52,971)	(45,361)
Total liabilities	(102,496)	(123,276)	(116,047)	(73,372)	(80,307)	(70,258)
Net assets	200,659	192,022	191,312	187,912	188,909	163,743
Net assets	200,659	192,022	191,312	187,912	188,909	163,743
Proportion of the Group's ownership	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Carrying amount of the investment	120,395	115,213	114,787	112,747	113,345	98,246

Summarised balance sheet

Current assets	95,334	92,039	99,795	33,520	34,236	31,310
Non-current assets	207,821	223,259	207,564	227,764	234,980	202,691
Total assets	303,155	315,298	307,359	261,284	269,216	234,001
Current liabilities	(70,054)	(91,665)	(82,535)	(20,942)	(27,336)	(24,897)
Non-current liabilities	(32,442)	(31,611)	(33,512)	(52,430)	(52,971)	(45,361)
Total liabilities	(102,496)	(123,276)	(116,047)	(73,372)	(80,307)	(70,258)
Net assets	200,659	192,022	191,312	187,912	188,909	163,743
Net assets	200,659	192,022	191,312	187,912	188,909	163,743
Proportion of the Group's ownership	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Carrying amount of the investment	120,395	115,213	114,787	112,747	113,345	98,246

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. JOINT VENTURES (cont'd)

	Shanghai Metro City Commercial Management Co. Ltd		Shanghai Huimei Property Co Ltd	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Summarised statement of comprehensive income				
Revenue	74,080	73,608	22,046	22,133
Profit before tax	73,330	59,821	16,234	52,852
Taxation	(19,727)	(14,960)	(4,009)	(13,147)
Profit after tax	53,603	44,861	12,225	39,705
Other comprehensive income	–	–	–	–
Total comprehensive income	53,603	44,861	12,225	39,705
Profit after tax				
– Lease income	63,966	44,005	17,401	12,079
– Fair value adjustments	(10,363)	856	(5,176)	27,626
	53,603	44,861	12,225	39,705
Other summarised information				
Dividends received/receivable	25,122	22,409	6,854	5,381

Impact of the Coronavirus (COVID-19) outbreak

In March 2020, the World Health Organization declared that the COVID-19 outbreak to be a pandemic. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our businesses. The scale and duration of these developments remain uncertain as at the date of this report.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses. Further, the markets that the underlying investment properties are valued in are being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. This being the case, the independent valuers have drawn the users' attention that the values of investment properties determined by reference to fair value at 31 March 2020 are estimated based upon conditions prevailing on that date.

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

Further as disclosed in Note 3.2, the accounting for the interests in joint ventures was based on market conditions at 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

17. INVESTMENTS

	Group		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Current:			
<i>Financial assets at fair value through profit or loss</i>			
Equity securities (quoted)	10,988	31,400	30,262
Non-current:			
<i>Financial assets at fair value through profit or loss</i>			
Equity securities (unquoted), at fair value	93,248	91,948	–
Equity securities (quoted)	6,625	9,248	–
<i>Available-for-sale financial assets</i>			
Equity securities (unquoted), at fair value	–	–	70,530
Equity securities (quoted)	–	–	9,806
	<u>99,873</u>	<u>101,196</u>	<u>80,336</u>

18. DEVELOPMENT PROPERTIES

	Group		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Development properties (at cost or net realisable value)	166,735	167,787	50,556

Development properties are property rights of certain properties under development purchased from a property developer where such rights will be sold to end-buyers.

19. INVENTORIES

	Group		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Consolidated Balance Sheet:			
Inventories held for resale (at cost or net realisable value)	10,019	13,499	16,824
Raw materials (at cost)	140	196	126
Total inventories at lower of cost and net realisable value	<u>10,159</u>	<u>13,695</u>	<u>16,950</u>
Inventories are stated after deducting allowance for obsolete inventories of	<u>1,491</u>	<u>1,842</u>	<u>1,267</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

19. INVENTORIES (cont'd)

	Note	Group	
		2020 \$'000	2019 \$'000
Balance at 1 April		1,842	1,267
(Write-back)/charged to the consolidated income statement	8	(351)	575
Balance at 31 March		<u>1,491</u>	<u>1,842</u>
Consolidated Income Statement:			
Inventories recognised as an expense in cost of sales		61,691	83,161
Inventories recognised as an expense in cost of sales is inclusive of the following charge/(credit):			
– Inventories written down	8	738	1,487
– (Write-back of)/allowance for obsolete inventories	8	<u>(351)</u>	<u>575</u>

20. ACCOUNTS AND OTHER RECEIVABLES

	Note	Group			Company		
		2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Current							
Trade receivables		72,481	29,621	2,642	–	–	–
Deposits		4,745	4,632	4,619	181	181	180
Other receivables							
– Recoverables and sundry debtors		16,804	19,267	5,318	234	2,092	12
– Proceeds from disposal of an associate	(i)	–	–	122,771	–	–	–
		<u>94,030</u>	<u>53,520</u>	<u>135,350</u>	<u>415</u>	<u>2,273</u>	<u>192</u>
Amounts due from subsidiaries	14	–	–	–	290,970	259,196	–
Amounts due from associates	15	8,321	1,976	–	–	–	–
Amounts due from joint ventures	16	188,258	191,849	–	4,296	4,169	–
Non-current							
Amounts due from subsidiaries	14	–	–	–	184,691	153,627	4,005
Amounts due from associates	15	305,520	300,076	107,695	–	–	–
Amounts due from joint ventures	16	<u>15,229</u>	<u>14,407</u>	<u>218,921</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total receivables (current and non-current)		611,358	561,828	461,966	480,372	419,265	4,197
Add:							
Pledged fixed and bank deposits	21	–	37,242	158,409	–	–	–
Cash and cash equivalents	21	<u>349,367</u>	<u>195,316</u>	<u>159,364</u>	<u>63,703</u>	<u>33,743</u>	<u>9,588</u>
Total financial assets carried at amortised cost		<u>960,725</u>	<u>794,386</u>	<u>779,739</u>	<u>544,075</u>	<u>453,008</u>	<u>13,785</u>

(i) The proceeds from disposal of an associate was received during the financial year ended 31 March 2019.

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. ACCOUNTS AND OTHER RECEIVABLES (cont'd)

(a) Receivables that are impaired

As at 31 March 2018, the Group has trade receivables amounting to \$341,000 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
	1.4.2018
	\$'000
<hr/>	
<i>Individually impaired</i>	
Trade receivables – nominal amounts	2,013
Less: Allowance for impairment	(36)
	<u>1,977</u>

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) Expected credit losses

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

	Note	Group	
		2020	2019
		\$'000	\$'000
<hr/>			
Trade receivables – nominal amounts		1,269	2,474
Less: Allowance for impairment		(37)	(37)
Balance at 31 March		<u>1,232</u>	<u>2,437</u>
Movement in allowance account:			
Balance at 1 April		37	36
Charge for the year	8	–	1
Balance at 31 March		<u>37</u>	<u>37</u>

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

	Group		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
<hr/>			
Chinese Renminbi	374	738	123,448
Indonesian Rupiah	85,514	42,140	4,894
		<u>85,514</u>	<u>47,982</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

21. CASH AND CASH EQUIVALENTS

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

	Group			Company		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Fixed deposits	303,751	198,738	279,830	61,002	31,433	8,700
Cash on hand and at bank	45,616	33,820	37,943	2,701	2,310	888
Total cash and bank balances	349,367	232,558	317,773	63,703	33,743	9,588
Less: Fixed bank deposits pledged as security	–	(37,242)	(158,409)	–	–	–
Cash and cash equivalents	349,367	195,316	159,364	63,703	33,743	9,588

Fixed deposits are placed for varying periods of not more than six months depending on the immediate cash requirements of the Group and bear interest ranging from 0.1% to 7.3% (31 March 2019: 0.2% to 7.2%; 1 April 2018: 0.3% to 5.0%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.1% to 4.0% (31 March 2019: 0.1% to 2.0%; 1 April 2018: 0.1% to 2.0%) per annum.

Fixed deposits of \$37,242,000 as at 31 March 2019 (1 April 2018: \$158,409,000) had been pledged to financial institutions as security for borrowings (Note 22).

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

	Group			Company		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
United States Dollar	6,722	44,719	79,289	765	688	3
Chinese Renminbi	10,788	8,552	33,948	1	1	–
Indonesian Rupiah	16,046	1,403	2,592	–	–	–
Sterling Pound	27,315	14,777	652	4	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

22. BORROWINGS

Note	Group			Company		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Current						
Bank borrowings						
– Secured	–	57,084	136,752	–	–	–
– Unsecured	145,165	23,400	–	18,789	–	–
(a)	<u>145,165</u>	<u>80,484</u>	<u>136,752</u>	<u>18,789</u>	<u>–</u>	<u>–</u>
Non-current						
Unsecured borrowings under the multicurrency debt issuance programme						
– 4.00% p.a. fixed rate SGD notes (repayable in October 2021)	(b) 149,492	149,187	–	149,492	149,187	–
– 4.30% p.a. fixed rate SGD notes (repayable in April 2024)	(c) 198,856	–	–	198,856	–	–
	<u>348,348</u>	<u>149,187</u>	<u>–</u>	<u>348,348</u>	<u>149,187</u>	<u>–</u>
Maturity of borrowings						
Repayable:						
Within 1 year	145,165	80,484	136,752	18,789	–	–
Within 2 to 5 years	348,348	149,187	–	348,348	149,187	–
	<u>493,513</u>	<u>229,671</u>	<u>136,752</u>	<u>367,137</u>	<u>149,187</u>	<u>–</u>

(a) The Group's borrowings are denominated mainly in Singapore dollars, Sterling pound and Australian dollars. The revolving credit facilities bear interest at rates ranging from 1.6% to 3.5% (31 March 2019: 2.2% to 3.6%; 1 April 2018: 1.7% to 2.4%) per annum. The secured bank loans were secured by charges over fixed deposits of \$37,242,000 as at 31 March 2019 (1 April 2018: \$158,409,000) (Note 21).

(b) On 25 October 2018, the Company issued \$150 million of unsecured fixed rate notes under its \$1 billion multicurrency debt issuance programme which was established on 4 October 2018. The notes will mature in October 2021 and bear an interest of 4.00% per annum payable semi-annually in arrears.

(c) On 2 April 2019, the Company issued \$200 million of unsecured fixed rate notes under its \$1 billion multicurrency debt issuance programme which was established on 4 October 2018. The notes will mature in April 2024 and bear an interest of 4.30% per annum payable semi-annually in arrears.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

22. BORROWINGS (cont'd)

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

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

	Cash flows			Non-cash changes		31.3.2019 \$'000
	31.3.2018 \$'000	Drawdown \$'000	Repayment \$'000	Foreign exchange movement \$'000	Others \$'000	
Borrowings						
– Current	136,752	23,400	(74,054)	(5,614)	–	80,484
– Non-current	–	149,050	–	–	137	149,187
	136,752	172,450	(74,054)	(5,614)	137	229,671

23. ACCOUNTS AND OTHER PAYABLES

	Note	Group			Company		
		2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Financial liabilities							
<i>Current</i>							
Trade payables		16,711	25,512	19,269	–	–	–
Other payables							
– Sundry creditors		14,128	7,875	18,807	482	449	911
– Accruals		15,134	25,415	13,896	5,798	5,958	7,043
– Refundable deposits		2,033	2,079	1,904	–	–	–
		48,006	60,881	53,876	6,280	6,407	7,954
Amounts due to subsidiaries		–	–	–	192,886	274,465	–
Amount due to a joint venture	16	–	22,357	–	–	–	–
<i>Non-current</i>							
Amounts due to subsidiaries		–	–	–	–	–	255,192
Amounts due to joint ventures	16	73,813	20,210	–	–	–	–
Total accounts and other payables (current and non-current)		121,819	103,448	53,876	199,166	280,872	263,146
Add: Total borrowings	22	493,513	229,671	136,752	367,137	149,187	–
Total financial liabilities carried at amortised cost		615,332	333,119	190,628	566,303	430,059	263,146
Non-financial liability							
<i>Non-current</i>							
Deferred income		2,100	7,436	11,325	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

23. ACCOUNTS AND OTHER PAYABLES (cont'd)

Trade payables

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

Other payables

The amounts due to subsidiaries (current) are non-trade related, unsecured, repayable on demand and interest-free, except for \$44,227,000 (31 March 2019: Nil; 1 April 2018: Nil) which bear interest ranging from 2.3% to 3.0%.

