BROADENING HORIZONS OF GROWTH

ANNUAL REPORT / **2014**

美羅 METRO

昇

Shēng

【卷七】【日部】昇
日上也。从日升聲。古只用升。

to ascend / to rise in rank

OUR VISION

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

Contents

We embarked on a new chapter of our strategy by broadening our property portfolio to build sustainable streams of profitability which now includes residential and mixed-use developments, beyond our core commercial development interests. In continuing to strengthen and enhance our diversified portfolio, we remain focused on pursuing a prudent and balanced expansion approach to capitalise on our core competitive advantages for long-term growth.

Key Facts

NET PROFIT OF S$106.9 MILLION FOR FY2014

The Group achieved a 64.6% increase in net profit to S$106.9 million in FY2014 on the back of higher revenue from the property division, fair value adjustments and one-off items such as gains arising from the disposal of a warehouse in Singapore and negative goodwill on acquisition of an additional effective interest in EC Mall in Beijing.

Revenue

S$194.3M

+3.8%

Net Asset Value

S$1,182.6M

+3.3%

Profit Before Tax

S$124.8M

+52.1%

Earnings Per Share

12.9 cents

+65.4%

PROPERTY REVENUE (S$'000)

Property revenue increased 13.3% in FY2014 mainly due to the additional 18.4% share of EC Mall's revenue from 3QFY2014 and investment properties in the PRC reporting improved revenue in spite of disruptions from Metro City, Shanghai's asset enhancement exercise which was completed during FY2014. Average occupancy of all five properties remained high at 92.3% as at 31 March 2014.

Recent Developments

- Increased equity investment in Top Spring for S$85.7 million, bringing total strategic voting stake to 19.76%:
  - A Hong Kong Stock Exchange listed real estate property developer in China specialising in development of urban mixed-use and residential buildings
- Invested S$27.2 million for an additional 18.4% equity stake in jointly controlled entities owning EC Mall in Beijing, bringing total stake to 50%
- Acquired 30% interest in 284 units of serviced apartments and 240 underground car park units in Shanghai for RMB 524 million
- Completed divestment of warehouse property in Singapore, recognising a gain on disposal of S$29.6 million

Outlook

- Next phase of asset reconfiguration at Metro City Shanghai expected to begin in the next few months
- Nanchang Fashion Mark, after two successful sales launches in 2013/2014, further substantial sale launches in 2014/2015
- The Crest, a 40% joint venture residential project with Wing Tai and UE E&C in Singapore, is commencing sales launch in mid 2014

RETAIL REVENUE (S$'000)

Amidst a competitive retail environment, the Group's retail revenue held steady at S$128.2 million in FY2014 against S$128.8 million in FY2013.

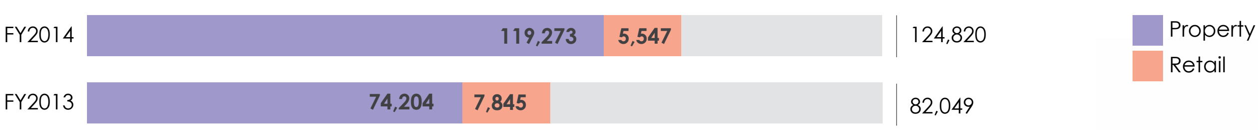
Recent Developments

- Opened 2 new *Monsoon/Accessorize* shops in JEM and Bedok Mall, Singapore
- Closed 2 *Monsoon/Accessorize shops* in Changi Terminal 2 and Takashimaya, Singapore
- Metro Park Solo opened in Solo, Indonesia in November 2013, bringing total number of stores in Indonesia to 9

Outlook

- New Metro Centrepoint in Singapore scheduled to be opened in 3QFY2015
- Continue to identify new sites for store expansion in both Singapore and Indonesia
- Competitive trading scene, rising operational costs and tight labour market

PROFIT BEFORE TAX (S$'000)



Profit before tax increased 52.1% to S$124.82 million mainly due to fair value gains from investment properties of S$40.5 million (including those held by associates), a gain on disposal of a warehouse in Singapore of S$29.6 million and a S$19.0 million gain in negative goodwill on acquisition of an additional interest in the jointly controlled entities owning EC Mall in Beijing.

Metro Holdings at a Glance

ABOUT US

Listed on the Mainboard of the SGX-ST in 1973, Metro Holdings was founded in 1957 by the late Mr Ong Tjoe Kim. Starting out as a textile store on 72 High Street, Singapore, Metro has grown over the years to become a property development and investment group with a broadened and diversified asset portfolio, backed by an established retail track record, with a turnover of S$194.3 million and net assets of S$1.2 billion as at 31 March 2014.

OUR PROPERTIES

PROPERTY DEVELOPMENT AND INVESTMENT

The Group's property arm has significant interests in almost 142,000 square metres of prime retail and office investment properties in first-tier cities in the PRC, such as Beijing, Shanghai and Guangzhou, and almost 931,000 square metres of residential and mixed-use development properties held predominantly for sale. It also holds significant investments in certain property businesses in the PRC.

BEIJING

SHANGHAI

NANCHANG

SINGAPORE

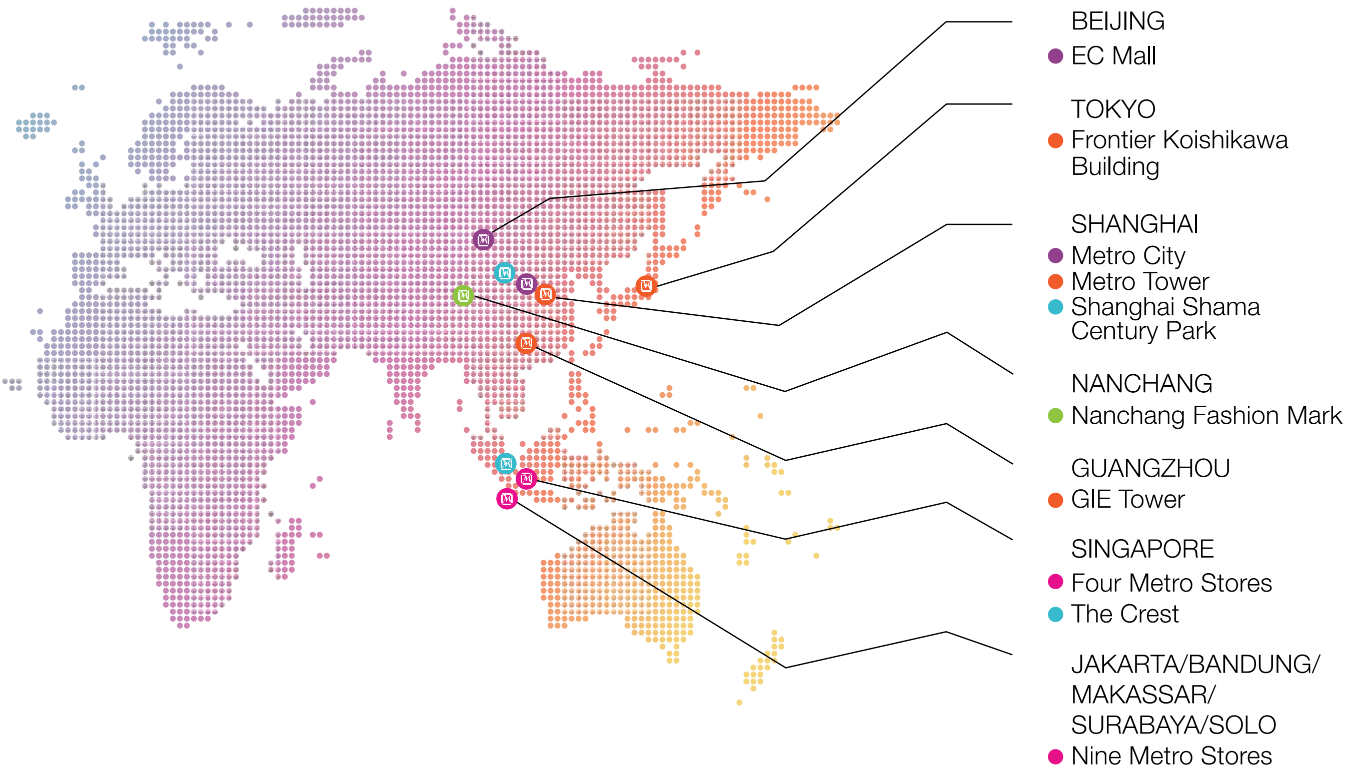
GUANGZHOU

JAPAN

CHINA	**Shanghai :** Metro City, Metro Tower, Shanghai Shama Century Park **Beijing :** EC Mall **Guangzhou :** GIE Tower **Shengyang / Fushun / QinHuangDao / Anshan / Fuzhou / Xiamen :** Tesco Lifespace **Jiangxi Province :** Nanchang Fashion Mark
JAPAN	**Tokyo :** Frontier Koishikawa
SINGAPORE	The Crest

OUR PRESENCE

Today, the Group operates two core business segments – property development and investment, and retail – and is focused on key markets in the region such as the PRC, Indonesia and Singapore.



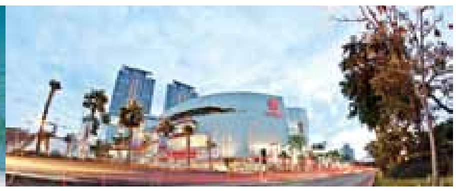
PROPERTIES ● Office Towers ● Retail Malls ● Residential Condominium ● Mixed-use Development **RETAIL** ● Retail Outlets

RETAIL

Metro's retail arm serves customers through a chain of four Metro department stores and nine Monsoon/Accessorize/M.2 specialty shops in Singapore, and another nine department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 1.4 million square feet of downtown and suburban retail space in both Singapore and Indonesia.

INDONESIA

SINGAPORE



INDONESIA

INDONESIA	**Jakarta, Bandung, Makassar, Surabaya and Solo**
SINGAPORE	**Paragon, Woodlands, Sengkang and City Square**

Chairman's Message

As we reflect on our achievements during the year, we recognise that our progress is an extension of the steadfast support and contributions from our various stakeholders.

Chairman's Message

Dear Shareholders

On behalf of the Board of Metro Holdings Limited ("Metro" or the "Group"), I am pleased to report that the Group had a strong performance for the financial year ended 31 March 2014 ("FY2014").

All our five investment properties performed well, with average occupancy remaining high at 92.3%. This is despite the dip in occupancy rate for Metro City, Shanghai due to an asset enhancement exercise and the decline in occupancy at GIE Tower, Guangzhou due to the lease expiry of a major tenant. Notwithstanding a competitive retail environment, sales at the Group's retail division held steady.

FY2014's strong performance was also fuelled by S$40.5 million in fair value gains from investment properties, including those held by associates, a S$29.6 million gain on disposal of a warehouse in Singapore and a S$19.0 million gain in negative goodwill on acquisition of an additional interest in the jointly-controlled entities owning EC Mall in Beijing.

Overall, the Group's financial ratios improved across-the-board, with Earnings Per Share jumping 65.4% to 12.9 Singapore cents and Net Asset Value improving from S$1.38 to S$1.43 per share.

With shareholders' equity of S$1.2 billion and a healthy cash position of S$337.2 million, Metro is equipped with a robust balance sheet to buffer against unforeseen risks. The fortified balance sheet also puts the Group in a favourable position to capitalise on opportunities to strengthen its retail and property presence in the region.

Accordingly, I am delighted to announce that the Board has recommended higher dividends totaling 6.0 Singapore cents, comprising an ordinary final dividend of 2.0 cents and a special dividend of 4.0 cents respectively per share, representing a total payout ratio of 46.5% of the Group's net profit attributable to shareholders for FY2014.

Leveraging on Our Strategic Partnerships

Metro's growth strategy is firmly attuned to leveraging on strategic partnerships by co-investing with experienced partners.

In FY2014, we increased our strategic voting stake in our Hong Kong Stock Exchange listed partner, Top Spring International Holdings Ltd ("Top Spring") to approximately 19.76% from 5.06% in FY2013. Top Spring, an experienced real estate developer, provides the Group with the platform and leverage to further expand and extend its property interests in China. Going forward, Metro intends to seek a board seat on Top Spring to better align our direction and interests as partners.

For the residential portfolio of the Nanchang Fashion Mark project collaboration with Top Spring in which Metro retains a 30% stake, I am pleased to announce that we have begun marketing the development in phases. The project in China underwent two successful phases of sales launches in FY2014, with the first phase of 20,519 square metres of gross floor area being presold for approximately S$93.7 million in 3QFY2014 while the second phase of 12,996 square metres of gross floor area was presold for approximately S$41.5 million in 4QFY2014.

The Crest, a luxurious residential condominium project located at Prince Charles Crescent in Singapore, is the result of a strategic alliance between Metro, Wing Tai Holdings Limited and UE E&C Ltd., and is scheduled for launch in mid 2014. 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. Notwithstanding the current cautious mood surrounding the Singapore property market, we are cautiously optimistic that the high quality project, with its prime location and superior spatial quality, will be well received by discerning buyers.

Property Development and Investment
Moving Towards a Fuller Spectrum of Properties

We increased our investment in EC Mall, Beijing by acquiring an additional 18.4% share in the jointly-controlled entities owning the property for S$27.2 million. Partly due to the increase in our equity stake which drove rental contributions higher and the reported improved performance of our investment properties in China, revenue for the Group's Property Division rose 13.3% to S$66.1 million in FY2014 from S$58.3 million in FY2013.