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

Current payables denominated in foreign currencies are as follows:

	Group		
	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Indonesian Rupiah	12,514	18,232	11,171
Chinese Renminbi	2,608	2,427	2,591
Sterling Pound	98	126	345
United States Dollar	247	383	76

24. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company					
	2020		31.3.2019		1.4.2018	
	No. of shares '000	\$'000	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid:						
<i>Ordinary shares</i>						
Balance at beginning and end of the financial year	831,549	169,717	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					
	2020		31.3.2019		1.4.2018	
	No. of shares '000	\$'000	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	3,513	1,768

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

25. RESERVES

	Note	Group			Company		
		2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000	2020 \$'000	31.3.2019 \$'000	1.4.2018 \$'000
Revenue reserve		1,337,258	1,344,030	1,288,565	185,215	194,316	132,438
Foreign currency translation reserve	(a)	(10,296)	(7,007)	5,237	–	–	–
Statutory reserve	(b)	4,734	4,321	4,081	–	–	–
Other reserve	(c)	434	1,006	1,811	–	–	–
		<u>1,332,130</u>	<u>1,342,350</u>	<u>1,299,694</u>	<u>185,215</u>	<u>194,316</u>	<u>132,438</u>

(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.

(b) Statutory reserve

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

(c) Other reserve

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

26. DIVIDENDS

	Group and Company	
	2020 \$'000	2019 \$'000
Dividends paid during the financial year:		
Final exempt (one-tier) dividend for 2019 of 2.0 cents (2018: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend for 2019 of 2.5 cents (2018: 3.0 cents) per ordinary share	20,701	24,841
	<u>37,262</u>	<u>41,402</u>
Dividends proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final exempt (one-tier) dividend for 2020 of 2.0 cents (2019: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend for 2019 of 2.5 cents per ordinary share	–	20,701
	<u>16,561</u>	<u>37,262</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

27. LEASES

As lessee

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

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

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

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

	Leasehold buildings, representing total	
	Group \$'000	Company \$'000
Cost		
At 1 April 2019 (Adoption of SFRS(I) 16)	66,146	5,486
Additions	29,553	–
Disposals	(3,569)	–
At 31 March 2020	92,130	5,486
Accumulated depreciation		
At 1 April 2019 (Adoption of SFRS(I) 16)	19,937	1,097
Depreciation charge	11,513	549
Disposals	(1,910)	–
At 31 March 2020	29,540	1,646
Net carrying amount		
At 1 April 2019	46,209	4,389
At 31 March 2020	62,590	3,840

(b) Lease liabilities

	Group 2020 \$'000	Company 2020 \$'000
Current	10,573	523
Non-current	53,871	3,483
	64,444	4,006

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

27. LEASES (cont'd)

As lessee (cont'd)

(b) Lease liabilities (cont'd)

Reconciliation of liabilities arising from financing activities

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

	1.4.2019 \$'000	Non-cash items			Additions \$'000	Discontinued \$'000	31.3.2020 \$'000
		Cash flows \$'000	Accretion of interest \$'000	Adoption of SFRS(I) 16 \$'000			
Lease liabilities							
– Current	–	(12,465)	1,460	11,155	10,960	(537)	10,573
– Non-current	–	–	–	36,399	18,594	(1,122)	53,871
	–	(12,465)	1,460	47,554	29,554	(1,659)	64,444

(c) Amounts recognised in consolidated income statement

	2020 \$'000
Depreciation of right-of-use assets (Note 8)	11,513
Interest expense on lease liabilities (Note 7)	1,460
Lease expense not capitalised in lease liabilities:	
Expenses relating to short-term leases	1,041
Expenses relating to leases of low value assets	153
Expenses relating to variable lease payments not included in the measurement of lease liabilities	3,602
Advertising, promotion and service charges	5,856

(d) Total cash outflow

The Group had total cash outflows for leases of \$12,465,000 during the financial year ended 31 March 2020. The Group also had non-cash additions to right-of-use assets and lease liabilities of \$29,553,000 and \$27,895,000 respectively during the financial year ended 31 March 2020.

(e) Extension options

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

27. LEASES (cont'd)

As lessee (cont'd)

(f) Operating lease commitments

Operating lease expenses for the Group during the financial year ended 31 March 2019 amounted to \$24,362,000.

The Group leased certain properties under non-cancellable lease arrangements which did 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	
	31.3.2019	1.4.2018
	\$'000	\$'000
Not later than one year	16,528	19,668
Later than one year but not later than five years	7,461	24,249
	<u>23,989</u>	<u>43,917</u>

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low value leases.

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 6 years (31 March 2019: 1 and 6 years; 1 April 2018: 1 and 7 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		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Not later than one year	5,793	5,842	6,322
Later than one year but not later than five years	8,965	7,735	8,447
Later than five years	12	508	1,215
	<u>14,770</u>	<u>14,085</u>	<u>15,984</u>

28. CONTINGENT LIABILITIES

	Company		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Financial support given to certain subsidiaries having:			
– deficiencies in shareholders' funds	108	394	82,886
– current liabilities in excess of current assets	<u>12,129</u>	<u>11,955</u>	<u>7,049</u>

The Company has provided corporate guarantees to a bank for loans of \$57,084,000 as at 31 March 2019 (1 April 2018: \$136,752,000) taken by certain subsidiaries.

The Group is subject to certain standard warranty clauses in the sale and purchase agreements relating to the disposal of certain investments. The Group has assessed that the probability of these contingent liabilities is remote, during the financial years ended 31 March 2019 and 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29. RELATED PARTY DISCLOSURES

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

(a) Services and other fees

	Group	
	2020	2019
	\$'000	\$'000
Interest income from associates	(17,933)	(13,506)
Interest income from joint ventures	(63)	(236)
Management fee received from an associate	(292)	(375)
Service fee received from a joint venture	(165)	–
Interest expense paid to joint ventures	526	–

(b) Compensation of key management personnel

	Group	
	2020	2019
	\$'000	\$'000
Salary, bonus and other benefits	5,065	6,794
Contributions to CPF	90	95
Total compensation paid to key management personnel	5,155	6,889
Comprise amounts paid to:		
Directors of the Company	1,815	2,123
Other key management personnel	3,340	4,766
	5,155	6,889

30. SEGMENT INFORMATION

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

- (i) The property sector is involved in the leasing of shopping and office spaces owned by the Group and investing in property-related investments.
- (ii) The retail segment is involved in the business of retailing and operating of departmental stores.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. SEGMENT INFORMATION (cont'd)

Business segments

	Property \$'000	Retail \$'000	Total \$'000
2020			
Segment revenue			
– Sales of goods and net commission from concessionaires	–	108,858	108,858
– Sales of property rights	95,161	–	95,161
– Rental income	6,235	–	6,235
	101,396	108,858	210,254
Segment results	23,823	10,360	34,183
Fair value loss on an investment property	(2,452)	–	(2,452)
Finance costs	(17,636)	(1,334)	(18,970)
Share of associates' results, net of tax	(29,695)	730	(28,965)
Share of joint ventures' results, net of tax	55,935	–	55,935
Segment profit from operations before taxation	29,975	9,756	39,731
Taxation	(5,860)	(791)	(6,651)
Profit net of taxation	24,115	8,965	33,080
2019			
Segment revenue			
– Sales of goods and net commission from concessionaires	–	130,575	130,575
– Sales of property rights	34,456	–	34,456
– Rental income	6,933	–	6,933
	41,389	130,575	171,964
Segment results	27,133	(7,055)	20,078
Fair value gain on an investment property	14,706	–	14,706
Finance costs	(5,803)	–	(5,803)
Share of associates' results, net of tax	13,141	700	13,841
Share of joint ventures' results, net of tax	65,211	–	65,211
Segment profit/(loss) from operations before taxation	114,388	(6,355)	108,033
Taxation	(11,617)	279	(11,338)
Profit/(loss) net of taxation	102,771	(6,076)	96,695

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

	Property \$'000	Retail \$'000	Total \$'000
31 March 2019			
<i>Assets and liabilities</i>			
Segment assets	669,416	45,604	715,020
Associates	746,024	14,010	760,034
Joint ventures*	424,631	–	424,631
Total assets	<u>1,840,071</u>	<u>59,614</u>	<u>1,899,685</u>
Segment liabilities	308,293	32,262	340,555
Provision for taxation	2,364	290	2,654
Deferred tax liabilities	22,321	–	22,321
Total liabilities	<u>332,978</u>	<u>32,552</u>	<u>365,530</u>
<i>Other segment information</i>			
Additions to non-current assets			
– Plant and equipment	20	1,947	1,967
Finance costs	5,803	–	5,803
Interest income	(18,861)	(296)	(19,157)
Depreciation of plant and equipment	37	3,235	3,272
<i>Other material non-cash items</i>			
Inventories written down	–	1,487	1,487
Net gain in fair value of investments at fair value through profit or loss (unrealised)	(9,255)	–	(9,255)
Fair value gain on an investment property	(14,706)	–	(14,706)
Allowance for obsolete inventories	–	575	575

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

	Property \$'000	Retail \$'000	Total \$'000
1 April 2018			
<i>Assets and liabilities</i>			
Segment assets	687,026	50,803	737,829
Associates	531,035	13,139	544,174
Joint ventures*	414,003	–	414,003
Total assets	<u>1,632,064</u>	<u>63,942</u>	<u>1,696,006</u>
Segment liabilities	170,720	31,233	201,953
Provision for taxation	1,171	277	1,448
Deferred tax liabilities	16,377	–	16,377
Total liabilities	<u>188,268</u>	<u>31,510</u>	<u>219,778</u>
<i>Other segment information</i>			
Additions to non-current assets			
– Plant and equipment	7	1,507	1,514
Finance costs	2,029	–	2,029
Interest income	(15,822)	(141)	(15,963)
Depreciation of plant and equipment	39	2,072	2,111
<i>Other material non-cash items</i>			
Inventories written down	–	2,178	2,178
Net gain in fair value of investments at fair value through profit or loss (unrealised)	(1,883)	–	(1,883)
Fair value gain on an investment property	(416)	–	(416)
Write-back of obsolete inventories	–	(451)	(451)

* Joint ventures as at 1 April 2018 and 31 March 2019 have been restated following the finalisation of the IFRIC Tentative Agenda Decision on the capitalisation of borrowing costs. Details of the adjustments are disclosed in Note 2.2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. SEGMENT INFORMATION (cont'd)

Geographical information

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

	Asean \$'000	People's Republic of China \$'000	Others ⁽¹⁾ \$'000	Group \$'000
2020				
Segment revenue from external customers	204,019	6,235	–	210,254
Profit from operations before taxation	18,908	20,781	42	39,731
Non-current assets				
– Plant and equipment	1,463	2	–	1,465
– Right-of-use assets	62,590	–	–	62,590
– Investment property	–	109,022	–	109,022
– Associates	602	690,922	104,118	795,642
– Joint ventures	34,167	269,092	34,010	337,269
– Financial assets at fair value through profit or loss	–	17,108	82,765	99,873
– Deferred tax assets	1,121	–	–	1,121
	99,943	1,086,146	220,893	1,406,982
31 March 2019				
Segment revenue from external customers	165,031	6,933	–	171,964
(Loss)/profit from operations before taxation	(238)	79,562	28,709	108,033
Non-current assets				
– Plant and equipment	2,128	–	–	2,128
– Investment property	–	112,029	–	112,029
– Associates	14,525	691,097	52,436	758,058
– Joint ventures	(28,442)	228,559	32,665	232,782
– Financial assets at fair value through profit or loss	–	9,248	91,948	101,196
	(11,789)	1,040,933	177,049	1,206,193

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. SEGMENT INFORMATION (cont'd)

Geographical information (cont'd)