Chairman's Message

Metro's selective investments enabled the Group to now cover a fuller spectrum of properties in both key markets of China and Singapore. Beyond just commercial properties in our portfolio, we have expanded and diversified our portfolio to include mixed and residential developments in order to broaden the sources of our revenue streams and to build sustained profitability.

During the year under review, we acquired a 30% stake in Shanghai Shama Century Park, a 49,357 square metres residential project comprising of 284 residential units and 240 underground car parks, for a total consideration of approximately RMB 524 million. The property operates as serviced apartments, which we anticipate to benefit from Shanghai's continual emergence as an Asian economic powerhouse and the recent establishment of the Shanghai Free Trade Zone.

Metro City, Shanghai has been scheduled to proceed with the next phase of asset reconfiguration refurbishment programme in the coming months. The refurbishment serves to suit the evolving lifestyle of consumers and to provide shoppers with a refreshed experience.

Retail

The Group's Retail Division experienced a marginal decrease in revenue to S$128.2 million in FY2014 from S$128.8 million in FY2013.

In Singapore, we currently have four stores, with the fifth store, Metro Centrepoint, scheduled to be launched towards the end of this calendar year, in 3QFY2015. The upcoming Metro Centrepoint is situated at a prime location on a busy stretch of the Orchard Road shopping belt. Our retail portfolio in Singapore also includes the highly popular UK high street brands of Monsoon / Accessorize. We launched two new specialty shops at JEM and Bedok Mall which are located in thriving townships while discontinuing the leases for two outlets at Changi Airport Terminal Two and Takashimaya Shopping Centre. This brings the total number of specialty shops in Singapore to nine as at 31 March 2014.

Metro boosted its store portfolio in Indonesia to nine in FY2014, with the latest addition of Metro Park Solo. Despite the current competitive cost pressures and challenging retail environment, we see opportunities in Indonesia given its younger demographics that support the long term trend of domestic consumption and lifestyle needs.

Although the Retail Division's performance was impacted by higher rental and manpower costs amidst a competitive environment, we continue to seek opportunities to improve our retail concept and to grow in a prudent and measured manner.

Outlook

Notwithstanding an anticipated slowdown in the growth outlook for China, the Group maintains a long term horizon in its approach towards investment and business. China's expected GDP growth rate for 2014 is 7.5%, down from the 7.7% achieved in 2013[1].

We anticipate a more cautious mood surrounding the overall property market in China in the near term but believe that the long term fundamentals remain intact. Given that the bulk of our investment properties are defensively located in Tier-1 cities where overall outlook remains fairly stable and commercial and office space continue to be in demand, we believe that our portfolio will achieve reasonable performance in FY2015.

The Nanchang Fashion Mark project's handover of the first phase is currently scheduled to be in late 2014 to early 2015 and the Group expects income to be progressively recognised over FY2015 and beyond, upon the completion of the phases.

For 2014, the economic growth rate in Singapore is expected to be balanced, at a rate between 2% to 4%[2]. With this outlook, together with visitor arrivals forecasted to be higher than in 2013, the economic prospects for Singapore remain encouraging.

Indonesia continues to be resilient as the largest economy in Southeast Asia although the economic growth slowed to 5.2% in 2014[3]. Despite so,

Chairman's Message

the country is still among the faster growing emerging market economies in the world[4]. As a consumer-reliant economy, Indonesia's long-term growth trends remain favourable, with high consumer spending at 57% of GDP[5].

In spite of these encouraging factors in both Singapore and Indonesia, we remain mindful of the competitive environment and will continue to streamline our operations to achieve efficiency and effectiveness.

Appreciation

Lastly, I would like to extend my appreciation to the Board for their counsel, dedication and commitment. Additionally, I would like to acknowledge, with gratitude, the collective hard work put in by the management and staff as well as the loyal support of our shareholders.

As we reflect on our achievements during the year, we recognise that our progress is merely an extension of the steadfast support and contributions from our stakeholders that include business partners, associates, colleagues and employees, customers, tenants and shareholders. I would like to extend my deep appreciation for their continued unwavering support for our businesses.

Lt-Gen (Retd) Winston Choo
Chairman

20 June 2014

[1] "World Economic Outlook (WEO) Update", International Monetary Fund, January 2014
[2] "MTI Maintains 2014 GDP Growth Forecast at 2.0 to 4.0 Per Cent", Ministry of Trade and Industry, 20 February 2014
[3] "Indonesia holds rates steady, slashes 2014 growth outlook", Business Times, 9 May 2014
[4] "Best emerging markets 20114: Countries", Bloomberg, 6 January 2014
[5] "The evolving Indonesian consumer", McKinsey & Company, January 2014

主席致词

「集团的发展与进步源自美罗大家庭成员坚定不移的支持和贡献」

主席致词

尊敬的各位股东：

我代表美罗控股集团（简称“美罗”或“集团”）董事会，很高兴地在此为各位带来集团硕果累累、截至2014年3月31日(简称“2014财政年度”）的财政年度报告。

集团在中国的五个投资性房地产项目表现良好，虽然上海美罗城正在进行大规模的翻新工作，而广州国际电子大厦的出租率由于个别主要租户的租赁契约到期而有所下降，总体的平均出租率仍保持在92.3%。即使在零售领域激烈竞争的环境下，集团零售部门的销售业绩仍保持稳定。

2014财政年度的优越表现也来自于集团投资性房地产，包括集团关联公司持有资产，出售新加坡仓库物业所获得的2,960万新元的收益，以及集团在北京的合资项目-欧美汇购物中心增加持股所获得的1,900万新元的议价收购的收益。以上投资性房地产的公允价值获得了4,050万新元的增长。

总体而言，集团的财务比例在整体上更加平衡，每股盈利增加了65.4%，达到12.9分新元，净资产值从每股1.38新元提高至每股1.43新元。

集团的股东权益达到12亿新元，并持有3.372亿新元的充足现金结存。凭借其良好的资产负债表，美罗有足够的能力来缓冲未来不可预知的风险。依靠此强劲的财务实力可以使集团在遇到好的投资机会时，有充实的资金进一步扩展我们在本区域房地产和零售业两方面的业务范围。

因此，我非常高兴地宣布集团董事会做出的提议，派发每股高达6分新元的股息，此股息包括了每股2分新元的末期普通股息和每股4分新元的末期特别股息。在2014财政年度，集团向股东共派发的股息达到集团股东应占净盈利46.5% 的派息率。

深化战略合作伙伴关系

美罗的发展战略是坚持与具有丰富经验的商务伙伴共同投资，强强联手以取得双赢的效果。

在2014财政年度，集团增持了在香港上市的莱蒙国际集团有限公司（简称“莱蒙集团”）具有投票权的战略性股权，将股份从2013财政年度的5.06%提高到大约19.76%。莱蒙集团作为具有丰富经验的房地产发展商为美罗在中国继续扩展和延伸房地产业务建立了平台。展望未来，美罗计划在莱蒙集团的董事会寻求董事席位，以便能更有效地与我们的商务伙伴莱蒙集团保持一致的发展方向和目标。

对于美罗持有30%的股份与莱蒙集团合作开发的大型综合体项目[南昌莱蒙都会]，我很高兴地告知大家，该项目已经开始按阶段销售。在2014财政年度已进行了两次成功的销售。在2014财政年度第三季度第一阶段的销售中，已成功地预售出20,519平方米的建筑面积，获得约9,370万新元的销售收入。在2014财政年度第四季度第二阶段的销售中，也已预售1万2,996平方米的建筑面积，获得约4,150万新元的销售收入。

在新加坡，由永泰控股有限公司、优异程建有限公司及美罗联手开发的位于新加坡查理士太子湾的豪华公寓“嘉御苑”[The Crest]，是集团又一个战略性的合作项目，该项目计划于2014年中期推出。项目的建筑设计由著名的日本建筑设计师 Toyo Ito（伊東豊雄先生,） 负责，他曾荣获“普利兹克”[Pritzker]建筑设计奖，他也是新加坡标志性建筑怡丰城购物中心的设计师。尽管现在新加坡房地产市场的投资气氛趋于谨慎，美罗对于优质的房产项目仍持有谨慎的乐观态度。我们相信，凭借项目的优越地理位置及宽敞的优质设计，将能够迎合和满足眼光敏锐的购房者的需求。

进行全方位的房地产开发和投资

集团以2,720万新元的价格，在北京的合资项目-欧美汇购物中心增持了18.4%的股份。使得集团在此项目中的股权增加，从而取得了较高的租金收入，另外根据有关数据，集团在中国的房地产投资有更良好的表现，集团的房地产部门本年度的收益增幅为13.3%,从2013财政年度集团房地产部门年收益的5,830万新元增加至2014财政年度的6,610万新元。

美罗有选择性的投资使得集团能够全方位地开发在中国和新加坡这两个主市场的房地产项目。在集团的资产组合中，不仅有商业房地产，还扩展并分散至其他类型的物业，包括了一些混合型及住宅项目，以便扩大我们的收入来源并且建立一个可持续性的盈利机制。

在本年度，我们也收购了30%的位于上海浦东的莎玛世纪公园，这是一个住宅项目，总建筑面积为4万9,357平方米，拥有284个单位的住宅和240个车位的地下停车场，收购总价约为人民币5.24亿元。该项目为服务式公寓，鉴于上海正逐渐成为亚洲经济的引擎以及近期成立的上海自由贸易区，我们期待着该公寓将在未来从中获益。

上海美罗城在接下来的几个月里，即将进行新一轮的大规模翻新和重组工作。这样的翻新将更好地迎合消费者日益提升的生活方式，并为购物者带来更为新鲜的购物体验。

零售业的营运

集团的零售部门在2014财政年取得了1.282亿新元的年收益，相对于2013财政年取得了1.288亿新元的年收益，同比略有减少。

目前在新加坡，集团共有四家百货商店，我们计划在本年底，即2015财政年的第三季度，开张第五家美罗百货商店-美罗先得坊。即将开张的美罗先得坊位于繁华的乌节路购物圈内，具有极为优越的地点优势。集团在新加坡零售业务的组合中，包括在美罗零售旗下运营的英国知名并深受欢迎的品牌“Monsoon/Accessorize”专卖店。今年，集团新开设了两家“Monsoon/Accessorize”专卖店，分别位于新加坡西部的裕廊东广场（JEM）和东部

主席致词

的勿洛广场(Bedok Mall)。这两家美罗商店都位于人口集中的区域。同时，集团终止了位于新加坡樟宜机场第二航站楼和高岛屋购物中心两家专卖店的租赁合约。截至2014年3月31日，集团在新加坡共有九家“Monsoon/Accessorize”专卖店。

由于美罗在印尼的梭罗开设了一家新商店－美罗梭罗百货商店(Metro Park Solo)，目前集团在印尼的零售组合在2014财政年度发展为九家百货商店。虽然零售业市场处于激烈的竞争环境和成本压力的因素，鉴于印尼人口的年轻化，国内消费需求不断增加以及生活方式的提升，我们仍然相信印尼充满着商机。

虽然集团零售部门的业绩由于高涨的租金和人力成本以及激烈的同行竞争环境受到负面的影响，但我们将继续寻找新的机遇以改善我们的零售理念，谨慎地扩展集团的零售业务。

未来展望

尽管中国经济增长预测将放缓，但集团对在中国投资营运的长期发展前景仍保持乐观的态度。与2013年7.7%的GDP增长率相比，中国在2014年的GDP增长率预测将减至7.5%。

我们预计在短期内，发展商对中国的房地产市场将保持谨慎的态度。但从长远来看，房地产作为基础行业的发展将不会改变。集团大部分的投资性房地产位于一线城市，如此具防御性特色的投资组合将使得集团该方面的业务总体情况保持稳定，由于商业和写字楼的需求继续保持强劲，我们相信集团的投资组合将在2015财政年度为集团带来合理的业绩贡献。

南昌莱蒙都会(Nanchang Fashion Mark)项目的第一阶段交付时间现在暂定为2014年年底或2015年年初。集团预测，在该阶段项目完成后，从2015财政年度开始，集团将可从此项目中持续地获得收益。

在2014年，新加坡的经济增长预计将趋于平稳，增长率大约在2%到4%之间。另外，到访新加坡的访客人数预计将超过2013 年，新加坡总体的经济前景仍然是令人鼓舞的。

印尼作为东南亚最大的经济体，在2014年经济增长减缓至5.2%，但印尼仍继续保持弹性的增长，印尼也是世界上经济发展速度最快的市场之一。作为一个消费型经济体，印尼的长期发展趋势仍然看好，其大众消费能力占国民生产总值（GDP）高达57%。

尽管在新加坡和印尼有许多利好因素存在，我们仍需意识到目前的竞争环境，集团将继续优化管理运作以便取得更好的效率和效益。

致谢

最后，我对美罗董事会各位董事在这一年所提出的宝贵见解和指导深表谢意。我也要感谢美罗的管理层、全体员工和美罗团队所付出的努力，以及长期忠诚地支持我们的全体股东。

集团的发展与进步源自美罗大家庭成员坚定不移的支持和贡献。这一美罗大家庭包括了集团的商业合作伙伴、关联公司、同事和职员、美罗的客户、租户和美罗的全体股东。我衷心地感谢大家给予美罗集团持续的大力支持。

朱维良中将
集团主席

2014年6月20日

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

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

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

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

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

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

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

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

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

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

JOPIE ONG HIE KOAN 王晞權

Group Managing Director, Executive 集团执行董事经理

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

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

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

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

Board of Directors

PHUA BAH LEE 潘峇厘
Director, Non-Executive and Independent 非执行独立董事

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

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

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

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

GERALD ONG CHONG KENG 王宗庆
Director, Non-Executive 非执行董事

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

He is currently the Chief Executive Officer of PrimePartners Corporate Finance Group and is a Director of Aseana Properties Ltd (listed on the London Stock Exchange Main List). Mr Ong has more than 20 years of corporate finance related experience. He has held senior positions at various financial institutions including NM Rothschilds & Sons (Singapore) Ltd, the DBS Bank Group, Tokyo-Mitsubishi International (Singapore) Pte Ltd and Hong Leong (Malaysia) Group. During his time with these institutions, Mr Ong's duties encompassed the provision of a wide variety of Corporate Finance services from advisory, M&A activities and fund raising exercises incorporating various structures such as equity, debt, equity-linked and derivative-enhanced issues.

Mr Ong has been granted the Financial Industry Certified Professional status and is a council member of the Singapore Institute of International Affairs ('SIIA'). He is an alumnus of the National University of Singapore, University of British Columbia and Harvard Business School.

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

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

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

FANG AI LIAN (MRS) 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.

Mrs Fang is a Director of several companies, including Banyan Tree Holdings Limited, Singapore Telecommunications Limited and MediaCorp Pte Ltd and since 1 May 2014 has been an advisor to Far East Organization Group. She is the chairman of the Board of Trustees of the Singapore Business Federation and a member of the Singapore University of Technology and Design's Board of Trustees. Mrs Fang was previously with Ernst & Young ("E&Y") for 37 years where she last held the position of Chairman of E&Y Singapore until her retirement on 31 March 2008.

Mrs Fang also helms the Charity Council. She is also a Justice of the Peace and was awarded the Public Service Star in 2009.

Mrs Fang qualified as a Chartered Accountant in England and is a Fellow of the Institute of Chartered Accountants in England and Wales as well as a Fellow of the Institute of Singapore Chartered Accountants and a Member of the Malaysian Association of Certified Public 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。

方夫人在多家公司担任董事一职，譬如悦榕控股有限公司，新加坡电信有限公司以及新传媒有限公司，并且自2014年5月1日起，受委为远东机构的顾问。她是新加坡工商联合总会理事会的主席，也是新加坡科技设计大学理事会的成员。方夫人之前在安永会计事务所任职37年。方夫人于2008年3月31日以新加坡安永会计事务所主席的身份退休。

方夫人也一直领导着慈善理事会并做出贡献。身为太平绅士，方夫人在2009年被授予公共服务星章。

方夫人在英国取得特许会计师的资格，而且是英格兰和威尔士特许会计师协会的成员。方夫人也是新加坡会计师协会及马来西亚会计师协会的成员。

TAN SOO KHOON 陈树群先生
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. Mr Tan, a businessman, is also a Director of Parkson Retail Asia Limited, St James Holdings Ltd and several private companies. Since 1978, he has been the Managing Director of watch distribution companies, Crystal Time (S) Pte Ltd and Crystal Time (M) Sdn Bhd.

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

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

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

Key Management

JOPIE ONG HIE KOAN
Group Managing Director

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

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

LAWRENCE CHIANG KOK SUNG
Group Chief Operating Officer

Mr Lawrence Chiang was re-designated in July 2013 as Group Chief Operating Officer of the Metro Group. He holds a key role in the Group's investment strategy and business development and in this role, he has initiated and overseen the completion of the Group's property development projects and joint ventures in Singapore, Malaysia and China. Whilst assuming overall responsibility for the Group's property and retail divisions, he is also directly involved in the management of the Group's property division.

Prior to his current position, Mr Chiang was the Group's Head, Corporate Affairs and Special Projects and Financial Controller, positions he held after joining Metro in 1989. He has 40 years of working experience in industries involved in engineering, property development and management, retail and department stores, cruise, hotel and trading operations. Mr Chiang was a member of the Institute of Chartered Accountants of New Zealand, the Institute of Singapore Chartered Accountants, ACCA and the Institute of Chartered Secretaries and Administrators.

WONG SIOE HONG
Executive Chairman, Metro (Private) Limited

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

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

DAVID LEE CHIN YIN
Group Financial Controller & Joint Company Secretary

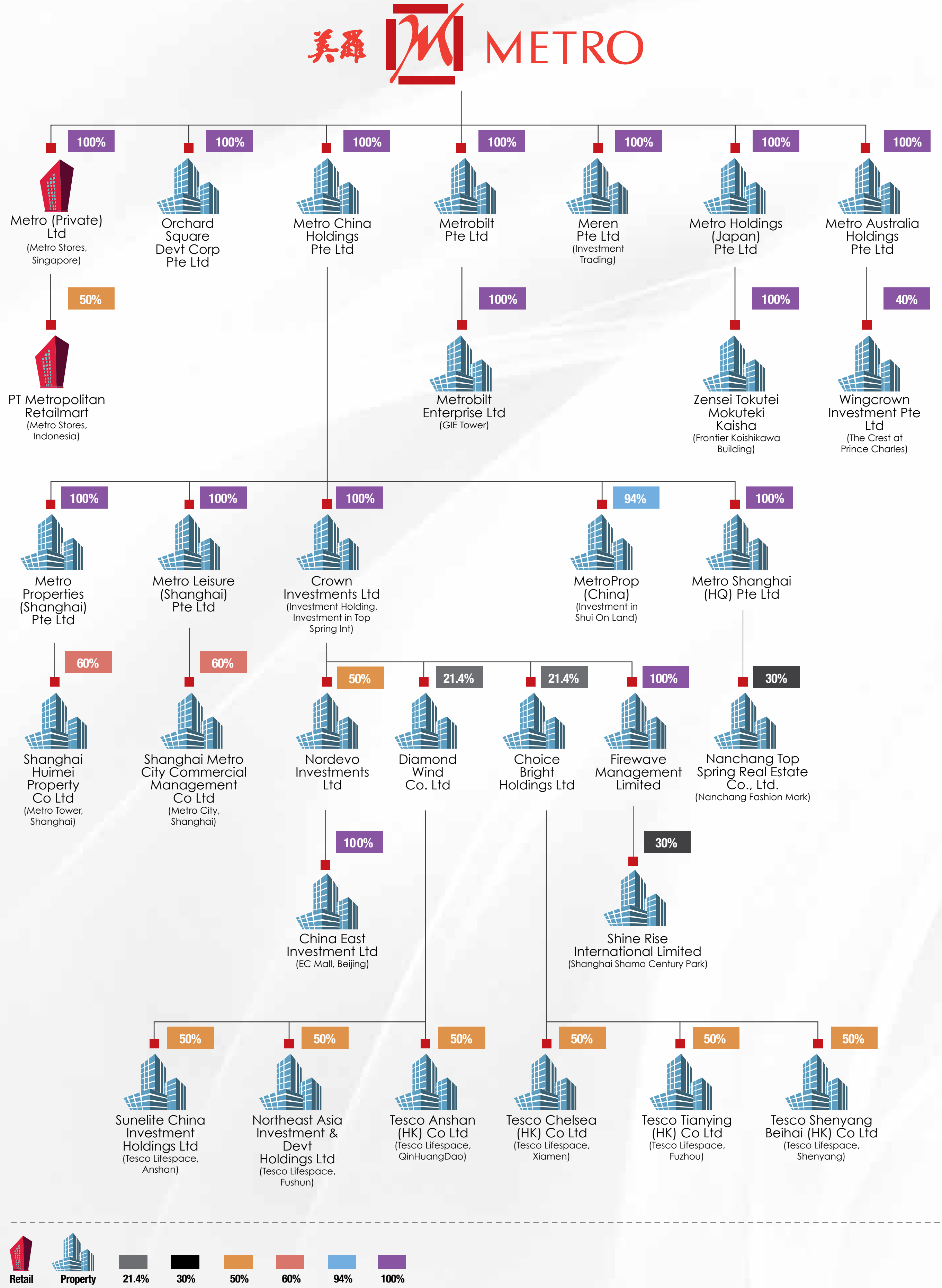
Mr David Lee has been Group Financial Controller of the Metro Group since 1995. He has overall responsibility for the Group's finance, accounting, treasury and tax functions. Mr Lee joined the Metro Group in 1991 as its Group Internal Audit Manager after 15 years in the public accounting profession.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

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

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

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

Corporate Structure



Portfolio Review

PROPERTY DEVELOPMENT AND INVESTMENT

Completed Properties

In the financial year under review, the Group invested in a new project in Shanghai for a 30% stake in Shanghai Shama Century Park, for 284 residential units currently being operated as serviced residences and 240 underground car park units. In addition, the Group also increased its investment in EC Mall from 31.65% to 50%.

As at 31 March 2014, average occupancy for the Group's five investment properties remained high at 92.3% (31 March 2013: 92.3%). A significant portion of the asset enhancement refurbishment exercise that was undertaken by Metro City, Shanghai was completed in December 2013. Its vacancy as at 31 March 2014 mainly represents space freed up for the next phase of reconfiguration. The occupancy rate of GIE Tower, Guangzhou declined from 94.4% as at 31 March 2013 to 79.1% with the expiry of the lease of a major tenant whereas Frontier Koishikawa in Japan enjoyed full occupancy as at 31 March 2014.

Occupancy Rates

	FY2014 (%)	FY2013 (%)
Metro City, Shanghai	90.1	87.5
GIE Tower, Guangzhou	79.1	94.4
Metro Tower, Shanghai	96.0	98.8
EC Mall, Beijing	96.3	95.3
Frontier Koishikawa Building, Tokyo	100.0	85.3

Property Valuations

As at 31 March 2014, all the Group's investment properties in China registered an increase in valuation in both the Renminbi (RMB) and the Singapore Dollar (S$), except for Metro City, Shanghai, which was due to its shortened lease period. The Group's property in Japan saw a decrease in valuation mainly due to the devaluation of the Japanese Yen (JPY) as well as lower rental rates that were secured for new leases.

	FY2013 (RMB'm)	**FY2014**[3] (RMB'm)	**(%)**	**FY2013** (S$'m)	**FY2014** (S$'m)	**(%)**
Metro City, Shanghai [1]	1,192	1,129	-5.3	238	229	-3.8
GIE Tower, Guangzhou [1]	485	487	+0.4	97	99	+2.1
Metro Tower, Shanghai [1]	911	930	+2.1	182	189	+3.8
EC Mall, Beijing [2]	1,788	2,360	+32.0	354	484	+36.7

	FY2013 (JPY'm)	**FY2014**[3] (JPY'm)	**(%)**	**FY2013** (S$'m)	**FY2014** (S$'m)	**(%)**
Frontier Koishikawa Building, Tokyo [1]	5,030	4,600	-8.5	66	56	-15.2

[1]As at 31 March 2014
[2]As at 31 December 2013
[3]Above figures represent 100% of the property valuations and are appraised by independent valuers DTZ Debenham Tie Leung Limited (Beijing, Shanghai and Guangzhou) and Daiwa Real Estate Appraisal Co., Ltd. (Tokyo)

Exchange rates:
FY13: S$1: RMB 5.000 : JPY 0.01318
FY14: S$1: RMB 4.926 : JPY 0.01224

The Group believes that the Chinese property rental market will remain steady in the short-term and continue to hold long-term growth potential. Rental rates for the Group's investment properties in mature PRC cities have held firm notwithstanding the moderating growth in the PRC.

Apart from the uptrend in Beijing's commercial property prices, the additional interest acquired in EC Mall during this financial year will continue to contribute positively to the Group's results in the following financial year.

Expiry Profile by Gross Rental Income:

	1H2015 (%)	**2H2015 (%)**
Metro City, Shanghai	13.03	6.21
GIE Tower, Guangzhou	17.57	11.62
Metro Tower, Shanghai	3.76	9.39
EC Mall, Beijing	8.96	8.26
Frontier Koishikawa Building, Tokyo	5.82	34.50

Portfolio Review

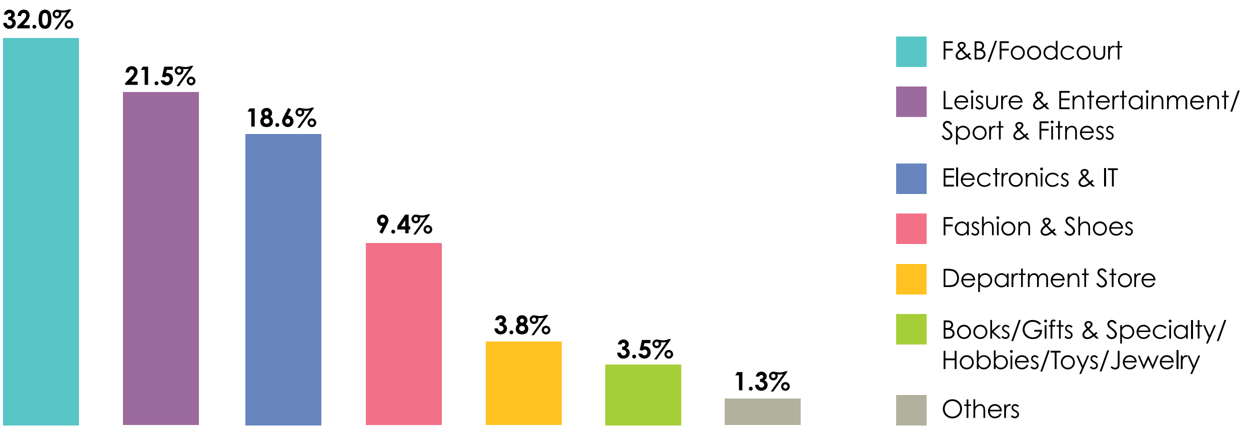
METRO CITY, **SHANGHAI**

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

Metro City, Shanghai completed an asset enhancement exercise during FY2014. Its occupancy rate as at 31 March 2014 was 90.1% (2013: 87.5%). Its vacancy as at 31 March 2014 reflects space freed up for the next phase of reconfiguration works that are expected to begin in the next few months.