	Asean \$'000	People's Republic of China \$'000	Others ⁽¹⁾ \$'000	Group \$'000
1 April 2018				
Non-current assets				
– Plant and equipment	4,457	9	–	4,466
– Investment property	–	100,214	–	100,214
– Associates	13,886	429,756	100,532	544,174
– Joint ventures	130,055	217,084	66,864	414,003
– Available-for-sale financial assets	–	9,806	70,530	80,336
	<u>148,398</u>	<u>756,869</u>	<u>237,926</u>	<u>1,143,193</u>

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk on interest bearing assets 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 (2019: 1 to 3 months) from the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

(a) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

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

	Increase/ decrease in basis points	2020 \$'000	2019 \$'000
Group			
– Sterling pound	+100	(568)	(571)
– Sterling pound	-100	568	571
– Australian dollar	+100	(884)	–
– Australian dollar	-100	884	–
– Singapore dollar	+100	–	(234)
– Singapore dollar	-100	–	234

(b) Foreign currency risk

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

Sensitivity analysis for foreign currency risk

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

	2020		2019	
	Profit before tax \$'000	Equity \$'000	Profit before tax \$'000	Equity \$'000
RMB – strengthened 5% (2019: 5%)	2,124	4,649	343	4,691
– weakened 5% (2019: 5%)	(2,124)	(4,649)	(343)	(4,691)
USD – strengthened 5% (2019: 5%)	3,432	6,967	5,284	6,496
– weakened 5% (2019: 5%)	(3,432)	(6,967)	(5,284)	(6,496)
HKD – strengthened 5% (2019: 5%)	332	13	463	13
– weakened 5% (2019: 5%)	(332)	(13)	(463)	(13)
GBP – strengthened 5% (2019: 5%)	1,652	615	2,405	559
– weakened 5% (2019: 5%)	(1,652)	(615)	(2,405)	(559)
IDR – strengthened 5% (2019: 5%)	4,452	–	1,266	–
– weakened 5% (2019: 5%)	(4,452)	–	(1,266)	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

(c) *Credit risk*

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

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments and when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off where the receivable remains uncollectible after all reasonable collection efforts have been exhausted. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

31. 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:

	Note	Singapore \$'000	People's Republic of China \$'000	Others \$'000	Total \$'000
By country:					
2020					
Amounts due from associates					
– Non-current	15	–	305,520	–	305,520
– Current	15	–	8,321	–	8,321
Amounts due from joint ventures					
– Non-current	16	–	–	15,229	15,229
– Current	16	129,515	58,743	–	188,258
Accounts and other receivables	20	92,023	2,007	–	94,030
Total		221,538	374,591	15,229	611,358
31 March 2019					
Amounts due from associates					
– Non-current	15	–	271,611	28,465	300,076
– Current	15	–	1,818	158	1,976
Amounts due from joint ventures					
– Non-current	16	–	–	14,407	14,407
– Current	16	165,248	26,601	–	191,849
Accounts and other receivables	20	51,214	2,306	–	53,520
Total		216,462	302,336	43,030	561,828
1 April 2018					
Amounts due from associates					
– Non-current	15	–	34,338	73,357	107,695
Amounts due from joint ventures					
– Non-current	16	165,248	4,051	49,622	218,921
Accounts and other receivables	20	7,814	127,536	–	135,350
Total		173,062	165,925	122,979	461,966

Of the total financial assets of \$611,358,000 (31 March 2019: \$561,828,000; 1 April 2018: \$461,966,000) disclosed above, 99.1% (31 March 2019: 98.8%; 1 April 2018: 98.6%) is invested in the property sector.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

(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.

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	Total \$'000
Group			
2020			
Financial assets:			
Accounts and other receivables	94,030	–	94,030
Amounts due from associates	40,337	327,166	367,503
Amounts due from joint ventures	188,401	17,721	206,122
Short term investments	10,988	–	10,988
Cash and cash equivalents	349,750	–	349,750
Total undiscounted financial assets	<u>683,506</u>	<u>344,887</u>	<u>1,028,393</u>
Financial liabilities:			
Borrowings	153,016	384,461	537,477
Accounts and other payables	48,006	–	48,006
Amounts due to joint ventures	1,839	75,038	76,877
Total undiscounted financial liabilities	<u>202,861</u>	<u>459,499</u>	<u>662,360</u>
Total net undiscounted financial assets/(liabilities)	<u>480,645</u>	<u>(114,612)</u>	<u>366,033</u>
31 March 2019			
Financial assets:			
Accounts and other receivables	53,520	–	53,520
Amounts due from associates	64,855	303,662	368,517
Amounts due from joint ventures	192,013	17,784	209,797
Short term investments	31,400	–	31,400
Pledged fixed bank deposits	37,280	–	37,280
Cash and cash equivalents	195,442	–	195,442
Total undiscounted financial assets	<u>574,510</u>	<u>321,446</u>	<u>895,956</u>
Financial liabilities:			
Borrowings	83,954	162,016	245,970
Accounts and other payables	60,881	–	60,881
Amount due to a joint venture	23,565	20,605	44,170
Total undiscounted financial liabilities	<u>168,400</u>	<u>182,621</u>	<u>351,021</u>
Total net undiscounted financial assets	<u>406,110</u>	<u>138,825</u>	<u>544,935</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

31. 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	1 to 5 years \$'000	Total \$'000
Group			
1 April 2018			
Financial assets:			
Accounts and other receivables	135,350	–	135,350
Amounts due from associates	12,271	137,423	149,694
Amounts due from joint ventures	2,323	222,975	225,298
Short term investments	30,262	–	30,262
Pledged fixed bank deposits	159,073	–	159,073
Cash and cash equivalents	159,479	–	159,479
Total undiscounted financial assets	498,758	360,398	859,156
Financial liabilities:			
Borrowings	137,070	–	137,070
Accounts and other payables	53,876	–	53,876
Total undiscounted financial liabilities	190,946	–	190,946
Total net undiscounted financial assets	307,812	360,398	668,210
	1 year or less \$'000	Over 5 years \$'000	Total \$'000
Company			
2020			
Financial assets:			
Accounts and other receivables	415	–	415
Amounts due from subsidiaries	297,585	190,351	487,936
Amount due from a joint venture	4,439	–	4,439
Cash and cash equivalents	63,735	–	63,735
Total undiscounted financial assets	366,174	190,351	556,525
Financial liabilities:			
Borrowings	26,538	384,461	410,999
Trade and other payables	6,280	–	6,280
Amounts due to subsidiaries	192,921	–	192,921
Total undiscounted financial liabilities	225,739	384,461	610,200
Total net undiscounted financial assets/(liabilities)	140,435	(194,110)	(53,675)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

31. 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			
31 March 2019			
Financial assets:			
Accounts and other receivables	2,273	–	2,273
Amounts due from subsidiaries	265,914	159,303	425,217
Amount due from a joint venture	4,333	–	4,333
Cash and cash equivalents	33,761	–	33,761
Total undiscounted financial assets	<u>306,281</u>	<u>159,303</u>	<u>465,584</u>
Financial liabilities:			
Borrowings	3,403	162,016	165,419
Trade and other payables	6,407	–	6,407
Amounts due to subsidiaries	274,465	–	274,465
Total undiscounted financial liabilities	<u>284,275</u>	<u>162,016</u>	<u>446,291</u>
Total net undiscounted financial assets/(liabilities)	<u>22,006</u>	<u>(2,713)</u>	<u>19,293</u>
1 April 2018			
Financial assets:			
Accounts and other receivables	192	–	192
Amounts due from subsidiaries	–	4,005	4,005
Cash and cash equivalents	9,592	–	9,592
Total undiscounted financial assets	<u>9,784</u>	<u>4,005</u>	<u>13,789</u>
Financial liabilities:			
Trade and other payables	7,954	–	7,954
Amounts due to subsidiaries	–	255,192	255,192
Total undiscounted financial liabilities	<u>7,954</u>	<u>255,192</u>	<u>263,146</u>
Total net undiscounted financial assets/(liabilities)	<u>1,830</u>	<u>(251,187)</u>	<u>(249,357)</u>

(e) *Market price risk*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

31. 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.

	2020		2019	
	Profit before tax \$'000	Equity \$'000	Profit before tax \$'000	Equity \$'000
HSI				
- 10% higher	663	–	925	–
- 10% lower	(663)	–	(925)	–
STI				
- 10% higher	1,099	–	3,140	–
- 10% lower	(1,099)	–	(3,140)	–

32. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchies*

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	2020			Total \$'000
	Fair value measurements at the end of the reporting period using			
Group	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant un-observable inputs (Level 3) \$'000	
Recurring fair value measurements				
Financial assets:				
<u>Financial assets at fair value through profit or loss (Note 17)</u>				
Current				
– Quoted equity instruments	10,988	–	–	10,988
Non-current				
– Quoted equity instruments	6,625	–	–	6,625
– Unquoted equity instruments	–	–	93,248	93,248
Total long term financial assets	6,625	–	93,248	99,873
Financial assets as at 31 March 2020	17,613	–	93,248	110,861
Non-financial asset:				
Investment property (Note 12)	–	–	109,022	109,022
Non-financial asset as at 31 March 2020	–	–	109,022	109,022

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

	31 March 2019			
	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 un-observable inputs (Level 3) \$'000	Total \$'000
Group				
Recurring fair value measurements				
<i>Financial assets:</i>				
<u>Financial assets at fair value through profit or loss (Note 17)</u>				
Current				
– Quoted equity instruments	31,400	–	–	31,400
Non-current				
– Quoted equity instruments	9,248	–	–	9,248
– Unquoted equity instruments	–	–	91,948	91,948
Total long term financial assets	9,248	–	91,948	101,196
Financial assets as at 31 March 2019	40,648	–	91,948	132,596
<i>Non-financial asset:</i>				
Investment property (Note 12)	–	–	112,029	112,029
Non-financial asset as at 31 March 2019	–	–	112,029	112,029

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

	1 April 2018			Total \$'000
	Fair value measurements at the end of the reporting period using			
Group	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant un-observable inputs (Level 3) \$'000	
Recurring fair value measurements				
Financial assets:				
<u>Financial assets at fair value through profit or loss (Note 17)</u>				
– Quoted equity instruments	30,262	–	–	30,262
<u>Available-for-sale financial assets (Note 17)</u>				
<i>Equity instruments</i>				
– Quoted equity instruments	9,806	–	–	9,806
– Unquoted equity instruments	–	–	70,530	70,530
Total available-for-sale financial assets	9,806	–	70,530	80,336
Financial assets as at 1 April 2018	40,068	–	70,530	110,598
Non-financial asset:				
Investment property (Note 12)	–	–	100,214	100,214
Non-financial asset as at 1 April 2018	–	–	100,214	100,214

There have been no transfers between Level 1, Level 2 and Level 3 during 2020, 2019 and 2018.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

32. 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 2020 \$'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
– Unquoted equity instruments	93,248	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investment property	109,022	Average of direct capitalisation method and direct comparison method ⁽²⁾	– Capitalisation rate ⁽³⁾ – Rental rate ⁽⁴⁾ – Comparable price ⁽⁵⁾	6.00% per annum RMB 114 to RMB 141 per square meter per month Retail and office: RMB 18,347 to RMB 21,826 per square meter Carpark space: RMB 300,000 per square meter

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value at 31 March 2019 \$'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
– Unquoted equity instruments	91,948	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investment property	112,029	Average of direct capitalisation method and direct comparison method ⁽²⁾	– Capitalisation rate ⁽³⁾ – Rental rate ⁽⁴⁾ – Comparable price ⁽⁵⁾	6.00% per annum RMB 116 to RMB 143 per square meter per month Retail and office: RMB 18,586 to RMB 21,985 per square meter Carpark space: RMB 300,000 per square meter

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair Value at 1 April 2018 \$'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
– Unquoted equity instruments	70,530	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investment property	100,214	Average of direct capitalisation method and direct comparison method ⁽²⁾	– Capitalisation rate ⁽³⁾ – Rental rate ⁽⁴⁾ – Comparable price ⁽⁵⁾	7.50% per annum RMB 113 to RMB 140 per square meter per month Retail and office: RMB 16,854 to RMB 17,955 per square meter Carpark space: RMB 300,000 per square meter

(1) The fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee company.

(2) The yield adjustments are made for any difference in the nature, location or condition of the specific property.

(3) An increase/(decrease) in the capitalisation rate would result in a (decrease)/increase in the fair value of the investment property.

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

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

The valuation of the investment property is generally sensitive to changes in yield and rental rates. A significant increase/decrease in yield and rental adjustments based on management's assumptions would result in a significantly higher/lower fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	2020		
	Financial assets at fair value through profit or loss (Unquoted equity instruments) \$'000	Investment property \$'000	Total \$'000
Group			
Opening balance	91,948	112,029	203,977
Total gains or losses for the financial year			
– Fair value gain/(loss) recognised in profit or loss	2,264	(2,452)	(188)
Additions	5,299	–	5,299
Redemptions	(7,956)	–	(7,956)
Foreign exchange differences	1,693	(555)	1,138
Closing balance	93,248	109,022	202,270
	31 March 2019		
	Financial assets at fair value through profit or loss (Unquoted equity instruments) \$'000	Investment property \$'000	Total \$'000
Group			
Opening balance	70,530	100,214	170,744
Total gains or losses for the financial year			
– Fair value gain recognised in profit or loss	8,826	14,706	23,532
Additions	12,278	–	12,278
Redemptions	(273)	–	(273)
Foreign exchange differences	587	(2,891)	(2,304)
Closing balance	91,948	112,029	203,977

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

(ii) *Movements in Level 3 assets measured at fair value* (cont'd)

	1 April 2018		
	Available- for-sale financial assets (Unquoted equity instruments) \$'000	Investment properties \$'000	Total \$'000
Group			
Opening balance	71,526	104,423	175,949
Total gains or losses for the financial year			
– Fair value gain recognised in profit or loss	–	416	416
– Fair value gain recognised in other comprehensive income	2,196	–	2,196
Additions	273	–	273
Disposals	–	(7,024)	(7,024)
Redemptions	(2,529)	–	(2,529)
Foreign exchange differences	(936)	2,399	1,463
Closing balance	70,530	100,214	170,744

(iii) *Valuation policies and procedures*

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations in light of the prevailing conditions at 31 March 2020. Please refer to Note 12 for more details.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

32. 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					
	Carrying amount			Fair value		
	2020	31.3.2019	1.4.2018	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:						
Amounts due from associates (non-current)						
– Fixed rate ⁽¹⁾	305,520	300,076	107,490	334,008	324,504	142,997
Amounts due from joint ventures (non-current)						
– Fixed rate ⁽¹⁾	–	–	35,493	–	–	36,568

	Note	Company					
		Carrying amount			Fair value		
		2020	31.3.2019	1.4.2018	2020	31.3.2019	1.4.2018
		\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets:							
Amounts due from subsidiaries (non-current) ⁽²⁾							
– Fixed rate ⁽¹⁾		153,627	153,627	–	154,087	154,201	
– Non interest-bearing	23	–	–	255,192	–	–	

Financial assets:

Amounts due from subsidiaries (non-current)⁽²⁾

– Fixed rate ⁽¹⁾		153,627	153,627	–	154,087	154,201	–
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Financial liability:

Amounts due to subsidiaries (non-current)⁽²⁾

– Non interest-bearing	23	–	–	255,192	–	–	(i)
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(1) The fixed rate amounts due from associates/a joint venture/subsidiaries are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2019 and 31 March 2020.

As disclosed in Note 25(b), a subsidiary and joint ventures of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary and joint ventures for the financial years ended 31 March 2019 and 31 March 2020.

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

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

Name of company	Group		
	2020 \$'000	31.3.2019 \$'000	14.2018 \$'000
Metro (Private) Limited	8,914	8,914	8,914
Orchard Square Development Corporation Pte Ltd	7,576	7,576	7,576
Metrobilt Pte Ltd	4,038	4,038	4,038
Metro Australia Holdings Pte Ltd	1,000	1,000	1,000
Meren Pte Ltd	300	300	300
Metro China Holdings Pte Ltd	*	*	*
Sun Capital Assets Pte Ltd	*	*	*
Metro Holdings (Japan) Pte Ltd	*	*	*
Metro Investments Holdings Pte Ltd	*	*	*
	21,828	21,828	21,828

* Cost is less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

Details of subsidiaries, associates and joint ventures at 31 March are:

Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2020 %	31.3.2019 %	1.4.2018 %
<i>Held by the Company</i>				
Retailers and department store operators				
Metro (Private) Limited (Singapore)	Singapore	100.0	100.0	100.0
Property				
Orchard Square Development Corporation Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Investment holding				
Metrobilt Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro China Holdings Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Australia Holdings Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Sun Capital Assets Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro Holdings (Japan) Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro Investments Holdings Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Investment trading				
Meren Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
<i>Held by subsidiaries</i>				
Retailers and department store operators				
The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	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	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2020 %	31.3.2019 %	1.4.2018 %
Held by subsidiaries (cont'd)				
Investment holding				
Metro Xinjiang Investments Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Properties (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Leisure (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Metro Shanghai HQ Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
+ Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0	100.0
+ Metrobilt Enterprise Ltd (Hong Kong)	People's Republic of China	100.0	100.0	100.0
+ MetroProp (China) (Mauritius)	People's Republic of China	94.0	94.0	94.0
Metro City (Beijing) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
+ Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0	100.0
^Ω Firewave Management Limited (British Virgin Islands)	People's Republic of China	100.0	100.0	100.0
⁽²⁾ Metro Prop Japan Pte Ltd (Singapore)	Singapore	–	–	100.0
⁽²⁾ Bunkyo Property Pte Ltd (Singapore)	Japan	–	–	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2020 %	31.3.2019 %	1.4.2018 %
Held by subsidiaries (cont'd)				
Investment holding (cont'd)				
Metro Prop Singapore Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Metro (Shanghai) Enterprise Management Pte Ltd (Singapore)	People's Republic of China	100.0	100.0	100.0
Xing Metro Enterprise Management (Shanghai) Co. Ltd (People's Republic of China)	People's Republic of China	100.0	100.0	100.0
Shanghai Xin Luo Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	100.0	100.0
+ PT. Metro Property Investment (Indonesia)	Indonesia	90.0	90.0	90.0
(4) Shanghai Xing Chu Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	100.0	–
(4) ^Ω Sunshine (BVI) Ltd (British Virgin Islands)	People's Republic of China	100.0	100.0	–
(4) Metro Prop Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0	–
(4) ^Ω Metro Property (BVI) Limited (British Virgin Islands)	People's Republic of China	100.0	100.0	–
(4) ^Ω Metro-LKT (BVI) Limited (British Virgin Islands)	People's Republic of China	79.2	79.2	–
(4) Shanghai Xing Guang Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	100.0	–
(3) Shanghai Xing Shu Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2020 %	31.3.2019 %	1.4.2018 %
Held by subsidiaries (cont'd)				
Investment holding (cont'd)				
(3) Metro SL Australia Investment Pte. Ltd. (Singapore)	Singapore	100.0	–	–
(3) Metro (Aus) Property Trust Pte. Ltd. (Singapore)	Singapore	100.0	–	–
(3) Metro Property Trust (A) Pte. Ltd. (Singapore)	Singapore	100.0	–	–
(3) Metro Property Trust II (A) Pte. Ltd. (Singapore)	Singapore	100.0	–	–
Management service consultants				
Metrobilt Construction Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Dormant companies				
Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0	100.0
Associates				
(Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2020 %	31.3.2019 %	1.4.2018 %
Retailers and department store operators				
(1)+ ^ PT Metropolitan Retailmart (Indonesia)	Indonesia	–	50.0	50.0
Property				
& Etika Cekap Sdn Bhd (Malaysia)	Malaysia	49.0	49.0	49.0
& Gurney Plaza Sdn Bhd (Malaysia)	Malaysia	49.0	49.0	49.0
(4) * Shanghai Yong Ling Property Development Co. Ltd (People's Republic of China)	People's Republic of China	35.0	31.5	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

	Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
			2020 %	31.3.2019 %	1.4.2018 %
	Investment holding				
& ^	Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0	50.0
&	Shine Rise International Limited (British Virgin Islands)	People's Republic of China	30.0	30.0	30.0
#	Top Spring International Holdings Limited (Cayman Islands)	People's Republic of China	14.9	14.9	15.0
&	Fairbriar Real Estate Limited (England and Wales)	United Kingdom	25.0	25.0	25.0
&	InfraRed NF China Real Estate Fund II (A), L.P. (Guernsey)	People's Republic of China	23.7	23.7	23.7
&	South Bright Investment Limited (British Virgin Islands)	People's Republic of China	48.0	48.0	48.0
&	Shanghai Lai Peng Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	30.0	30.0	30.0
&	Shine Long Limited (British Virgin Islands)	People's Republic of China	30.0	30.0	30.0
&	Huge Source Limited (Hong Kong)	People's Republic of China	30.0	30.0	30.0
&	Progress Link Limited (British Virgin Islands)	People's Republic of China	30.0	30.0	30.0
(4) *	Shanghai Yi Zhou Property Management Co., Ltd (People's Republic of China)	People's Republic of China	35.0	35.0	—
(4) *	Shanghai Shang Min Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	35.0	35.0	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

	Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
			2020 %	31.3.2019 %	1.4.2018 %
Investment holding (cont'd)					
(4) &	Jovial Paradise Limited (British Virgin Islands)	People's Republic of China	43.8	43.8	—
(4) &	Global Charm Ventures Limited (British Virgin Islands)	People's Republic of China	42.6	46.0	—
(4) &	Joyful Star Enterprise Limited (British Virgin Islands)	People's Republic of China	40.5	46.0	—
(4) &	Most Success Enterprise Limited (British Virgin Islands)	People's Republic of China	27.7	46.0	—
(4) &	Profound Success Investment Limited (British Virgin Islands)	People's Republic of China	27.7	46.0	—
(3) &	Starry New Limited (British Virgin Islands)	People's Republic of China	47.3	—	—
(3) &	SLH Property Trust (Singapore)	Singapore	20.0	—	—
(3) &	Sim Lian Property Trust (Singapore)	Singapore	20.0	—	—
(3) &	Sim Lian Property Trust II (Singapore)	Singapore	20.0	—	—
(3) &	SLH (Aus) Property Trust (Australia)	Australia	20.0	—	—
(3) &	SLG Property Trust (Australia)	Australia	20.0	—	—
(3) &	SLG Property Trust II (Australia)	Australia	20.0	—	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2020 %	31.3.2019 %	1.4.2018 %
Asset and investment management				
(3) & Sim Lian – Metro Capital Pte. Ltd. (Singapore)	Singapore	20.0	–	–
(3) & SLMC (Australia) Pty Ltd (formerly known as Rockworth (Australia) Pty Ltd) (Australia)	Australia	20.0	–	–
(3) & SLMC Property Australia Pty Ltd (formerly known as RCP Property Australia Pty Ltd) (Australia)	Australia	20.0	–	–
Joint ventures				
Joint ventures (Country of incorporation)	Place of business	Percentage of equity held by the Group		
		2020 %	31.3.2019 %	1.4.2018 %
& Wingcrown Investment Pte. Ltd. (Singapore)	Singapore	40.0	40.0	40.0
* @ Shanghai Metro City Commercial Management Co. Ltd (People's Republic of China)	People's Republic of China	60.0	60.0	60.0
* @ Shanghai Huimei Property Co Ltd (People's Republic of China)	People's Republic of China	60.0	60.0	60.0
& Scarborough DC Limited (England and Wales)	United Kingdom	50.0	50.0	50.0
& Lee Kim Tah - Metro Jersey Limited (Jersey)	United Kingdom	50.0	50.0	50.0
(3) T-Grande Property Holding Pte. Ltd. (Singapore)	Singapore	50.0	–	–
Investment holding				
(3) Ascend TGrande Pte. Ltd. (Singapore)	Singapore	50.0	–	–
(3) T-Grande Investment Holding Pte. Ltd. (Singapore)	Singapore	50.0	–	–
(3) & Xiamen CICC Qihang Equity Investment Partnership (Limited Partnership) (People's Republic of China)	People's Republic of China	50.0	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

34. 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) Disposed during the financial year.
- (2) Liquidated/disposed in prior financial years.
- (3) Incorporated/acquired during the financial year.
- (4) Incorporated/acquired in prior financial years.
- 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.