% owned by Group:	60
Site area (sqm):	15,434
Lettable Area (sqm):	39,205
Tenure:	36-year term from 1993
No. of Tenants:	118
Occupancy Rate (%):	90.1
Valuation (100%):	S$229 million

Retail Tenant Mix by Lettable Area (As at 31 March 2014)



Top 10 Tenants (As at 31 March 2014)

Name of Tenant	Trade Sector	% of Total Lettable Area
Buynow Computer World	Electronics & IT	16.20%
Physical Fitness & Beauty Centre	Leisure & Entertainment/Sport & Fitness	8.36%
Food Republic	F&B/Food Court	6.39%
Kodak Cinema World	Leisure & Entertainment/Sport & Fitness	6.33%
HAOLEDI KTV	Leisure & Entertainment/Sport & Fitness	5.47%
Shanghai Xi Ti	F&B/Food Court	4.37%
Popular Bookmall	Book/Gifts & Specialty/Hobbies/Toys/Jewelry	2.18%
Hershey's	F&B/Food Court	1.93%
Starbucks	F&B/Food Court	1.83%
Pizza Hut	F&B/Food Court	1.75%

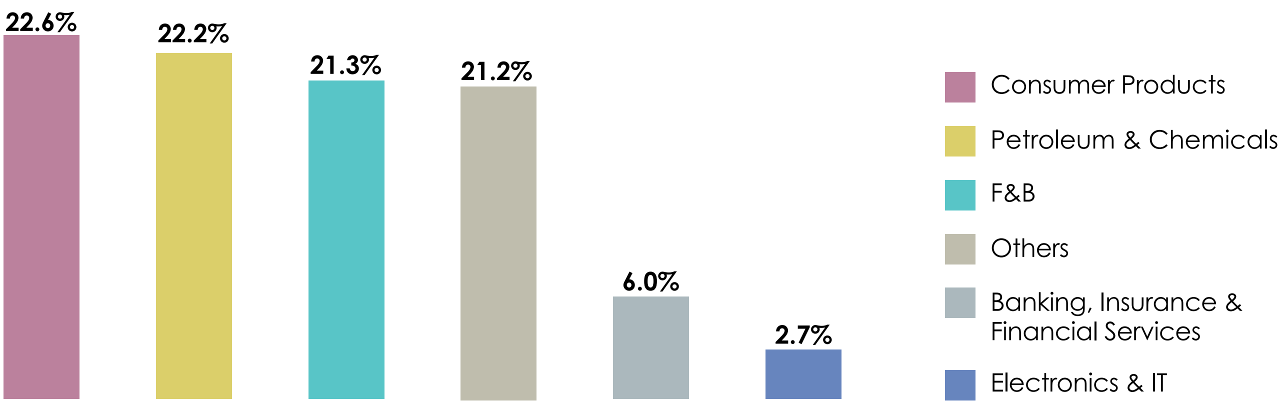
METRO TOWER, **SHANGHAI**

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

Metro Tower, Shanghai is supported by a strong multinational tenant base and its occupancy remains high at 96.0% as at 31 March 2014 (2013: 98.8%).

% owned by Group:	60
Site area (sqm):	4,993
Lettable Area (sqm):	40,366
Tenure:	50-year term from 1993
No. of Tenants:	27
Occupancy Rate (%):	96.0
Valuation (100%):	S$189 million

Office Tenant Mix by Lettable Area (As at 31 March 2014)



Top 10 Tenants (As at 31 March 2014)

Name of Tenant	Trade Sector	% of Total Lettable Area
Exxon Mobil	Petroleum & Chemicals	18.56%
Swatch Group	Consumer Products	16.43%
Energy Source	Others	10.54%
KFC	F&B	8.43%
Pizza Hut	F&B	6.72%
Agricultural Bank of China	Banking, Insurance & Financial Services	5.99%
Cummins	Others	5.34%
Shanghai Xi Ti	F&B	4.22%
Tutuanna	Consumer Products	2.11%
Ann Taylor	Consumer Products	2.04%

Portfolio Review

SHANGHAI SHAMA CENTURY PARK

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

Located at 99 Dongxiu Road in Pudong New District, Shanghai, the well-situated property enjoys a good average occupancy of 86.39%, given its easy access to the subway station located just next door and is only approximately 15 minutes' drive from the Central Business District of Pudong, Shanghai.

Key Statistics	
Completion date:	2006
% owned by Group:	30
Land use rights tenure ending on:	30 December 2072
Saleable/ Leaseable GFA (sqm):	49,357
Average occupancy rate (%):	86.39%
Valuation (100%) as at 31 December 2013:	S$487 million

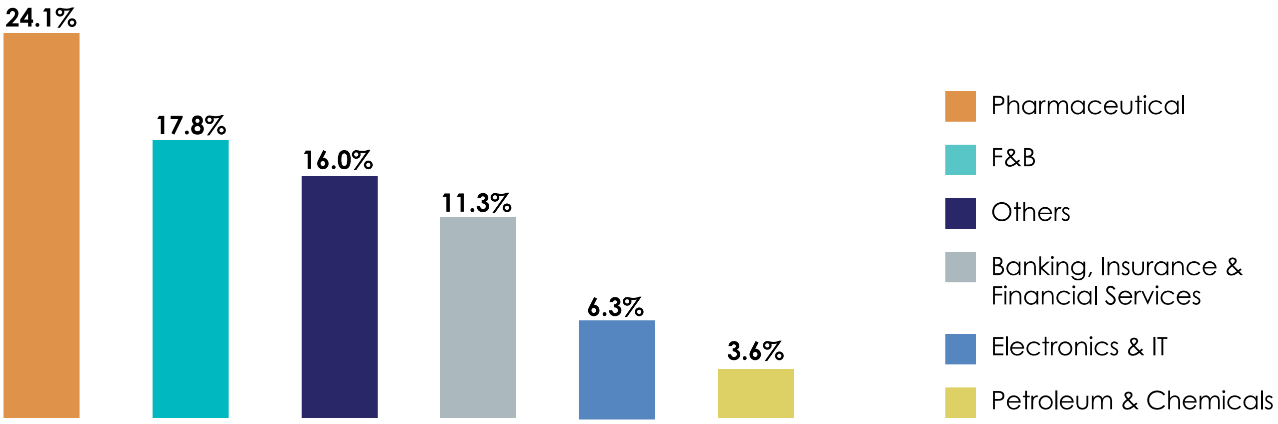
GIE TOWER, **GUANGZHOU**

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

The Group owns over 28,000 square metres of Grade A office space in the building. GIE Tower's occupancy rate declined to 79.1% as at 31 March 2014 (2013: 94.4%) with the expiry of the lease of a major tenant who had occupied two floors of space.

% owned by Group:	100
Site area (sqm):	Strata titled
Lettable Area (sqm):	28,390
Tenure:	50-year term from 1994
No. of Tenants:	33
Occupancy Rate (%):	79.1
Valuation (100%):	S$99 million

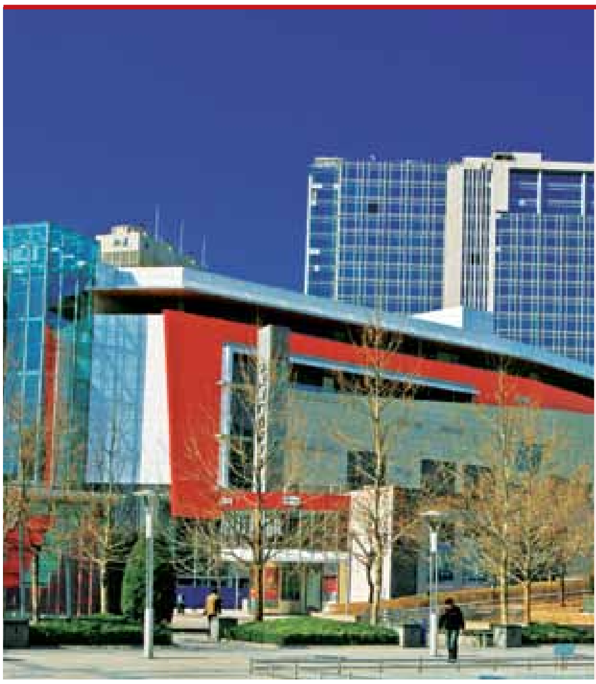
Office Tenant Mix by Lettable Area (As at 31 March 2014)



Top 10 Tenants (As at 31 March 2014)

Name of Tenant	Trade Sector	% of Total Lettable Area
Yu Cai Restaurant	F&B	14.17%
Abbott Laboratories	Pharmaceutical	11.44%
Guang Dong Development Bank	Banking, Insurance & Financial Services	10.24%
Roche	Pharmaceutical	6.80%
Toshiba	Electronics & IT	4.51%
Novo Nordisk	Pharmaceutical	4.17%
Evergreen	Others	3.53%
Guangdong Carat Media Services	Others	2.92%
Koyama	F&B	2.45%
Total Petrochemicals Trading	Petroleum & Chemicals	1.80%

EC MALL, **BEIJING**

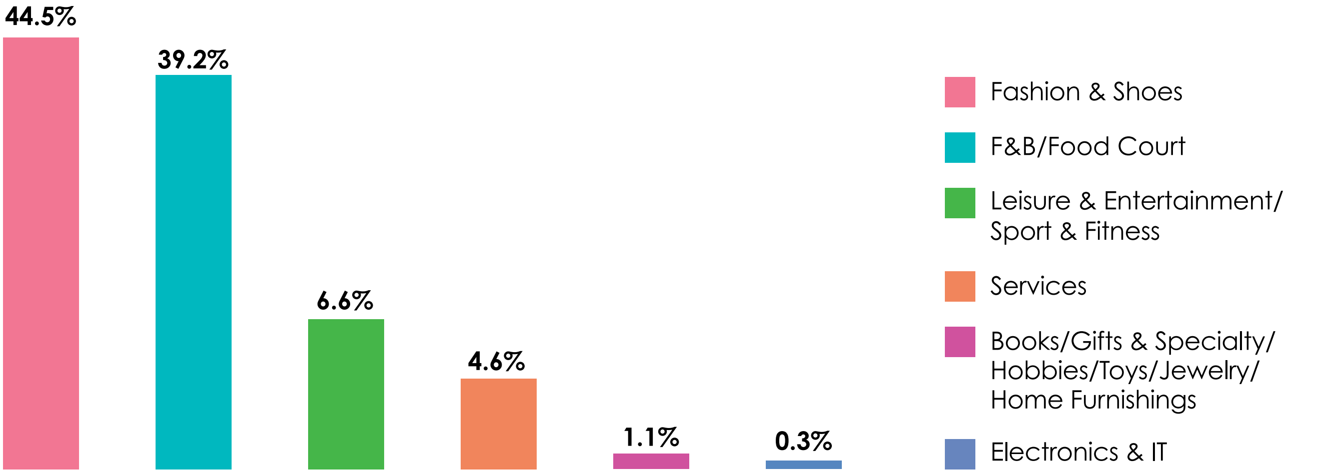


Located at ZhongGuanCun, Haidian District, EC Mall, Beijing is a 6-storey, 4-basement retail mall, offering 29,000 square metres of leaseable retail space. ZhongGuanCun, also known as Beijing's "Silicon Valley", is an IT-oriented zone with many universities, science academies and research institutions. During the financial year, the Group increased its stake in EC Mall, Beijing from 31.65% to 50%.

EC Mall, Beijing maintained a high occupancy rate of 96.3% as at 31 March 2014 (2013: 95.3%).

% owned by Group:	50
Site area (sqm):	14,181
Lettable Area (sqm):	29,014
Tenure:	50-year term from 2001
No. of Tenants:	91
Occupancy Rate (%):	96.3
Valuation (100%):	S$484 million

Retail Tenant Mix by Lettable Area (As at 31 March 2014)



Top 10 Tenants (As at 31 March 2014)

Name of Tenant	Trade Sector	% of Total Lettable Area
Golden Jaguar	F&B/Food Court	17.92%
C&A	Fashion & Shoes	5.34%
Only/Vero/Moda/Jack&Jones/Selected	Fashion & Shoes	4.42%
H&M	Fashion & Shoes	4.37%
Shi Mei Hui Food Court	F&B/Food Court	4.23%
MJ Style	Fashion & Shoes	3.34%
Hola	Leisure & Entertainment/Sport & Fitness	2.89%
Mama's Goodbaby	Fashion & Shoes	2.78%
UNIQLO	Fashion & Shoes	2.55%
Tairyo Teppanyaki	F&B/Food Court	1.92%

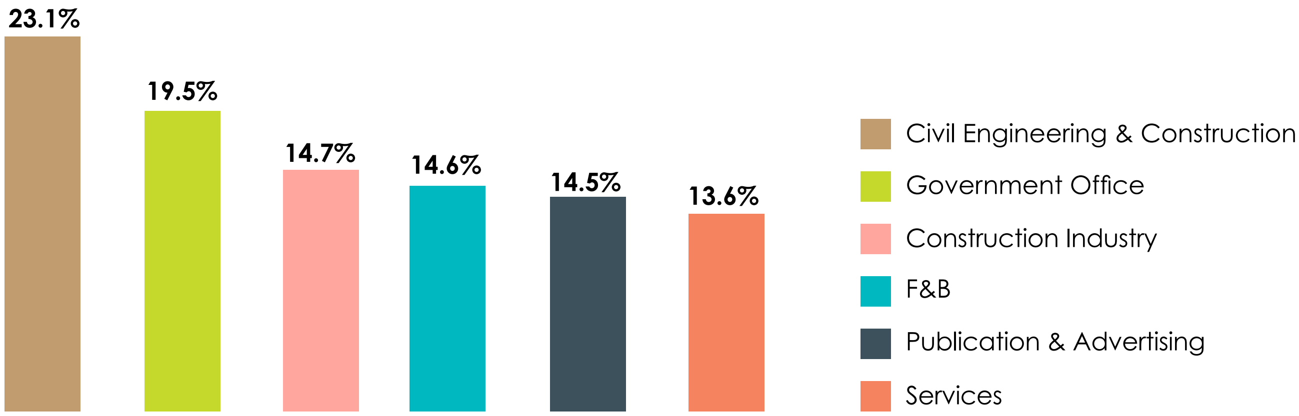
FRONTIER KOISHIKAWA BUILDING, **TOKYO**

The Group's only property in Japan, Frontier Koishikawa is a 9-storey office building located along the main street Hakusan Dori Street, in the Bunkyo District of Tokyo.

Devaluation of the Japanese Yen and lower rental rates resulted in a lower valuation for Frontier Koishikawa. However, as at 31 March 2014 the property achieved full occupancy for the first time since it was acquired in April 2010 (2013: 85.3%).

% owned by Group:	100
Site area (sqm):	1,319
Lettable Area (sqm):	5,082
Tenure:	Freehold
No. of Tenants:	6
Occupancy Rate (%):	100.0
Valuation (100%):	S$56 million

Office Tenant Mix by Lettable Area (As at 31 March 2014)



Top 10 Tenants (As at 31 March 2014)

Name of Tenant	Trade Sector	% of Total Lettable Area
Geostar Corporation	Civil Engineering & Construction	23.09%
Shisyutsuhutan-koi Tanto-kan Somu-sho Daijin-kanbo Kaikei-ka Kikaku-kan	Government Office	19.46%
NIPPO	Construction Industry	14.69%
Lion	F&B	14.58%
Qbist Inc	Publication & Advertising	14.53%
Wiley-Japan	Services	13.66%

TESCO LIFESPACE, **QINHUANGDAO**

Located on the south side of Hebei Avenue and the junction of Hebei Avenue and Wenhua Road, Haigang District, QinHuangDao, Hebei Province, the PRC, Tesco Lifespace, QinHuangDao, is a 4-storey, 2-basement retail mall which offers 33,123 square metres of leasable retail space. Opened on 15 January 2010, the mall registered an occupancy rate of 89.8% as at 31 March 2014.

% owned by Group:	10.7
Site area (sqm):	17,537
Lettable Area (sqm):	33,123
Tenure:	40-year term from 2005
Occupancy Rate (%):	89.8

TESCO LIFESPACE, **FUSHUN**

Located at No. 1 Xinhua Street, Shuncheng District, Fushun City, Liaoning Province, the PRC, Tesco Lifespace, Fushun, is a mixed development with a 5-storey, 2-basement retail mall which offers 36,619 square metres of leasable retail space, and 200 residential units and 490 SOHO units that were fully sold. Opened on 29 January 2010, the retail mall had an occupancy rate of 81.3% as at 31 March 2014.

% owned by Group:	10.7
Site area (sqm):	18,800
Lettable Area (sqm):	36,619
Tenure:	40-year term from 2007
Occupancy Rate (%):	81.3

TESCO LIFESPACE, **ANSHAN**

Located west of Jianguonan Road, Tiedong District, Anshan City, Liaoning Province, the PRC, the development comprises a 5-storey, 1-basement retail mall with 51,664 square metres of leasable retail space, 1,656 residential units, 1,459 service apartment units and 86 commercial skirts, of which 512 units of residential and 149 units of service apartments had been sold as at 31 March 2014.

Officially opened on 29 October 2010, the occupancy rate of the retail mall as at 31 March 2014 was 69.9%.

% owned by Group:	10.7
Site area (sqm):	67,565
Lettable Area (sqm):	51,664
Tenure:	40-year term from 2009
Occupancy Rate (%):	69.9

TESCO LIFESPACE, **FUZHOU**

Located at Pushang road, Cangshang District of Fuzhou, Fujian Province, the PRC, Tesco Lifespace, Fuzhou, opened on 6 May 2011. The development comprises a 4-storey, 2-basement retail mall offering 28,808 square metres of leasable retail space and an occupancy rate of 84.6% as at 31 March 2014.

% owned by Group:	10.7
Site area (sqm):	21,404
Lettable Area (sqm):	28,808
Tenure:	40-year term from 2006
Occupancy Rate (%):	84.6

Portfolio Review

TESCO LIFESPACE, **XIAMEN**

Located at Qixing Road, Xiamen, Fujian Province, the PRC, the development opened on 9 May 2012. Comprising a 3-storey, 1-basement retail mall with approximately 29,472 square metres of leasable retail space, it recorded an improved occupancy rate of 89.8% as at 31 March 2014.

% owned by Group:	10.7
Site area (sqm):	18,984
Lettable Area (sqm):	29,472
Tenure:	40-year term from 2005
Occupancy Rate (%):	89.8

TESCO LIFESPACE, **SHENYANG**

Located at the junction of Dongbei Avenue and Beihai Street, Shenyang City, Liaoning Province, the PRC, Tesco Lifespace, Shenyang is a 5-storey, 2-basement retail mall which offers an estimated 37,773 square metres of leasable retail space. The development opened on 15 August 2013.

% owned by Group:	10.7
Site area (sqm):	14,107
Lettable Area (sqm):	37,773
Tenure:	40-year term from 2007
Occupancy Rate (%):	69.8

Property Under Development

The 30% held Nanchang Fashion Mark project successfully presold two phases of residential units' sales launch in 2013/2014 and the Group expects income from the project to be progressively recognised over FY2015 and beyond, upon the completion of the phases. Completion of the first phase for handover of the Nanchang project is currently scheduled for late 2014/early 2015.

Another property under development, The Crest at Prince Charles which is 40% held by the Group, will launch for sale in mid 2014.

NANCHANG FASHION MARK, **JIANG XI**

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

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

The development is expected to be completed in phases, lasting till December 2017. Two phases of residential sales launch were successfully presold during the financial year, the completion of the first phase for handover is currently scheduled for late 2014/early 2015.

Key Statistics	
% owned by Group:	30.0
Site area (sqm):	269,455
Construction start date:	May 2013
Expected completion date:	December 2017
Land cost (RMB million):	1,978
Total GFA (sqm):	1,030,475
Total saleable/lettable GFA (sqm):	830,323
Residential:	292,641
Retail:	288,204
Service Apartments:	38,474
Office:	211,004

THE CREST AT PRINCE CHARLES, **SINGAPORE**

The Crest at Prince Charles project is a proposed 469 units condominium comprising 4 blocks of 5-storey and 3 blocks of 24-storey residential buildings. The development includes a basement carpark, swimming pool, landscape deck and communal facilities.

Located 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 meters, will be of superior spatial quality, offering an openness and unblocked views that the site affords.

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

The development is expected to be completed by late 2016.

Key Statistics	
% owned by Group:	40.0
Site area (sqm):	23,785
Construction start date:	June 2013
Expected completion date:	Late 2016
Total GFA (sqm):	49,950
Estimated total saleable GFA (sqm):	50,860
Land cost (S$'million):	516.3

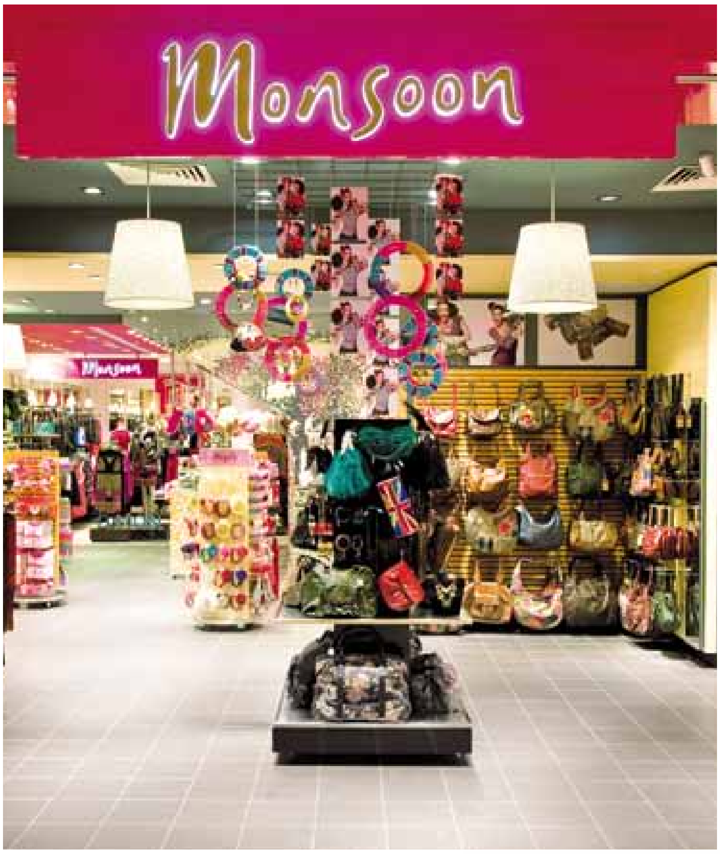
Metro continues to seek opportunities to expand its foot prints in key markets in a disciplined manner. Metro Centrepoint, which will be situated along the world renowned Orchard Road shopping belt in Singapore, is expected to open in 3QFY2015.

Retail Operations

The genesis of Metro's present achievements and success lies in retail. Since the late Mr Ong Tjoe Kim (王梓琴) launched his flagship store at 72 High Street in 1957, Metro has flourished into a retailer with a highly recognised brand name that travelled beyond the shores of Singapore.

In staying true to its retail roots and bringing refreshing shopping experiences to its customers, Metro works closely with local and international business partners to curate an assortment of quality product offerings and updates to its retail concepts.

In addition, as part of its efforts to keep up with changing consumer trends, Metro revamped its website in November 2010 to adopt a more user-friendly and refreshing interface. To further increase interaction with customers, Metro launched a Facebook store in April 2011, where fans can do their online shopping while checking on their friends' Facebook pages. To date, Metro's Facebook following numbers over 67,000 fans and its Twitter account – which provides instant updates on its stores and current promotions – has over 1,600 followers. A Consumer App was launched in 2013 for iPhone users.



To further enhance its customers' shopping experience, Metro launched a mobile point-of-sales system in January 2013. Using the iPhone for check-out enabled its customers to pay for their purchases (by credit card) regardless of their in-store location, and helped to reduce queues at the physical counters.

Singapore

Metro Stores

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

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

Our upcoming store, Metro Centrepoint, which will add over 130,000 square feet of retail space to our portfolio, is expected to open in 3QFY2015.

Monsoon/Accessorize Specialty Shops

UK brands Monsoon/Accessorize were brought in by Metro to better cater to the needs of discerning consumers in Singapore. Monsoon focuses on casual women's wear with ethnic origin, while Accessorize holds a unique position on the high street with its inspirational, globally sourced, well-priced and good quality collection of fashion accessories. To date, the Group operates nine Monsoon/Accessorize specialty shops in Bugis Junction, Raffles City, Parkway Parade, Paragon, Ion Orchard, Tampines, Changi Airport Terminal 3, Jem and Bedok Mall.

Indonesia

Metro Stores

Metro started its operations in the Indonesian market in 1991 at Pondok Indah Mall. Despite competitive and challenging trading conditions in Indonesia, the Group has continued to deepen its presence in the growing market. In FY2014, Metro welcomed its ninth store in Indonesia by opening Metro Park Solo, bringing the total retail space in Indonesia to approximately 1.15 million square feet:

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

Outlook

Notwithstanding competitive cost pressures arising from increasing operational costs such as labour and rental expenses in the retail operations, Metro expects the Retail Division to generate steady returns benefited by Singapore's rising tourist arrivals and Indonesia's long term trend of domestic consumption and lifestyle needs.

Corporate Data

BOARD OF DIRECTORS
Lt-Gen (Retd) Winston Choo Wee Leong
Chairman, Non-Executive and Independent
Jopie Ong Hie Koan
Group Managing Director, Executive
Phua Bah Lee
Director, Non-Executive and Independent
Gerald Ong Chong Keng
Director, Non-Executive
Fang Ai Lian
Director, Non-Executive and Independent
Tan Soo Khoon
Director, Non-Executive and Independent

AUDIT COMMITTEE
Fang Ai Lian
Chairman
Phua Bah Lee
Gerald Ong Chong Keng

NOMINATING COMMITTEE
Lt-Gen (Retd) Winston Choo Wee Leong
Chairman
Jopie Ong Hie Koan
Phua Bah Lee
Gerald Ong Chong Keng
Fang Ai Lian

REMUNERATION COMMITTEE
Phua Bah Lee
Chairman
Lt-Gen (Retd) Winston Choo Wee Leong
Gerald Ong Chong Keng

INVESTMENT COMMITTEE
Lt-Gen (Retd) Winston Choo Wee Leong
Chairman
Jopie Ong Hie Koan
Gerald Ong Chong Keng

SECRETARIES
Tan Ching Chek
Lee Chin Yin

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

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

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

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

INVESTOR RELATIONS CONTACTS
Citigate Dewe Rogerson, i.MAGE
Dolores Phua/Han Zhongchou
55 Market Street #02-01
Singapore 048941
Tel : (65) 6534 5122
Fax : (65) 6534 4171
dolores.phua@citigatedrimage.com
zhongchou.han@citigatedrimage.com

Partnerships

TRANS CORP (SINCE 2001)

Trans Corp is the Media, Lifestyle, Retail and Entertainment arm of CT Corp, a diversified holding company with businesses across a wide spectrum of industries. Trans Corp's businesses include Trans TV, Trans 7, Detik.com, Coffee Bean, Baskin Robbins, Trans Studio, as well as 25 international high-end fashion franchises with 75 branded boutiques. In 2010, Trans Corp acquired a 40% stake in PT Carrefour Indonesia, for which it is now the single largest shareholder. Carrefour is the second largest retail brand in the world.