35. COMMITMENTS

Capital commitments

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

	Group		
	2020	31.3.2019	1.4.2018
	\$'000	\$'000	\$'000
Capital commitments in respect of investment in:			
– Long term investments	5,264	2,551	534

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

36. SUBSEQUENT EVENTS

On 11 March 2020, the World Health Organisation declared the Coronavirus Disease (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects.

Amidst the evolving Covid-19 pandemic situation which has created huge uncertainty and volatility in the markets, the Group will continue to monitor the situation closely and take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows and liquidity, and actively managing our existing investment portfolio, for optimal returns. With regards to our asset management strategy, we will prioritise critical asset enhancement, while deferring uncommitted capital expenditure and implementing cost savings, where possible.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 7 August 2020.

STATISTICS OF SHAREHOLDINGS

As at 28 July 2020

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	188,995,635	22.82
2	Ngee Ann Development Pte Ltd	85,515,056	10.33
3	Citibank Nominees Singapore Pte Ltd	84,528,686	10.21
4	Raffles Nominees (Pte.) Limited	76,881,106	9.28
5	Dynamic Holdings Pte Ltd	48,293,203	5.83
6	Maybank Kim Eng Securities Pte. Ltd.	34,906,382	4.22
7	DBS Nominees (Private) Limited	18,694,429	2.26
8	BPSS Nominees Singapore (Pte.) Ltd.	15,896,700	1.92
9	Lee Yuen Shih	10,678,200	1.29
10	United Overseas Bank Nominees (Private) Limited	9,484,403	1.15
11	UOB Kay Hian Private Limited	8,244,816	1.00
12	Morph Investments Ltd	8,040,000	0.97
13	Monconcept Investments Pte Ltd	6,576,512	0.79
14	Phillip Securities Pte Ltd	6,374,835	0.77
15	Teo Cheng Tuan Donald	5,000,000	0.60
16	Como Holdings Inc	4,804,800	0.58
17	City Developments Realty Limited	4,608,000	0.56
18	Ong Sioe Hong	4,211,182	0.51
19	OCBC Securities Private Limited	4,088,760	0.49
20	OCBC Nominees Singapore Private Limited	3,554,214	0.43
	Total	629,376,919	76.01

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	113	2.11	4,167	0.00
100 – 1,000	380	7.10	211,655	0.02
1,001 – 10,000	2,156	40.27	13,054,239	1.58
10,001 – 1,000,000	2,662	49.72	145,054,383	17.52
1,000,001 and above	43	0.80	669,711,430	80.88
Total	5,354	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 28 July 2020.

SUBSTANTIAL SHAREHOLDERS

As at 28 July 2020

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

Notes:

- (1) “%” is based on 828,035,874 issued shares (excluding treasury shares).
- (2) Leroy Singapore Pte Ltd (“**Leroy**”)’s deemed interest is held through Raffles Nominees (Pte.) Limited.
- (3) Mr Ong Jen Yaw’s deemed interest is held through Eng Kuan Company Private Limited (“**Eng Kuan**”) (188,995,635 shares) and Citibank Nominees Singapore Pte Ltd (26,507,414 shares). Mr Ong Jen Yaw is deemed to be interested in the shares through his interest in Eng Kuan.
- (4) Ms Ong Ling Ling’s and Ms Ong Ching Ping’s deemed interests are each held through their respective interests in Dynamic Holdings Pte Ltd (“**Dynamic**”) and Eng Kuan.
- (5) Mr Ong Jenn (Wang Zhen)’s deemed interest is held through his interests in Dynamic, Eng Kuan and Leroy.
- (6) Mr Ong Sek Hian (Wang ShiXian)’s deemed interest is held through Raffles Nominees (Pte.) Limited (63,360 shares) and his interests in Dynamic, Eng Kuan and Leroy.
- (7) Ngee Ann Kongsı is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.
- (8) Takashimaya Company Limited is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

To the best knowledge of the Company, the percentage of shareholding held in the hands of the public as at 28 July 2020 is approximately 47.69% of the total issued shares, excluding treasury shares. Therefore, the Company complies with Rule 723 of the Listing Manual.

TREASURY SHARES AND SUBSIDIARY HOLDINGS

As at 28 July 2020, the number of treasury shares held is 3,512,800 representing 0.42% of the total number of issued shares. The Company does not have any subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN that the Forty-Seventh Annual General Meeting of the Company will be convened and held by way of electronic means on Friday, 11 September 2020 at 11.00 a.m. (Singapore time) for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement, Auditor's Report and Audited Financial Statements for the year ended 31 March 2020. **(Resolution 1)**
2. To declare the payment of a first and final tax exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2020. **(Resolution 2)**
3. To re-elect Lt-Gen (Retd) Winston Choo Wee Leong, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (a)] **(Resolution 3)**
4. 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 4)**
5. To re-elect Mr Tan Soo Khoon, a Director retiring pursuant to Article 94 of the Company's Constitution. [refer to explanatory note (c)] **(Resolution 5)**
6. To approve the Directors' Fees of \$915,500 (2019: \$902,976) for the year ended 31 March 2020. **(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,

NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF RECORD DATE

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), “**subsidiary holdings**” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[refer to explanatory note (d)] **(Resolution 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**”);

NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF RECORD DATE

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held;
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, before the date of the market purchase by the Company, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the market purchase by the Company;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“Maximum Limit” means that number of Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST));

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 5% above the Average Closing Price; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, the NTAV of a Share; and

“NTAV of a Share” means the net tangible asset value of a Share taken from the latest announced consolidated financial statements of the Company preceding the date of the making of the offer pursuant to the off-market purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. [refer to explanatory note (e)] **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 16 September 2020 for the purpose of determining shareholders' entitlements to the proposed first and final tax exempt (one-tier) dividend of 2.0 cents per ordinary share for the financial year ended 31 March 2020 (the "**Proposed Dividend**").

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02, Singapore 068898 up to 5.00 p.m. on 15 September 2020 (the "**Record Date**") will be registered before shareholders' entitlements to the Proposed Dividend are determined.

Shareholders (being Depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on the Record Date will rank for the Proposed Dividend.

The Proposed Dividend, if approved at the Forty-Seventh Annual General Meeting of the Company to be held on 11 September 2020, will be paid on 22 September 2020.

By Order of the Board
Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries

27 August 2020
Singapore

NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF RECORD DATE

Explanatory Notes:

- (a) Lt-Gen (Retd) Winston Choo Wee Leong, if re-elected, will continue to serve as the Chairman of the Board and Nominating Committee and a member of the Remuneration Committee. Lt-Gen (Retd) Winston Choo Wee Leong is a Non-Executive and Independent Director. Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Lt-Gen (Retd) Winston Choo Wee Leong, can be found in the “Information on Directors Seeking Re-election” section of the Company’s Annual Report 2020.
- (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 a Non-Executive and Independent Director. Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mrs Fang Ai Lian can be found in the “Information on Directors Seeking Re-election” section of the Company’s Annual Report 2020.
- (c) Mr Tan Soo Khoon, if re-elected, will continue to serve as a member of the Audit Committee. Mr Tan Soo Khoon is a Non-Executive and Independent Director. Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Tan Soo Khoon can be found in the “Information on Directors Seeking Re-election” section of the Company’s Annual Report 2020.
- (d) 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 28 July 2020, the Company had 3,512,800 treasury shares and no subsidiary holdings.
- (e) 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 28 July 2020, 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 2020 and certain assumptions, are set out in Paragraph 2.7 of the Company’s Letter to Shareholders dated 27 August 2020.

Notes:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company’s corporate website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company’s announcement dated 27 August 2020. This announcement may be accessed at the Company’s corporate website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF RECORD DATE

3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be accessed at the Company's corporate website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by **5.00 p.m. on 1 September 2020** to submit their votes.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
- (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

in either case by 11.00 a.m. on 8 September 2020, being 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Company's Annual Report 2020 and the Letter to Shareholders dated 27 August 2020 (in relation to the proposed renewal of share purchase mandate) have been published on the Company's corporate website and may be accessed as follows:
- (a) the Company's Annual Report 2020 may be accessed at the URL https://www.metroholdings.com.sg/investor_annual-report by clicking on the hyperlink for "Annual Report 2020"; and
 - (b) the Letter to Shareholders dated 27 August 2020 may be accessed at the URL https://www.metroholdings.com.sg/investor_letter-to-shareholders by clicking on the hyperlink for "Letter to Shareholders in Relation to the Renewal of the Share Purchase Mandate".

The above documents will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon are the Directors seeking re-election at the Annual General Meeting of Metro Holdings Limited (“**Company**”) on 11 September 2020.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon, as set out in Appendix 7.4.1. of the Listing Manual of the SGX-ST is as follows:

Name of Director	Lt-Gen (Retd) Winston Choo Wee Leong	Fang Ai Lian (Mrs)	Tan Soo Khoon
Date of Appointment	18 June 2007	16 July 2008	9 December 2011
Date of last re-election (if applicable)	27 July 2018	17 July 2017	17 July 2017
Age	79	70	70
Country of Principal Residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Lt-Gen (Retd) Winston Choo Wee Leong (“ Lt-Gen (Retd) Winston Choo ”) possesses the experience, expertise, knowledge and skills to contribute towards the core competency of the Board. He will continue to contribute his valuable experience and knowledge to the Board of the Company.	Mrs Fang Ai Lian (“ Mrs Fang ”) possesses the experience, expertise, knowledge and skills to contribute towards the core competency of the Board. She will continue to contribute her valuable experiences and knowledge to the Board of the Company.	Mr Tan Soo Khoon (“ Mr Tan ”) possesses the experience, expertise, knowledge and skills to contribute towards the core competency of the Board. He will continue to contribute his valuable experiences and knowledge to the Board of the Company.
Whether appointment is executive, and if so, the area of responsibility:	The appointment is Non-Executive.	The appointment is Non-Executive.	The appointment is Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Independent Director. Chairman of the Board, the Nominating and Investment Committees and a member of the Remuneration Committee.	Non-Executive and Independent Director. Chairman of Audit Committee and a member of Nominating Committee.	Non-Executive and Independent Director. Member of the Audit and Investment Committees.
Professional qualifications	Lt-Gen (Retd) Winston Choo holds a Master of Arts in History from Duke University, USA and has completed the Advanced Management Programme at Harvard University, USA.	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.	Mr Tan holds a bachelor’s degree in Business Administration with Honours from the National University of Singapore.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lt-Gen (Retd) Winston Choo Wee Leong	Fang Ai Lian (Mrs)	Tan Soo Khoon
Working experience and occupation(s) during the past 10 years	<p>Lt-Gen (Retd) Winston 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.</p> <p>Lt-Gen (Retd) Winston Choo had a distinguished military career from 1959 to 1992 and was Singapore's Chief of Defence Force from 1974 to 1992. He served as Singapore's High Commissioner to Australia and concurrently Ambassador to Fiji from 1994 to 1997. He also served as Singapore's Non-Resident High Commissioner to the Republic of South Africa and the Independent State of Papua New Guinea from 2000 to 2006. He also served as Singapore's Non-Resident Ambassador to the State of Israel from 2006 to 2020.</p>	<p>Mrs Fang is an independent director of Banyan Tree Holdings Limited, Singapore Post Limited, Cromwell EREIT Management Pte. Ltd. (REIT Manager of Cromwell EREIT) and Jubilant Pharma Limited, and Advisor to the Far East Organisation Group. She is the Chairman of the Board of Trustees of the Singapore Business Federation and Medishield Life Council. She is also a member of the SGX Listings Advisory Committee, SingHealth Fund Limited and Tote Board (Singapore Totalisator Board).</p> <p>Mrs Fang was a member of Board of Trustee of Singapore University of Technology and Design until August 2019. She was the Chairman of Great Eastern Holdings Limited and its insurance subsidiaries as well as a Director of OCBC Bank until her retirement in April 2014. Prior to that she was with Ernst & Young ("EY") for 37 years where she last held the position of Chairman of EY Singapore until her retirement on 31 March 2008. She previously served as Chairman of the Charity Council. She was also a Justice of Peace and was awarded the Public Service Star in 2009. Her past directorships include Singapore Telecommunications Limited, MediaCorp Pte Ltd and Member of the Board of Trustee of Eldercare Trust of NTUC Eldercare Co-operative Ltd.</p>	<p>Mr Tan was a Member of the Singapore Parliament from 1976 to 2006. He also served as Speaker of Parliament from 1989 to 2002. Since 2007, he has been Singapore's non-resident Ambassador to the Czech Republic. He also serves as the Honorary Patron of the Down Syndrome Association (Singapore).</p> <p>Mr Tan, a businessman, is also director of several private companies. Since 1978, he has been the Chairman of watch distribution companies, Crystal Time (Singapore) Pte Ltd and Crystal Time (M) Sdn Bhd. His past directorship includes Parkson Retail Asia Limited.</p>