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

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

INFRARED NF CHINA REAL ESTATE FUND (SINCE 2007)

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

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

TOP SPRING INTERNATIONAL HOLDINGS LIMITED (SINCE 2011)

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

Listed on the Stock Exchange of Hong Kong Limited in March 2011, Top Spring's revenue stood at HKD 5.75 billion for the year ended 31 December 2013. Metro increased its strategic voting stake in Top Spring to 19.76% in FY2014 for S$85.7 million. Prior to raising its stake, in FY2013, Metro invested equity of S$48.0 million in Nanchang Top Spring Real Estate Co., Ltd for its 30% held joint venture project with Top Spring, known as the Nanchang Fashion Mark. Located at Hong Gu Tan Central Business District in Nanchang, Jiangxi Province in the PRC, the mixed-use development with total leasable/saleable GFA of approximately 830,000 square metres (as at 31 December 2013) is expected to deepen Metro's foothold in the China property market.

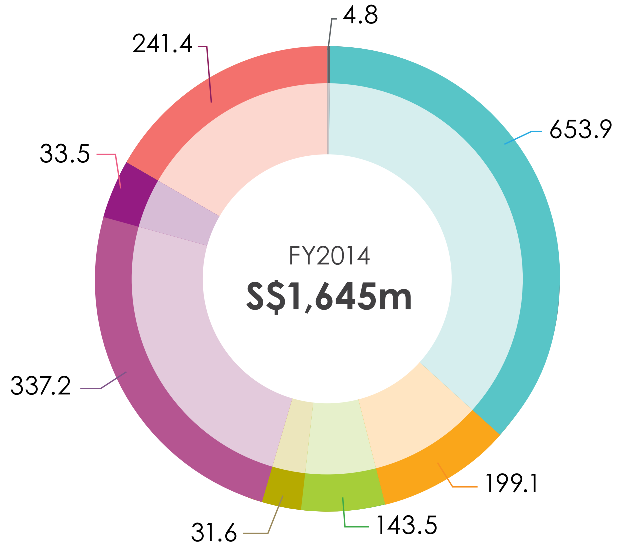
In December 2013, Metro acquired a 30% stake in Shanghai Shama Century Park from Top Spring for RMB 524 million. The property operates as serviced apartments with a total of 284 residential units across a total gross floor area of approximately 49,357 sqm and has 240 underground car park units.

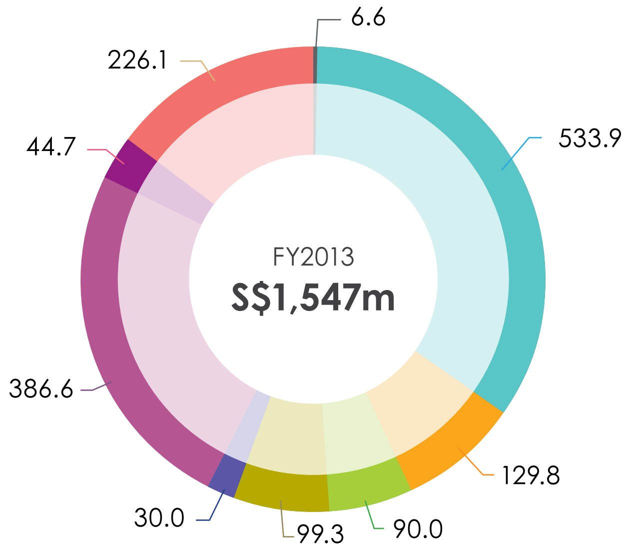
WING TAI HOLDINGS LIMITED (SINCE 2012)

Wing Tai Holdings Limited was incorporated in Singapore on 9 August 1963. Wing Tai is today Singapore's leading property developer and lifestyle company reputed for quality and design. The principal activity of the company, listed on the Singapore Stock Exchange since 1989, is that of an investment holding company with a keen focus on growth markets in Asia. The core businesses of the Wing Tai group of companies, including Wing Tai Malaysia Berhad in Malaysia, Wing Tai Properties Limited in Hong Kong and Wing Tai (China) Investment Pte Ltd in China, comprise property development and investment, hospitality management and lifestyle retail. With S$4.7 billion in total assets, Wing Tai has an extensive landbank of choice sites in Asia's prime locations. In late 2012, Metro invested in a 40% held joint-venture with Wing Tai to jointly develop The Crest at Prince Charles, a signature residential condominium at Prince Charles Crescent in Singapore which is expected to be launched for sale in mid 2014.

Financial Highlights

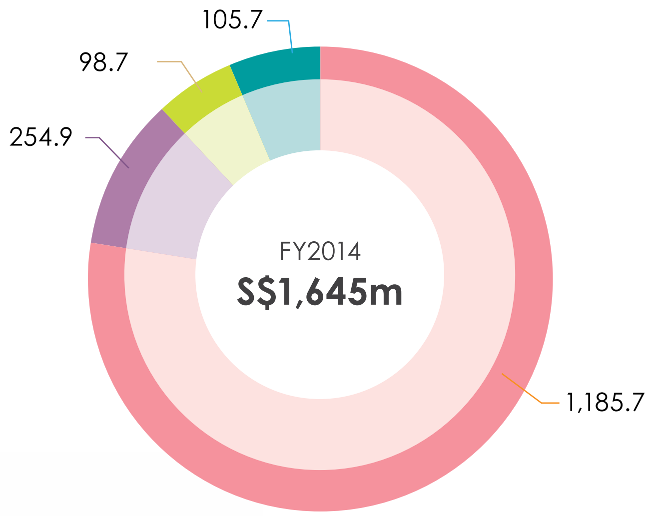
TOTAL ASSETS OWNED (S$' MILLION)

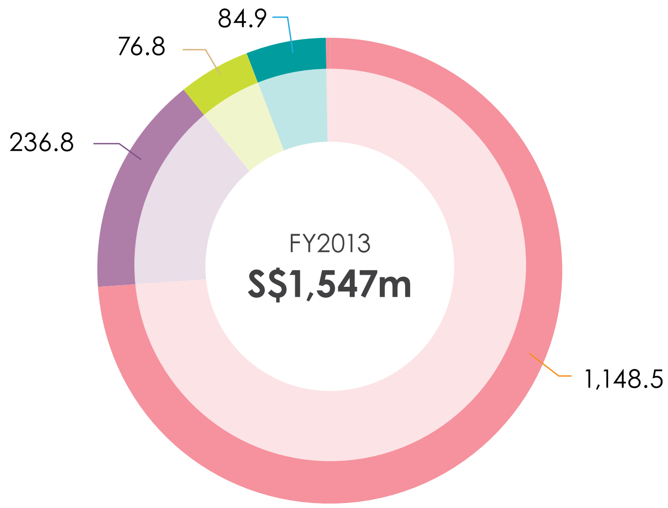




- Property, Plant and Equipment
- Investments Properties
- Investments in Associates
- Quoted and Unquoted Investments - Long-term
- Quoted and Unquoted Investments - Short-term
- Other Receivable - Long-term
- Cash and Cash Equivalents (including pledged deposits)
- Others
- Development Property

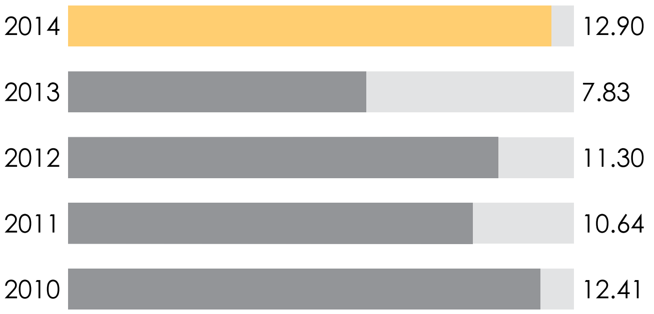
TOTAL LIABILITIES AND CAPITAL (S$' MILLION)



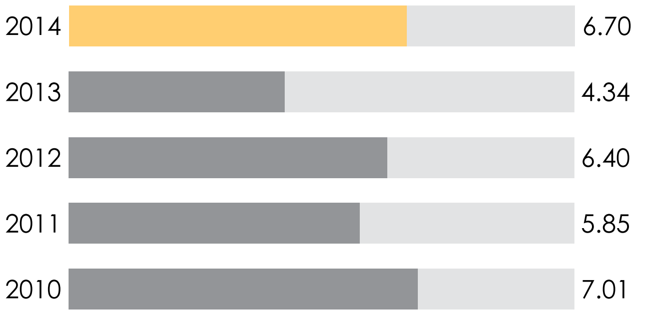


- Total Equity
- Bank Borrowings
- Trade and Other Payables
- Tax and Deferred Tax Liabilities

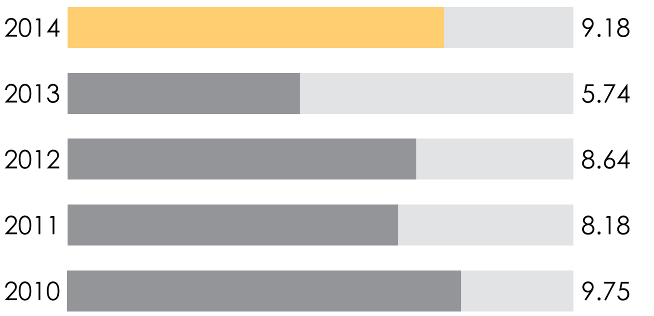
EARNINGS PER SHARE (CENTS)



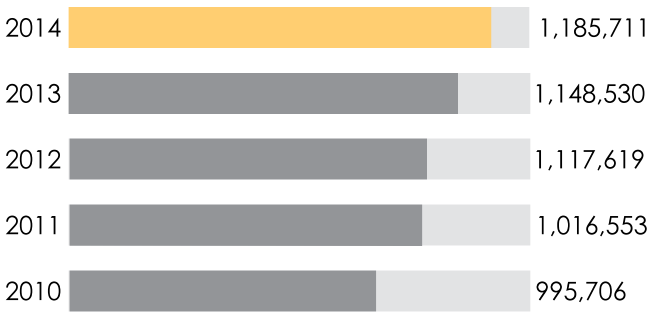
RETURN ON TOTAL ASSETS (%)



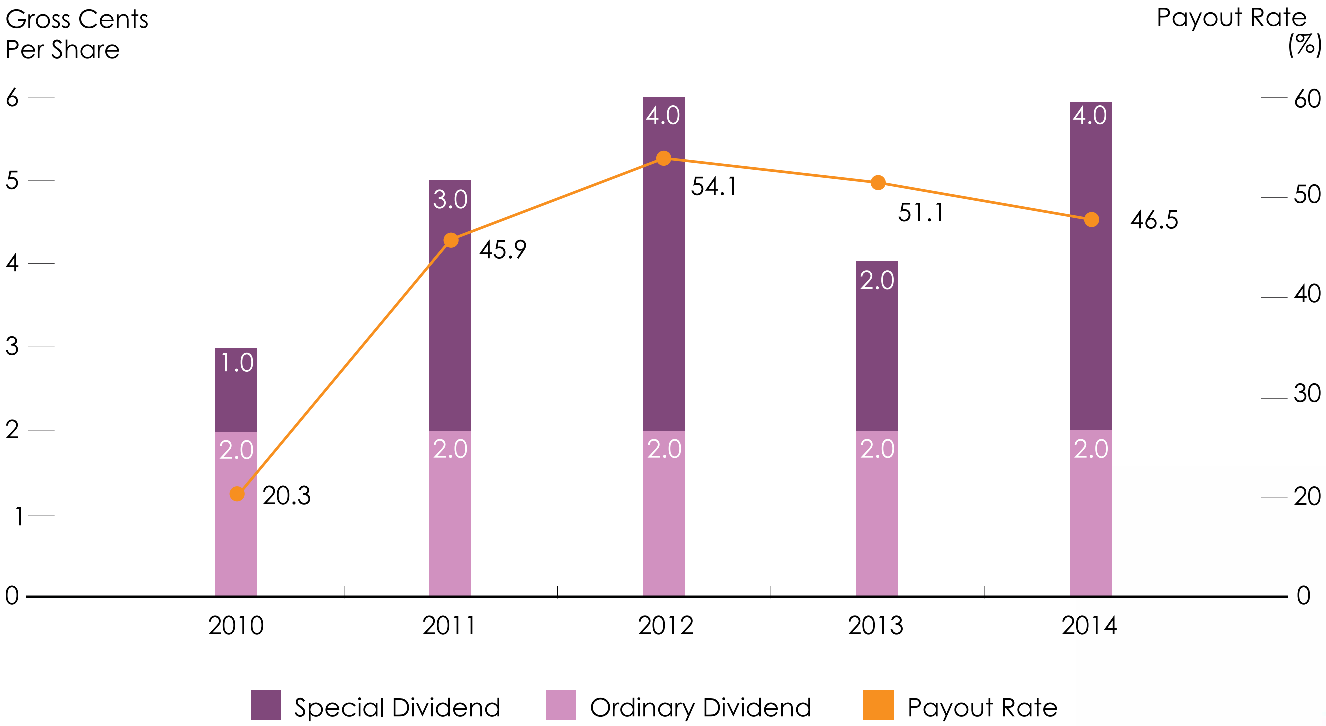
RETURN ON SHAREHOLDERS' FUNDS (%)



TOTAL NET ASSETS (S$'000)



DIVIDEND PAYOUT



Financial Summary

	2014	2013	2012	2011	2010
FINANCIAL RESULTS (S$'000)					
Turnover	194,266	187,120	186,995	175,245	150,981
Net profit from operating activities before tax	124,820	82,049	115,270	105,516	114,951
Taxation	(17,928)	(17,088)	(23,355)	(23,359)	(20,962)
Profit after tax	106,892	64,961	91,915	82,157	93,989
Non-controlling Interests	(43)	(148)	(23)	(261)	(128)
Net profit attributable to shareholders	106,849	64,813	91,892	81,896	93,861
Net final dividend proposed/paid	16,561	16,561	16,561	16,439	12,687
Net special interim dividend paid	-	-	-	12,898	-
Net final special dividend proposed/paid	33,121	16,561	33,121	8,220	6,343
BALANCE SHEETS (S$'000)					
Property, plant and equipment	4,818	6,603	16,490	16,223	13,720
Investment Properties	653,918	533,871	550,194	688,452	630,773
Other non-current assets	343,038	252,324	168,282	197,202	420,686
Current assets	642,816	754,177	702,318	532,113	298,502
Total Assets	1,644,590	1,546,975	1,437,284	1,433,990	1,363,681
Current Liabilities	(133,637)	(123,592)	(150,260)	(140,449)	(153,135)
Long-term and deferred liabilities	(325,242)	(274,853)	(169,405)	(276,988)	(214,840)
Net assets	1,185,711	1,148,530	1,117,619	1,016,553	995,706
Financed by:					
Share capital	169,717	169,717	169,717	142,432	130,379
Treasury shares	(1,768)	(1,768)	(1,768)	(1,397)	(1,397)
Reserves	1,014,679	976,969	946,332	871,455	861,959
Shareholders' funds	1,182,628	1,144,918	1,114,281	1,012,490	990,941
Non-controlling Interests	3,083	3,612	3,338	4,063	4,765
	1,185,711	1,148,530	1,117,619	1,016,553	995,706

	2014	2013	2012	2011	2010
FINANCIAL RATIOS					
Earnings per share after tax and non-controlling interests (cents)#	12.90	7.83	11.30	10.64	12.41
Return on shareholders funds (%)*#	9.18	5.74	8.64	8.18	9.75
Return on Total Assets (%)*#	6.70	4.34	6.40	5.85	7.01
Dividend proposed					
Special final & interim net dividend per share (cents)	4.00	2.00	4.00	3.00	1.00
Final/Interim net dividend per share (cents)	2.00	2.00	2.00	2.00	2.00
Dividend cover (times)#	2.15	1.96	1.85	2.18	4.93
Net Assets per share (S$)#	1.43	1.38	1.35	1.30	1.30
Debt equity ratio (net of cash) (times)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Total Liabilities to shareholders funds (times)	0.39	0.35	0.29	0.41	0.37
Interest cover (times)#	25.47	17.88	10.40	10.28	13.27

NOTES

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

the financial ratios are based on continuing operations.

Corporate Social Responsibility and Sustainability Report

At Metro, we believe in giving back to society and the community that we operate in. It is the community that provides the opportunities for our businesses.

Since FY2001, the Group had spearheaded a "Metro for Children" charity, an annual fundraising initiative to help children in the communities in which we operate. In FY2013, Metro and the Singapore International Foundation launched the "Water for Life" project in Lamongan Regency, Indonesia, which benefitted over 50,000 school-going children and adults by giving them critical access to clean drinking water.

In FY2014, we continued with this programme and introduced a number of new sustainability initiatives to help conserve and protect our environment.

CLEAN DRINKING WATER FOR THE RURAL COMMUNITY

This initiative was officially launched in June 2013, with our charity partners, the Singapore International Foundation ("SIF") and Pioneer Junior College, at an event in Surabaya, Indonesia which was graced by Surabaya's Governor, Mayor and government officials as well as Singapore's Ambassador to Indonesia.

In our maiden effort last year, with the help of over 500 Pioneer Junior College student volunteers, Metro raised close to S$130,000 – 30% over our initial target of S$100,000 per annum.

Going into the second year of the project, we are well on track to reach the annual fundraising target of $100,000. By the end of 2014, we plan to equip 70 schools and rural communities with 100 water tanks, pre-filters and membrane filters that are expected to benefit over 30,000 people.

Community education is another related initiative in which scores of Singapore youth volunteers conducted educational workshops to raise awareness on good hygiene and sanitation practices in these communities.

Through this equipping and educating approach, Metro's Corporate Social Responsibility ("CSR") initiative has made it possible for thousands of children to have access to clean drinking water, thereby significantly reducing waterborne diseases.

Metro's commitment to improving children's lives in Asia and the Group's efforts to mobilise the Singapore community in supporting this life-changing cause was recognized by SIF. Metro received an Award of Appreciation from Dr Tony Tan, President of Singapore and Patron of the SIF.

REDUCING OUR CARBON FOOTPRINT THROUGH GREEN INITIATIVES

Beyond positively impacting our communities, Metro also plays its part as a responsible property development and investment group in conserving the environment. We launched several energy saving initiatives that serve not just to decrease our carbon footprint, but also reduce our operating costs in the long run.

At Metro City, Shanghai and Metro Tower, Shanghai, the Group undertook some proactive measures to improve the buildings' energy efficiency by replacing fluorescent lightings with energy efficient Light-Emitting Diodes ("LED") lights in the common areas. These effectively lower greenhouse gas emissions, equivalent to approximately 78 tonnes of coal burnt annually. Metro City, Shanghai was awarded a RMB 20,000 prize by the Xuhui district in Shanghai for its efforts in energy conservation. Metro's GIE Tower, Guangzhou underwent a similar LED light replacement programme, further enhancing our Green initiative towards a sustainable environment.

In addition, rectifications to Metro Tower, Shanghai's central air-conditioning systems through the replacement of inefficient facilities with modern and efficient ones helped reduce energy consumption that is equivalent to approximately 110 tonnes of coal burnt. With cost savings from these programmes, Metro's investments in these Green initiatives, which are close to RMB 9 million, are expected to be recouped in about three to four years, even as the investment continues to derive savings beyond those years.

OUR COMMITMENT TO A SUSTAINABLE BUSINESS, COMMUNITY AND ENVIRONMENT

Metro is committed to making conscious efforts to pursue a business that thrives alongside communities that can benefit from our success and in maintaining a sustainable environment. By continuing to seek worthy charitable opportunities in the region and in making a positive environmental impact, we hope to engage and assist future generations for years 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 to the Code of Corporate Governance 2012 (the "Code 2012").

THE BOARD'S CONDUCT OF AFFAIRS

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

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

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

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

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

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

BOARD COMPOSITION AND GUIDANCE

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

The Board comprises six directors as follows:

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

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

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

The attendance of Directors at Board and Board Committees' meetings in FY2014 are set out below:

	MHL Board		Audit Committee		Nominating Committee		Remuneration Committee		Investment Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Lt-Gen (Retd) Winston Choo Wee Leong	4	4	-	-	1	1	1	1	10	9
Jopie Ong Hie Koan	4	4	-	-	1	1	-	-	10	10
Phua Bah Lee	4	4	4	4	1	1	1	1	-	-
Gerald Ong Chong Keng	4	4	4	4	1	1	1	1	10	10
Mrs Fang Ai Lian	4	4	4	4	1	1	-	-	-	-
Tan Soo Khoon	4	4	-	-	-	-	-	-	-	-

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

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

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

CHAIRMAN AND GROUP MANAGING DIRECTOR

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

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

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

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

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

Corporate Governance

BOARD MEMBERSHIP AND BOARD PERFORMANCE

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

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

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

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

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

(ii) reviewing and recommending to the Board of Directors the re-election and re-appointment of any Directors under the retirement provisions in accordance with the Company's Articles of Association at each annual general meeting and under S153(6) of the Companies Act, Chapter 50;

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

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

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

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

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

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

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

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

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

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

As at 31 March 2014, one of the independent directors, Mr Phua Bah Lee, has served on the Board for more than nine years. In subjecting the independence of Mr Phua to particularly rigorous review, the Nominating Committee and the Board have (with Mr Phua abstaining from discussion and deliberation) placed more emphasis on whether he has demonstrated independent judgment, integrity, professionalism and objectivity in the discharge of his duties rather than imposing a maximum number of years that he should serve. The Nominating Committee and the Board have noted that Mr Phua has not hesitated to express his own viewpoint as well as seeking clarification from Management on issues he deems necessary. It is noted that Mr Phua is able to exercise objective judgment on corporate matters independently, in particular from Management and 10% shareholders, notwithstanding his 20 years of office and common directorship in Ngee Ann Development Pte Ltd. After due consideration and careful assessment, the Nominating Committee and the Board are of the view that Mr Phua remains independent.

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

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

The Nominating Committee has recommended the re-election of Mr Tan Soo Khoon who is retiring by rotation pursuant to Article 94 of the Company's Articles of Association at the forthcoming AGM.

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

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

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

Name of Director	Appointment	Date of Initial Appointment	Date of Last re-appointment/ re-election
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive/ Independent Director	18 June 2007	17 July 2013
Jopie Ong Hie Koan	Executive Director	21 September 1973	17 July 2013
Phua Bah Lee	Non-Executive/ Independent Director	5 October 1993	17 July 2013
Gerald Ong Chong Keng	Non-Executive Director	18 June 2007	17 July 2013
Mrs Fang Ai Lian	Non-Executive/ Independent Director	16 July 2008	25 July 2012
Tan Soo Khoon	Non-Executive/ Independent Director	9 December 2011	25 July 2012

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

ACCESS TO INFORMATION

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

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

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

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

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

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

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

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

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

(ii) recommending specific remuneration packages for each of the Directors and the Group Managing Director;

(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 executive of the Group and recommending such targets as well as employee specific remuneration packages for each of such key executive for endorsement by the Board of Directors; and

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

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

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

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

The Company does not have a share option scheme.

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

Breakdown of directors' remuneration for current financial year:

Name of Director	Total Remuneration S$ '000	Base Salary etc/Directors' Fees	Performance-Related/ Bonuses	Long Term Incentive
Lt-Gen (Retd) Winston Choo Wee Leong	172	100%	-	-
Jopie Ong Hie Koan	5,599	21%	79%	-
Phua Bah Lee	77	100%	-	-
Gerald Ong Chong Keng	134	100%	-	-
Mrs Fang Ai Lian	87	100%	-	-
Tan Soo Khoon	40	100%	-	-

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

Remuneration Band & Name of Key Executive	Base Salary etc	Performance-Related/ Bonuses	Long Term Incentive
$1,500,000 to $1,749,999			
Lawrence Chiang Kok Sung	61%	35%	4%
$750,000 to $999,999			
Lee Chin Yin	67%	29%	4%
$500,000 to $749,999			
Wong Sioe Hong	82%	18%	-
David Tang Kai Kong	81%	19%	-
$250,000 to $499,999			
Goh Leng Seng	83%	17%	-

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 5 key executives (who are not also Directors) of the Group is only set out in bands of S$250,000 above. Their profiles are found on page 16.

The aggregate total remuneration paid to the top five key management personnel (who are not directors or the Group Managing Director) was $4,342,294.

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

Remuneration Band & Name of Immediate Family Member	Base Salary etc	Performance-Related/ Bonuses	Long Term Incentive
$650,000 to $699,999			
Wong Sioe Hong	82%	18%	-
$100,000 to $149,999			
Ong Jenn	79%	21%	-
$50,000 to $99,999			
Nil	-	-	-

Corporate Governance

ACCOUNTABILITY

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS, AUDIT COMMITTEE AND INTERNAL AUDIT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Audit Committee having reviewed the nature and extent of non-audit services provided by Ernst & Young LLP ("EY") and Ernst & Young member firms, including the fees paid for their audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 March 2014, is of the view that the independence of the external auditor of the Company has not been compromised.

The Audit Committee has also reviewed and confirmed that EY is a suitable audit firm to meet the Company's audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, EY's other audit engagements, size and complexity of the Metro Group, number and experience of supervisory and professional staff assigned to the audit. Accordingly, the Audit Committee recommended to the Board the re-appointment of EY as External Auditor of the Group for the year ending 31 March 2015. Therefore, the Company complies with Rule 712 of the Listing Manual.

The Group has complied with the Rule 715 of the Listing Manual in relation to its auditing firms. EY has been engaged to audit the accounts of the Company and all its Singapore-incorporated subsidiaries. The accounts of the significant foreign-incorporated subsidiaries and associated companies are audited by EY member firms in the respective countries. All the significant jointly controlled entities with the exception of one jointly controlled entity are audited by EY member firms in their respective countries. This significant jointly controlled entity is audited by one of the big four audit firms in the PRC. The Group has certain Singapore-incorporated and foreign-incorporated jointly controlled entities and associated companies, which are currently not considered significant to the Group and the accounts of these jointly controlled entities and associated companies, are audited by the other big 4 audit firms.

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

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

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

The main areas of financial risk faced by the Group are foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. Further details of the financial risks and how the Group manages them are set out in note 34 to the financial statements.