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lt-Gen (Retd) Winston Choo Wee Leong	Fang Ai Lian (Mrs)	Tan Soo Khoon
Shareholding interest in the Company and its subsidiaries	No	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or of any of its principal subsidiaries	No	No	No
Conflict of interests (including any competing business)	No	No	No
Undertaking submitted to the Company in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lt-Gen (Retd) Winston Choo Wee Leong	Fang Ai Lian (Mrs)	Tan Soo Khoon
Other principal commitments including directorships:			
Past (for the last 5 years)	Singapore's Non-Resident Ambassador to the State of Israel from 2006 until 25 June 2020.	<p>Director of</p> <ul style="list-style-type: none"> • Singapore Telecommunications Limited • MediaCorp Pte Ltd • QBE Insurance (International) Pty Limited <p>Chairman of</p> <ul style="list-style-type: none"> • Charity Council • Methodist Girls' School <p>Member of</p> <ul style="list-style-type: none"> • Board of Trustees of Singapore University of Technology and Design • Board of Trustees of Eldercare Trust of NTUC Eldercare Co-operative Ltd 	<p>Director of</p> <ul style="list-style-type: none"> • Parkson Retail Asia Limited
Present	<p>Director of</p> <ul style="list-style-type: none"> • Tridex Pte Ltd • Foodfare Catering Pte Ltd • Newstar Investment Holdings Pte Ltd 	<p>Director of</p> <ul style="list-style-type: none"> • Banyan Tree Holdings Limited • Singapore Post Limited • Cromwell EREIT Management Pte. Ltd. (REIT Manager of Cromwell EREIT) • Tote Board (Singapore Totalisator Board) • QBE Asia Advisory Board • Jubilant Pharma Limited • Zender-Fang Associates Pte Ltd • Fynch Consulting Pte Ltd • Honour (Singapore) Limited <p>Advisor of</p> <ul style="list-style-type: none"> • Far East Organization <p>Chairman of</p> <ul style="list-style-type: none"> • Medishield Life Council • Board of Trustees of the Singapore Business Federation <p>Member of</p> <ul style="list-style-type: none"> • SGX Listings Advisory Committee • SingHealth Fund Limited 	<p>Director of</p> <ul style="list-style-type: none"> • Crystal Time (Singapore) Pte Ltd • Crystal Time (M) Sdn Bhd • Crystime (HK) Ltd • Crystal Time International Ltd • Dragonchine (M) Sdn Bhd • Grandscope Investments Pte. Ltd. • Swee Heng Holdings Pte Ltd • Swee Heng Mfg Co Pte Ltd • Tabs Creatives (S) Pte Ltd • Tremont Marketing Pte Ltd • WatchMart (M) Sdn Bhd <p>Singapore's Non-Resident Ambassador to Czech Republic since 2007</p> <p>Honorary Patron of the Down Syndrome Association (Singapore)</p>

Lt-Gen (Retd) Winston Choo Wee Leong, Mrs Fang Ai Lian and Mr Tan Soo Khoon have individually confirmed that on each of the questions as set out in paragraph (a) to (k) of Appendix 7.4.1 of the Listing Manual, the answer is "no".

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METRO HOLDINGS LIMITED

Company Registration No.: 197301792W
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting will not be sent to members. Instead, the Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings. The Notice of Annual General Meeting will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 27 August 2020. This announcement may be accessed on the Company's website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 1 September 2020 to submit their votes.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 August 2020.

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 the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Forty-Seventh Annual General Meeting of the Company to be convened and held by way of electronic means on Friday, 11 September 2020 at 11.00 a.m. (Singapore time) and at any adjournment thereof, in the following manner:

No.	Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive and adopt the Directors' Statement, Auditor's Report and Audited Financial Statements			
2.	To declare First and Final Dividend			
3.	To re-elect Lt-Gen (Retd) Winston Choo Wee Leong, a Director retiring under Article 94 of the Company's Constitution			
4.	To re-elect Mrs Fang Ai Lian, a Director retiring under Article 94 of the Company's Constitution			
5.	To re-elect Mr Tan Soo Khoon, 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 the Chairman of the Meeting as your proxy to cast all your votes For or Against a resolution, please indicate with a "✓" in the For or Against box provided in respect of that resolution. Alternatively, please indicate the number of votes For or Against in the For or Against box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a "✓" in the Abstain box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the Abstain box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2020

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

**Total Number of
Shares Held**

NOTES:

1. 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.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed on the Company's website at the URL https://www.metroholdings.com.sg/investor_shareholder-meetings, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 1 September 2020 to submit their votes.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

in either case by 11.00 a.m. on 8 September 2020, being 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. Any reference to a time of a day is made by reference to Singapore time.
7. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE DATA

BOARD OF DIRECTORS

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

Phua Bah Lee
Director, Non-Executive and Independent

Gerald Ong Chong Keng
Director, Non-Executive

Fang Ai Lian (Mrs)
Director, Non-Executive and Independent

Tan Soo Khoon
Director, Non-Executive and Independent

Deborah Lee Siew Yin
Director, Non-Executive and Independent

Yip Hoong Mun
Group Chief Executive Officer, Executive Director

AUDIT COMMITTEE

Fang Ai Lian (Mrs)
Chairman

Gerald Ong Chong Keng

Tan Soo Khoon

Deborah Lee Siew Yin

NOMINATING COMMITTEE

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman

Phua Bah Lee

Gerald Ong Chong Keng

Fang Ai Lian (Mrs)

REMUNERATION COMMITTEE

Phua Bah Lee
Chairman

Lt-Gen (Retd) Winston Choo Wee Leong

Deborah Lee Siew Yin

INVESTMENT COMMITTEE

Lt-Gen (Retd) Winston Choo Wee Leong
Chairman

Gerald Ong Chong Keng

Tan Soo Khoon

Yip Hoong Mun

SECRETARIES

Tan Ching Chek

Eve Chan Bee Leng

AUDITORS

Ernst & Young LLP
Tan Seng Choon
Engagement Partner
(Since financial year ended 31 March 2018)

PRINCIPAL BANKERS

DBS Bank Ltd

United Overseas Bank Ltd

The Hongkong and Shanghai Banking Corporation Ltd

Oversea-Chinese Banking Corporation Limited

Malayan Banking Berhad

Credit Suisse AG

REGISTRARS

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

REGISTERED OFFICE

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

INVESTOR RELATIONS CONTACTS

Citigate Dewe Rogerson Singapore Pte Ltd
Ms Dolores Phua / Mr Joey Ho
105 Cecil Street
#09-01 The Octagon
Singapore 069534
Tel: (65) 6534 5122
Fax: (65) 6534 4171
dolores.phua@citigatedewerogerson.com
joey.ho@citigatedewerogerson.com



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METRO HOLDINGS LIMITED

391A Orchard Road #19-00 Tower A Ngee Ann City
Singapore 238873

Tel: (65) 6733 3000 | Fax: (65) 6735 3515

LETTER TO SHAREHOLDERS



METRO HOLDINGS LIMITED

Company Registration No.: 197301792W
(Incorporated in the Republic of Singapore)

Registered office: 391A Orchard Road #19-00 Tower A, Ngee Ann City, Singapore 238873

27 August 2020

To the shareholders of
METRO HOLDINGS LIMITED

Dear Sir/Madam

1. INTRODUCTION

- 1.1 **Summary.** We refer to Resolution 9 in the Notice convening the Forty-Seventh Annual General Meeting of Metro Holdings Limited (the “**Company**”) to be held on 11 September 2020 (“**AGM**”). Resolution 9 relates to the renewal of the Company’s share purchase mandate (the “**Share Purchase Mandate**”) and will be proposed as an ordinary resolution at the AGM.

Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate.

- 1.2 **This Letter.** The purpose of this Letter is to provide shareholders of the Company (“**Shareholders**”) with information relating to the proposal for the renewal of the Share Purchase Mandate, to be tabled at the AGM.

2. THE RENEWAL OF THE SHARE PURCHASE MANDATE

- 2.1 **Background.** Shareholders had approved the renewal of the Share Purchase Mandate at the Forty-Sixth Annual General Meeting of the Company held on 29 July 2019 (“**2019 AGM**”). The authority and limitations of the Share Purchase Mandate were set out in the Company’s Letter to Shareholders dated 12 July 2019 and the ordinary resolution relating to the Share Purchase Mandate in the notice of the 2019 AGM. The Share Purchase Mandate approved at the 2019 AGM was expressed to continue in force until the next Annual General Meeting of the Company and, as such, will be expiring on 11 September 2020, being the date of the forthcoming AGM. It is proposed that the Share Purchase Mandate be renewed at the AGM. Accordingly, Resolution 9 will be tabled as an ordinary resolution for Shareholders’ approval at the AGM.

- 2.2 **Rationale for the renewal for the Share Purchase Mandate.** The Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its ordinary shares (“**Shares**”) at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share purchases or acquisitions allow the Company greater flexibility over its share capital structure with a view to improving, *inter alia*, its return on equity. The Shares which are purchased or acquired may be held as treasury shares which may be used for prescribed purposes pursuant to the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) such as selling treasury shares for cash, transferring them as consideration for the acquisition of assets or transferring them pursuant to a share scheme. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

It should be noted that the purchase or acquisition of Shares pursuant to the Share Purchase Mandate will only be undertaken if it can benefit the Company and Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Company and its subsidiaries (collectively, the “Group”) and/or affect the listing status of the Company on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). In addition, any purchase or acquisition of its Shares has to be made in accordance with, and in the manner prescribed by, the Companies Act, the listing rules of the SGX-ST and such other laws and regulations as may for the time being be applicable.

2.3 Authority and limitations. The authority and limitations on the purchase or acquisition of Shares by the Company under the Share Purchase Mandate for which renewal is sought are summarised below. In this regard, the authority and limitations are substantially the same as that of the Share Purchase Mandate approved previously by Shareholders at the 2019 AGM, save that the definition of “Average Closing Price” (for determining the maximum purchase price for the purchase or acquisition of Shares pursuant to the Share Purchase Mandate) has been changed to take into account amendments to the Listing Manual of the SGX-ST (“**Listing Manual**”) which took effect on 7 February 2020.

(a) Maximum number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury shares and any Shares held by subsidiaries of the Company in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act (“**subsidiary holdings**”)) as at the date of the AGM. Under the Companies Act and the Listing Manual, treasury shares and subsidiary holdings are to be disregarded for the purposes of computing the 10% limit. As at 28 July 2020 (the “**Latest Practicable Date**”), the Company had 3,512,800 treasury shares and no subsidiary holdings.

Purely for illustrative purposes, on the basis of 828,035,874 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming that between the Latest Practicable Date and the date of the AGM (i) no new Shares are issued, (ii) no further Shares are repurchased by the Company and cancelled or held as treasury shares, (iii) no treasury shares are cancelled or used by the Company for any of the prescribed purposes, and (iv) no Shares are subsidiary holdings, then not more than 82,803,587 Shares (representing 10% of the total number of issued Shares as at that date, excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM, at which the Share Purchase Mandate is approved, up to:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting; or

- (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

(c) Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) market purchases (“**Market Purchases**”); and/or
- (ii) off-market purchases (“**Off-Market Purchases**”).

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST or, as the case may be, other stock exchange for the time being on which the Shares may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisition of Shares from Shareholders. The Directors of the Company (“**Directors**”) may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (1) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (2) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (3) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and
 - (bb) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain, *inter alia*, the following information:

- (A) the terms and conditions of the offer;
- (B) the period and procedures for acceptances;
- (C) the reasons for the proposed Share purchases;
- (D) the consequences, if any, of Share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers (“**Take-over Code**”) or other applicable take-over rules;

- (E) whether the Share purchases, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (F) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (G) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Purchase price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the maximum purchase price (the “**Maximum Price**”) to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 5% above the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, the NTAV of a Share,

in either case, excluding related expenses of the purchase or acquisition. For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five market days on which the Shares were transacted on the SGX-ST or, as the case may be, such other stock exchange on which the Shares are listed or quoted, before the date of the Market Purchase by the Company, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase by the Company;

“**NTAV of a Share**” means the net tangible asset value of a Share taken from the latest announced consolidated financial statements of the Company preceding the date of the making of the offer pursuant to the Off-Market Purchase; and

“**date of the making of the offer**” means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of purchased or acquired Shares. Under the Companies Act, the Shares purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to those Shares will expire on cancellation, unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

2.5 Treasury shares. Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

(a) Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. For this purpose, any Shares that are held by subsidiaries in the circumstances referred to in Sections 21(4B) and 21(6C) of the Companies Act shall be included in computing the 10% limit.

(b) Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares of the usage.

2.6 Source of funds. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution of the Company and applicable laws. Under the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's capital and/or profits so long as the Company is solvent. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements, financial flexibility or investment ability of the Group.

2.7 Financial effects. The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. The financial effects on the Group and the Company based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2020 are based on the assumptions set out below.

(a) Purchase or acquisition out of capital and/or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

(b) Maximum Price paid for Shares purchased or acquired

Based on 828,035,874 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase by the Company of 10% of such issued Shares will result in the purchase or acquisition of 82,803,587 Shares.

Assuming that the Company purchases or acquires the 82,803,587 Shares at the Maximum Price on the Latest Practicable Date, the maximum amount of funds required is approximately:

- (i) in the case of Market Purchases of Shares, \$62,930,726 based on \$0.76 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST over the last five market days preceding the Latest Practicable Date); and
- (ii) in the case of Off-Market Purchases of Shares, \$149,874,492 based on \$1.81 for each Share (being the price equivalent to the NTAV of a Share taken from the unaudited financial results of the Company and Group for the financial year ended 31 March 2020 released by the Company on 25 June 2020).

For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

- (1) the Share Purchase Mandate had been effective on 1 April 2019;
- (2) the purchase of Shares took place at the beginning of the financial year on 1 April 2019;
- (3) there was no issuance of Shares after the Latest Practicable Date; and
- (4) the Share purchases were funded entirely by internal resources,

the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 March 2020 would have been as follows:

MARKET PURCHASE ⁽¹⁾

	GROUP		COMPANY	
	Before	After	Before	After
	Share	Share	Share	Share
	Purchase	Purchase	Purchase	Purchase
	\$'000	\$'000	\$'000	\$'000
As at 31 March 2020				
Share Capital	169,717	169,717	169,717	169,717
Treasury Shares	(1,768)	(64,699)	(1,768)	(64,699)
Foreign Currency Translation Reserve	(10,296)	(10,296)	-	-
Statutory Reserve	4,734	4,734	-	-
Revenue Reserve	1,337,258	1,337,258	185,215	185,215
Other Reserves	434	434	-	-
Equity Attributable to Owners of the Company	1,500,079	1,437,148	353,164	290,233
Non-Controlling Interests	28,618	28,618	-	-
Total Equity	1,528,697	1,465,766	353,164	290,233
Current Assets	829,357	766,426	359,384	296,453
Current Liabilities	208,619	208,619	218,589	218,589
Borrowings	493,513	493,513	367,137	367,137
Cash and Cash Equivalents	349,367	286,436	63,703	772
Net Tangible Assets (NTA) ⁽²⁾	1,500,079	1,437,148	353,164	290,233
Net Profit After Tax	33,080	33,080	28,286	28,286
Profit Attributable to Owners of the Company	32,248	32,248	28,286	28,286
Number of Shares ('000)	828,036	745,232 ⁽³⁾	828,036	745,232 ⁽³⁾
Financial Ratios				
NTA per Share (\$)	1.81	1.93	0.43	0.39
Gearing (times) ⁽⁴⁾ (Net D/E)	0.1	0.1	0.9	1.3
Current Ratio (times) ⁽⁵⁾	4.0	3.7	1.6	1.4
Earnings per Share (cents) ⁽⁶⁾	3.9	4.3	3.4	3.8

OFF-MARKET PURCHASE ⁽¹⁾

	GROUP		COMPANY	
	Before	After	Before	After
	Share	Share	Share	Share
	Purchase	Purchase	Purchase	Purchase
	\$'000	\$'000	\$'000	\$'000
As at 31 March 2020				
Share Capital	169,717	169,717	169,717	169,717
Treasury Shares	(1,768)	(151,643)	(1,768)	(151,643)
Foreign Currency Translation Reserve	(10,296)	(10,296)	-	-
Statutory Reserve	4,734	4,734	-	-
Revenue Reserve	1,337,258	1,337,258	185,215	185,215
Other Reserves	434	434	-	-

Equity Attributable to Owners of the Company	1,500,079	1,350,204	353,164	203,289
Non-Controlling Interests	28,618	28,618	-	-
Total Equity	1,528,697	1,378,822	353,164	203,289
Current Assets	829,357	679,482	359,384	295,681
Current Liabilities	208,619	208,619	218,589	304,761
Borrowings	493,513	493,513	367,137	367,137
Cash and Cash Equivalents	349,367	199,492	63,703	-
Net Tangible Assets (NTA) ⁽²⁾	1,500,079	1,350,204	353,164	203,289
Net Profit After Tax	33,080	33,080	28,286	28,286
Profit Attributable to Owners of the Company	32,248	32,248	28,286	28,286
Number of Shares ('000)	828,036	745,232 ⁽³⁾	828,036	745,232 ⁽³⁾

Financial Ratios

NTA per Share (\$)	1.81	1.81	0.43	0.27
Gearing (times) ⁽⁴⁾ (Net D/E)	0.1	0.2	0.9	1.8
Current Ratio (times) ⁽⁵⁾	4.0	3.3	1.6	1.0
Earnings per Share (cents) ⁽⁶⁾	3.9	4.3	3.4	3.8

Notes to the foregoing tables:

- (1) The disclosed financial effects remain the same irrespective of whether:
 - (a) the purchase of the Shares is effected out of capital or profits; or
 - (b) the purchased Shares are held in treasury or are cancelled.
- (2) NTA equals to Total Equity less Non-Controlling Interests.
- (3) Exclude 3,512,800 Shares that are held as treasury shares.
- (4) Gearing is defined as Borrowings (net of Cash and Cash Equivalents) divided by Equity Attributable to Owners of the Company.
- (5) Current Ratio equals Current Assets divided by Current Liabilities.
- (6) Earnings per Share is based on 828,035,874 Shares and 745,232,287 Shares respectively.

SHAREHOLDERS SHOULD NOTE THAT THE FOREGOING FINANCIAL EFFECTS ARE BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 MAY NOT BE REPRESENTATIVE OF FUTURE PERFORMANCE.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10%. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.8 Taxation. Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Listing status of the Shares. The Listing Manual requires a listed company to ensure that at least 10% of the total number of its issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is held by public shareholders at all times.

As at the Latest Practicable Date, approximately 47.69% of the total number of issued Shares (excluding treasury shares) are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without adversely affecting the listing status of the Shares on the SGX-ST. The Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is a sufficient float for an orderly market in its securities when purchasing its Shares.

2.10 Listing rules. The Listing Manual restricts a listed company from purchasing shares by way of market purchases at a price per share which is more than 5% above the “average closing price”, being the average of the closing market prices of the shares over the last five market days on which transactions in the shares were recorded, before the day on which the purchases were made, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases referred to in Paragraph 2.3 above complies with this requirement. Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of the consolidated net tangible asset value of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price or trade sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board of Directors of the Company until such price or trade sensitive information has been publicly announced. In addition, the Company will not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the Company’s half year and full year financial statements.

2.11 Reporting requirements. The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a market purchase, on the market day following the day of purchase or acquisition of any of its shares, and (b) in the case of an off-market purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form prescribed by the Listing Manual) must include details of the date of the purchase, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares.

2.12 Take-over implications. The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code. Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (i) the following companies:
 - (a) a company;
 - (b) the parent company of (a);
 - (c) the subsidiaries of (a);
 - (d) the fellow subsidiaries of (a);
 - (e) the associated companies of any of (a), (b), (c) or (d);
 - (f) companies whose associated companies include any of (a), (b), (c), (d) or (e); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts). Close relatives include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunts) as well as their children (i.e. cousins) and children of siblings (i.e. nephews and nieces).

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors

and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL ("SIC") AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

(d) The Relevant Director and his concert parties

As at the Latest Practicable Date, in respect of Mr Gerald Ong Chong Keng, a Non-Executive Director of the Company (the "**Relevant Director**") who represents Eng Kuan Company Private Limited (a substantial shareholder of the Company) on the Board of Directors of the Company, the following persons are presumed to be acting in concert with the Relevant Director under the Take-over Code:

- (i) Eng Kuan Company Private Limited, and its directors, namely, Mr Ong Jen Yaw and Ms Ong Ling Ling;
- (ii) immediate family members and other close relatives of each of Mr Ong Jen Yaw and/or Ms Ong Ling Ling (collectively with Mr Ong Jen Yaw and Ms Ong Ling Ling, the "**Ong Family**"); and
- (iii) Dynamic Holdings Pte Ltd and Leroy Singapore Pte Ltd (collectively with Eng Kuan Company Private Limited, the "**Ong Companies**"),

who, collectively with the Relevant Director, are hereafter referred to as the "**Relevant Parties**".

As at the Latest Practicable Date, the Relevant Parties have an aggregate interest (direct and deemed) in 347,494,861 Shares, representing approximately 41.97% of the total number of issued Shares (excluding treasury shares). The interests of the Relevant Parties in the issued Shares as at the Latest Practicable Date are set out in the Appendix to this Letter.

In the event that the Company should, pursuant to the Share Purchase Mandate, purchase or acquire up to 10% of its issued Shares (excluding treasury shares and subsidiary holdings) ("**Full Buy-back**"), the aggregate shareholding interest of approximately 41.97% held by the Relevant Parties may increase by more than 1% in any 6-month period. As a consequence, the Relevant Director and other members of the Relevant Parties could incur a mandatory take-over obligation for the issued Shares under the Take-over Code.

(e) Conditions for exemption from having to make a take-over offer

The Relevant Director and persons acting in concert with him will be exempted from the requirement to make a general offer for the Company under Rule 14,

when read with Appendix 2 of the Take-over Code, following an increase in the aggregate percentage of total voting rights in the Company held by the Relevant Director and persons acting in concert with him by more than 1% in any 6-month period as a result of the Company purchasing its Shares under the Share Purchase Mandate, **subject to the following conditions:**

- (i) the Letter to Shareholders seeking their approval for the Share Purchase Mandate will contain advice to the effect that by voting in favour of the resolution to approve the renewal of the Share Purchase Mandate (the “**Buy-back Resolution**”), Shareholders are waiving their right to a general offer at the required price from any of the Relevant Director and persons acting in concert with him;
- (ii) the aforesaid Letter discloses the names and voting rights of the Relevant Director and persons acting in concert with him (a) as of the time of the Buy-back Resolution, and (b) after a Full Buy-back;
- (iii) the Buy-back Resolution is approved by a majority of the Shareholders who are present and voting at the meeting on a poll who could not become obliged to make a general offer for the Company as a result of the buy-back of Shares by the Company pursuant to the Share Purchase Mandate;
- (iv) within 7 days after the passing of the Buy-back Resolution, the Relevant Director is to submit to the SIC a duly signed form as prescribed by the SIC;
- (v) the Relevant Director and persons acting in concert with him abstain from (a) voting on the Buy-back Resolution, and (b) recommending Shareholders to vote in favour of the Buy-back Resolution; and
- (vi) the Relevant Director and persons acting in concert with him have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the renewal of the Share Purchase Mandate is imminent and the earlier of:
 - (a) the date on which the authority for the renewed Share Purchase Mandate expires; and
 - (b) the date on which the Company announces that it has (aa) bought back such number of Shares as authorised by the renewed Share Purchase Mandate, or (bb) decided to cease buying back the Shares, as the case may be,

if any such acquisitions, taken together with the Share buy-back, would cause the aggregate voting rights in the Company of the Relevant Director and persons acting in concert with him to increase by more than 1% in the preceding 6 months.

It follows that where the aggregate voting rights held by the Relevant Director and persons acting in concert with him increase by more than 1% solely as a result of the buy-back of Shares and none of them has acquired any Shares during the relevant period defined above, then the Relevant Director and/or persons acting in concert with him would be eligible for the SIC’s exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy-back Shares pursuant to the Share Purchase Mandate and the increase in the aggregate voting rights held by the Relevant Director and the persons acting in concert with him is less than 1%, the Relevant Director and persons acting in concert with him may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buy-back of Shares pursuant to the Share Purchase Mandate will be taken into account together with any voting rights acquired by the Relevant Director and persons acting in concert with him (by whatever means) in determining whether they have increased their voting rights by more than 1% in any 6-month period.

(f) Advice to Shareholders

Shareholders are advised that by voting in favour of the ordinary resolution relating to the renewal of the Share Purchase Mandate, they will be waiving their rights to a take-over offer at the required price from the Relevant Director and persons acting in concert with him who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, would increase their collective interest in the Shares by more than 1% in any period of 6 months.

(g) Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption (see condition (iv) of sub-paragraph (e) above headed "*Conditions for exemption from having to make a take-over offer*") from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, the Relevant Director has informed the Company that he will be submitting a Form 2 to the SIC within 7 days after the passing of the ordinary resolution relating to the renewal of the Share Purchase Mandate at the AGM.

(h) Voting rights of the Relevant Parties before and after share purchase

Based on the direct holdings of Shares of the Relevant Parties as at the Latest Practicable Date, and assuming that:

- (i) there is no change in their direct holdings of Shares between the Latest Practicable Date and the date of the AGM;
- (ii) no new Shares are issued to the Relevant Director and/or the Relevant Parties by the Company following the approval being received from Shareholders at the AGM for the renewal of the Share Purchase Mandate; and
- (iii) the Relevant Parties do not sell or otherwise dispose of their holding of Shares,

the aggregate interest (direct and deemed) of the Relevant Parties in the issued Shares as at the date of the AGM and after the purchase by the Company of 10% of the issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Purchase Mandate are as follows:

Relevant Parties	Before Share Purchase (as at date of AGM)		After Share Purchase	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Relevant Director				
Gerald Ong Chong Keng ⁽²⁾	-	-	-	-
Ong Family ⁽³⁾				
Yoong Sek Har	2,594,126	0.313	2,594,126	0.348
Ong Sioe Hong	21,211,182	2.562	21,211,182	2.846
Ong Jen Yaw	215,573,589	26.034	215,573,589	28.927
Ong Hiang Gin	2,494,944	0.301	2,494,944	0.335
Ong Huan Gie	297,392	0.036	297,392	0.040
Ong Ling Ling	237,364,198	28.666	237,364,198	31.851
Ong Jenn (Wang Zhen)	293,111,103	35.398	293,111,103	39.332
Ong Ching Ping	237,352,198	28.664	237,352,198	31.849
Ong Sek Hian (Wang ShiXian)	293,111,103	35.398	293,111,103	39.332
Ong Xiang Ming Alexander	63,360	0.008	63,360	0.009
Dana-Li Wong Han Loong	327,360	0.040	327,360	0.044
Sean Wong Kalani Sien Loong	327,360	0.040	327,360	0.044
Tan Zhong-Hao	57,600	0.007	57,600	0.008
Lau Guan Wen	57,600	0.007	57,600	0.008
Tan Kai Er	57,600	0.007	57,600	0.008
Lau Yi-Xuan	57,600	0.007	57,600	0.008
Ong Li Qi Valerie	57,600	0.007	57,600	0.008
Ong Companies ⁽³⁾				
Eng Kuan Company Private Limited	188,995,635	22.825	188,995,635	25.361
Dynamic Holdings Pte Ltd	48,293,203	5.832	48,293,203	6.480
Leroy Singapore Pte Ltd	55,758,905	6.734	55,758,905	7.482

Notes:

- (1) “%” Before Share Purchase is rounded to three decimal places and is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date, and “%” After Share Purchase is rounded to three decimal places and is based on 745,232,287 issued Shares (excluding treasury shares). There were no subsidiary holdings as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, the Relevant Director did not have any interest in Shares.
- (3) The individuals comprising the Ong Family and the companies comprising the Ong Companies and their respective direct and deemed interests in issued Shares as at the Latest Practicable Date are set out in the Appendix to this Letter.

2.13 Particulars of Shares purchased in the past year. As at the Latest Practicable Date, the Company has not purchased any Shares pursuant to the Share Purchase Mandate approved at the 2019 AGM.

3. DIRECTORS’ RECOMMENDATION

The Directors (other than the Relevant Director, Mr Gerald Ong Chong Keng) are of the opinion, for the reasons set out in Paragraph 2.2 above, that the Share Purchase Mandate is in the interests of the Company. They accordingly recommend that Shareholders vote in favour of Resolution 9, being the ordinary resolution relating to the renewal of the Share Purchase Mandate at the AGM. Mr Gerald Ong Chong Keng (in accordance with the conditions referred to in Paragraph 2.12(e) above), has abstained from making any recommendation to Shareholders on Resolution 9 relating to the renewal of the Share Purchase Mandate.

4. VOTING RESTRICTIONS

In accordance with the conditions referred to in Paragraph 2.12(e) above, the Relevant Parties will abstain from voting on Resolution 9, being the ordinary resolution relating to the renewal of the Share Purchase Mandate at the AGM. The renewal of the Share Purchase Mandate must be approved by a majority of those Shareholders present and voting at the AGM on a poll, who could not become obliged to make a take-over offer as a result of the buy-back of Shares under the Share Purchase Mandate. The Chairman of the AGM will accept appointment as proxy for any other Shareholder to vote in respect of Resolution 9, where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of Resolution 9.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 Interests of Directors. The interest of a Director in the issued Shares, based on the Company's Register of Directors' Shareholdings, as at the Latest Practicable Date, is as follows:

Director	No. of Shares		No. of Shares	
	Direct Interest	%	Deemed Interest	%
Mr Phua Bah Lee	-	-	72,576	0.009

Note:

"%" is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

5.2 Interests of substantial Shareholders. The interests of substantial Shareholders in the issued Shares, based on the Company's Register of Substantial Shareholders, as at the Latest Practicable Date, are as follows:

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

Notes:

- (1) "%" is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Leroy Singapore Pte Ltd ("**Leroy**")'s deemed interest is held through Raffles Nominees (Pte.) Limited.
- (3) Mr Ong Jen Yaw's deemed interest is held through Eng Kuan Company Private Limited ("**Eng Kuan**") (188,995,635 Shares) and Citibank Nominees Singapore Pte Ltd (26,507,414 Shares). Mr Ong Jen Yaw is deemed to be interested in the Shares through his interest in Eng Kuan.
- (4) Ms Ong Ling Ling's and Ms Ong Ching Ping's deemed interests are each held through their respective interests in Dynamic Holdings Pte Ltd ("**Dynamic**") and Eng Kuan.
- (5) Mr Ong Jenn (Wang Zhen)'s deemed interest is held through his interests in Dynamic, Eng Kuan and Leroy.
- (6) Mr Ong Sek Hian (Wang ShiXian)'s deemed interest is held through Raffles Nominees (Pte.) Limited (63,360 Shares) and his interests in Dynamic, Eng Kuan and Leroy.

- (7) Ngee Ann Kongsi is deemed to be interested in the Shares through its interest in Ngee Ann Development Pte Ltd.
- (8) Takashimaya Company Limited is deemed to be interested in the Shares through its interest in Ngee Ann Development Pte Ltd.

6. RESPONSIBILITY STATEMENT

- 6.1 Directors' responsibility.** The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm, after having made all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, and the Company and its subsidiaries which are relevant to the proposed renewal of the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.
- 6.2 Disclaimer.** The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Letter. Shareholders who are in any doubt as to the action they should take should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
METRO HOLDINGS LIMITED

Lt Gen (Retd) Winston Choo Wee Leong
Chairman

APPENDIX

FURTHER INFORMATION ON INTERESTS IN SHARES OF THE RELEVANT PARTIES

1. ONG FAMILY

The interests of members of the Ong Family in the issued Shares as at the Latest Practicable Date are set out below.

Name	No. of Shares Direct		No. of Shares Deemed	
	Interest	% ⁽¹⁾	Interest	% ⁽¹⁾
Yoong Sek Har	2,594,126	0.313	-	-
Ong Sioe Hong	4,211,182	0.509	17,000,000 ⁽²⁾	2.053
Ong Jen Yaw	70,540	0.009	215,503,049 ⁽³⁾	26.026
Ong Hiang Gin	2,494,944	0.301	-	-
Ong Huan Gie	297,392	0.036	-	-
Ong Ling Ling	75,360	0.009	237,288,838 ⁽⁴⁾	28.657
Ong Jenn (Wang Zhen)	63,360	0.008	293,047,743 ⁽⁵⁾	35.391
Ong Ching Ping	63,360	0.008	237,288,838 ⁽⁴⁾	28.657
Ong Sek Hian (Wang ShiXian)	-	-	293,111,103 ⁽⁶⁾	35.398
Ong Xiang Ming Alexander	63,360	0.008	-	-
Dana-Li Wong Han Loong	327,360	0.040	-	-
Sean Wong Kalani Sien Loong	327,360	0.040	-	-
Tan Zhong-Hao	57,600	0.007	-	-
Lau Guan Wen	57,600	0.007	-	-
Tan Kai Er	57,600	0.007	-	-
Lau Yi-Xuan	57,600	0.007	-	-
Ong Li Qi Valerie	57,600	0.007	-	-

Notes:

- (1) “%” is rounded to three decimal places and is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Ms Ong Sioe Hong's deemed interest is held through Raffles Nominees (Pte.) Limited (17,000,000 Shares).
- (3) Mr Ong Jen Yaw's deemed interest is held through Eng Kuan Company Private Limited (188,995,635 Shares) and Citibank Nominees Singapore Pte Ltd (26,507,414 Shares). Mr Ong Jen Yaw is deemed to be interested in the Shares through his interest in Eng Kuan Company Private Limited.
- (4) Ms Ong Ling Ling's and Ms Ong Ching Ping's deemed interests are each held through their respective interests in Dynamic Holdings Pte Ltd and Eng Kuan Company Private Limited.
- (5) Mr Ong Jenn (Wang Zhen)'s deemed interest is held through his interests in Dynamic Holdings Pte Ltd, Eng Kuan Company Private Limited and Leroy Singapore Pte Ltd.
- (6) Mr Ong Sek Hian (Wang ShiXian)'s deemed interest is held through Raffles Nominees (Pte.) Limited (63,360 Shares) and his interests in Dynamic Holdings Pte Ltd, Eng Kuan Company Private Limited and Leroy Singapore Pte Ltd.

APPENDIX

2. ONG COMPANIES

The interests of the Ong Companies in the issued Shares as at the Latest Practicable Date are set out below.

Name	No. of Shares		No. of Shares	
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Eng Kuan Company Private Limited	188,995,635	22.825	-	-
Dynamic Holdings Pte Ltd	48,293,203	5.832	-	-
Leroy Singapore Pte Ltd	-	-	55,758,905 ⁽²⁾	6.734

Notes:

- (1) “%” is rounded to three decimal places and is based on 828,035,874 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Leroy Singapore Pte Ltd's deemed interest is held through Raffles Nominees (Pte.) Limited.