The Board has obtained a written confirmation from the Group Managing Director and Group Financial Controller:

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

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

Corporate Governance

Based on the internal controls established and maintained by the Group, work performed by the internal auditors, and the statutory audit conducted by the external auditor, and reviews performed by Management and various Board committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, were adequate as at 31 March 2014 to meet the needs of the Group's existing business objectives, having addressed the risks which the Group considers relevant and material to its operations. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or mis-statements, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

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

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

SHAREHOLDER RIGHTS, COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDER MEETINGS

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

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

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

The Company does not practise selective disclosure. Price sensitive information is always released on SGXNET after trading hours. Results and annual reports are announced or issued within the mandatory periods.

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholder 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 AGM and circulars and notices pertaining to any Extraordinary General Meetings of the Company. To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder may appoint up to two proxies to attend and vote on his behalf at the general meeting through a proxy form deposited 48 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST's website.

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

While acknowledging that voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution, the Company is concerned over the cost effectiveness and efficiency of the polling procedures which may be logistically and administratively burdensome. Electronic polling may be efficient in terms of speed but may not be cost effective. The Board would adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll at general meetings held on or after 1 August 2015.

DIVIDEND POLICY

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

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

DEALINGS IN SECURITIES

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

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

DIRECTORS' INTERESTS IN CONTRACTS ENTERED WITH THE GROUP

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

	The Group		The Company	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Jopie Ong Hie Koan Rental and property management income received from Eng Kuan Company Pte Ltd	179	169	-	-
Gerald Ong Chong Keng Corporate advisory fees paid or payable to OEC Holdings Pte Ltd	120	120	120	120

INTERESTED PERSON TRANSACTIONS

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

Directors and their Associates

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

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

INDEX

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2014.

Directors

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

Winston Choo Wee Leong (Chairman)

Jopie Ong Hie Koan (Group Managing Director)

Phua Bah Lee

Gerald Ong Chong Keng

Fang Ai Lian

Tan Soo Khoon

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

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

	Shareholdings registered in the name of the directors			Shareholdings in which the directors are deemed to have an interest		
Name of director	**As at 1.4.2013**	**As at 31.3.2014**	**As at 21.4.2014**	**As at 1.4.2013**	**As at 31.3.2014**	**As at 21.4.2014**
Ordinary shares						
Jopie Ong Hie Koan	–	–	–	285,047,743	285,047,743	285,047,743
Phua Bah Lee	–	–	–	72,576	72,576	72,576

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

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

Directors' Report

Directors' contractual benefits

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

Audit Committee

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

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

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

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

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

Auditor

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

On behalf of the Board,

Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan
Group Managing Director

Singapore
20 June 2014

Statement by Directors

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

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

(i) the accompanying statements of financial position, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

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

On behalf of the Board,

Winston Choo Wee Leong
Chairman

Jopie Ong Hie Koan
Group Managing Director

Singapore
20 June 2014

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

For the Financial Year Ended 31 March 2014

Report on the Financial Statements

We have audited the accompanying financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 57 to 139, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2014, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
20 June 2014

Consolidated Income Statement

For the financial year ended 31 March 2014

(In Singapore dollars)	Note	2014 $'000	2013 $'000
Revenue	4	194,266	187,120
Cost of revenue	5	(137,960)	(129,898)
Gross profit		56,306	57,222
Other income including interest income	6	39,161	30,925
Gain on disposal of asset held-for-sale	23	29,559	-
Changes in fair value of short term investments		(5,302)	29,553
Gain/(deficit) from fair value adjustments on investment properties	12	20,026	(3,931)
General and administrative expenses		(31,470)	(24,919)
Profit from operating activities	7	108,280	88,850
Finance costs	8	(5,101)	(4,862)
Share of associates' results, net of tax	15	21,641	(1,939)
Profit from operations before taxation		124,820	82,049
Taxation	9	(17,928)	(17,088)
Profit net of taxation		106,892	64,961
Attributable to:			
Owners of the Company		106,849	64,813
Non-controlling interests		43	148
		106,892	64,961
		Cents	**Cents**
Earnings per share			
Basic	10	12.9	7.8
Diluted	10	12.9	7.8

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 2014

(In Singapore dollars)	2014 $'000	2013 $'000
Profit net of taxation	106,892	64,961
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustments on foreign operations	6,805	(1,091)
Changes in fair value of available-for-sale financial assets	(44,667)	16,108
Share of other comprehensive income of associates	1,272	615
Other comprehensive income for the financial year, net of tax	(36,590)	15,632
Total comprehensive income for the financial year	70,302	80,593
Total comprehensive income attributable to:		
Owners of the Company	70,831	80,319
Non-controlling interests	(529)	274
	70,302	80,593

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

Statements of Financial Position

As at 31 March 2014

(In Singapore dollars)	Note	Group		Company	
		2014	2013	2014	2013
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	4,818	6,603	163	275
Investment properties	12	653,918	533,871	-	-
Subsidiaries	13	-	-	17,790	17,790
Amounts due from subsidiaries	14	-	-	646,234	593,409
Associates	15	85,034	57,338	500	500
Amounts due from associates	16	114,050	72,448	-	-
Amounts due from jointly controlled entities	17	460	2,555	-	-
Investments	18	143,494	90,002	-	-
Other receivable	21	-	29,981	-	-
		1,001,774	792,798	664,687	611,974
Current assets					
Development property	19	241,380	226,077	-	-
Inventories	20	15,103	14,977	-	-
Prepayments		1,316	721	8	14
Accounts and other receivables	21	16,002	16,354	2,727	181
Tax recoverable		190	269	-	-
Short term investments	18	31,583	99,291	-	-
Pledged fixed and bank deposits	22	39,271	34,982	-	-
Cash and cash equivalents	22	297,971	351,605	6,112	35,355
Asset held-for-sale	23	-	9,901	-	9,901
		642,816	754,177	8,847	45,451
Total assets		1,644,590	1,546,975	673,534	657,425
EQUITY AND LIABILITIES					
Current liabilities					
Bank borrowings	24	32,498	41,865	-	-
Accounts and other payables	25	91,971	75,979	7,869	6,847
Provision for taxation		9,168	5,748	822	83
		133,637	123,592	8,691	6,930
Net current assets		509,179	630,585	156	38,521
Non-current liabilities					
Bank borrowings	24	222,377	194,983	-	-
Amounts due to subsidiaries	25	-	-	372,049	352,935
Other payables	25	6,326	779	-	-
Deferred taxation	9	96,539	79,091	328	319
		325,242	274,853	372,377	353,254
Total liabilities		458,879	398,445	381,068	360,184
Net assets		1,185,711	1,148,530	292,466	297,241
Equity attributable to owners of the Company					
Share capital	26	169,717	169,717	169,717	169,717
Treasury shares	26	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	27	1,014,679	967,850	124,517	120,173
Reserve of asset held-for-sale	23	-	9,119	-	9,119
		1,182,628	1,144,918	292,466	297,241
Non-controlling interests		3,083	3,612	-	-
Total equity		1,185,711	1,148,530	292,466	297,241
Total equity and liabilities		1,644,590	1,546,975	673,534	657,425

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 2014

(In Singapore dollars)

Group	Share capital $'000	Treasury shares $'000	Revaluation reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Other reserve $'000	Revenue reserve $'000	Reserve of asset classified as held-for-sale $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2013	169,717	(1,768)	9,954	21,988	(27,176)	2,552	-	960,532	9,119	1,144,918	3,612	1,148,530
Profit for the year	-	-	-	-	-	-	-	106,849	-	106,849	43	106,892
Other comprehensive income												
Currency translation adjustments on foreign operations	-	-	-	-	6,750	-	-	-	-	6,750	55	6,805
Changes in fair value of available-for-sale financial assets	-	-	-	(44,040)	-	-	-	-	-	(44,040)	(627)	(44,667)
Share of other comprehensive income of associates	-	-	-	-	(1,622)	-	2,894	-	-	1,272	-	1,272
Other comprehensive income for the financial year, net of tax	-	-	-	(44,040)	5,128	-	2,894	-	-	(36,018)	(572)	(36,590)
Total comprehensive income for the financial year	-	-	-	(44,040)	5,128	-	2,894	106,849	-	70,831	(529)	70,302
Contributions by and distributions to owners												
Dividends paid (Note 28)	-	-	-	-	-	-	-	(33,121)	-	(33,121)	-	(33,121)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	(33,121)	-	(33,121)	-	(33,121)
Others												
Realised on disposal of asset held-for-sale (Note 23)	-	-	-	-	-	-	-	9,119	(9,119)	-	-	-
Transfer to statutory reserve fund	-	-	-	-	-	468	-	(468)	-	-	-	-
Total others	-	-	-	-	-	468	-	8,651	(9,119)	-	-	-
At 31 March 2014	169,717	(1,768)	9,954	(22,052)	(22,048)	3,020	2,894	1,042,911	-	1,182,628	3,083	1,185,711

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 2014

(In Singapore dollars)

Group	Share capital $'000	Treasury shares $'000	Revaluation reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Other reserve $'000	Revenue reserve $'000	Reserve of asset classified as held-for-sale $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2012	169,717	(1,768)	19,073	6,039	(26,733)	2,138	-	945,815	-	1,114,281	3,338	1,117,619
Profit for the year	-	-	-	-	-	-	-	64,813	-	64,813	148	64,961
Other comprehensive income												
Currency translation adjustments on foreign operations	-	-	-	-	(1,058)	-	-	-	-	(1,058)	(33)	(1,091)
Changes in fair value of available-for-sale financial assets	-	-	-	15,949	-	-	-	-	-	15,949	159	16,108
Share of other comprehensive income of associates	-	-	-	-	615	-	-	-	-	615	-	615
Other comprehensive income for the financial year, net of tax	-	-	-	15,949	(443)	-	-	-	-	15,506	126	15,632
Total comprehensive income for the financial year	-	-	-	15,949	(443)	-	-	64,813	-	80,319	274	80,593
Contributions by and distributions to owners												
Dividends paid (Note 28)	-	-	-	-	-	-	-	(49,682)	-	(49,682)	-	(49,682)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	(49,682)	-	(49,682)	-	(49,682)
Others												
Reserve attributable to asset held-for-sale	-	-	(9,119)	-	-	-	-	-	9,119	-	-	-
Transfer to statutory reserve fund	-	-	-	-	-	414	-	(414)	-	-	-	-
Total others	-	-	(9,119)	-	-	414	-	(414)	9,119	-	-	-
At 31 March 2013	169,717	(1,768)	9,954	21,988	(27,176)	2,552	-	960,532	9,119	1,144,918	3,612	1,148,530

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 2014

(In Singapore dollars)

Company	Share capital $'000	Treasury shares $'000	Revaluation reserve $'000	Revenue reserve $'000	Reserve of asset classified as held-for-sale $'000	Total equity $'000
At 1 April 2013	169,717	(1,768)	-	120,173	9,119	297,241
Profit for the year, representing total comprehensive income for the financial year	-	-	-	28,346	-	28,346
<u>Contributions by and distributions to owners</u>						
Dividends paid (Note 28)	-	-	-	(33,121)	-	(33,121)
<u>Others</u>						
Realised on disposal of asset held-for-sale (Note 23)	-	-	-	9,119	(9,119)	-
At 31 March 2014	169,717	(1,768)	-	124,517	-	292,466
At 1 April 2012	169,717	(1,768)	9,119	160,351	-	337,419
Profit for the year, representing total comprehensive income for the financial year	-	-	-	9,504	-	9,504
<u>Contributions by and distributions to owners</u>						
Dividends paid (Note 28)	-	-	-	(49,682)	-	(49,682)
<u>Others</u>						
Reserve attributable to asset held-for-sale	-	-	(9,119)	-	9,119	-
At 31 March 2013	169,717	(1,768)	-	120,173	9,119	297,241

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 2014

(In Singapore dollars)	Note	2014 $'000	2013 $'000
Cash flows from operating activities:			
Operating cash flows before changes in working capital			
Operating profit before reinvestment in working capital	(a)	36,735	45,773
Increase in development property		(15,303)	(226,077)
(Increase)/decrease in inventories		(1,110)	65
Decrease in accounts and other receivables		575	1,892
Increase/(decrease) in accounts and other payables		19,315	(3,458)
Cash generated from/(used in) operations		40,212	(181,805)
Interest expense paid		(5,101)	(4,862)
Interest income received		5,534	12,423
Income taxes paid		(10,288)	(20,212)
Net cash flows generated from/(used in) operating activities		30,357	(194,456)
Cash flows from investing activities:			
Purchase of property, plant and equipment	11	(1,542)	(3,197)
Subsequent expenditure on investment properties	12	(7,521)	(154)
Acquisition of additional interest in jointly controlled entities, net of cash acquired	(b)	(24,414)	-
Increase in investments		(96,226)	(3,013)
Repayment by/(loan to) a joint venture partner		31,392	(29,608)
Purchase of short term investments		(64)	(930)
Proceeds from liquidation of associate		673	-
Proceeds from disposal of asset held-for-sale, net		39,460	-
Proceeds from disposal of property, plant and equipment		208	6
Proceeds from disposal of short term investments		59,410	4,341
Proceeds from disposal of available-for-sale investments		58	1,760
Proceeds from loan notes		-	15,248
Investment in an associate		(2,185)	(48,000)
(Increase)/decrease in amounts due from associates		(46,195)	3,586
Additional loans to jointly controlled entities		(2,126)	(1,121)
Dividends received from associates		-	4,900
Dividends received from quoted and unquoted investments		6,990	10,686
Changes in pledged fixed and bank deposits		(4,289)	1,025
Net cash flows used in investing activities		(46,371)	(44,471)
Cash flows from financing activities:			
Drawdown of bank borrowings		10,937	108,570
Repayment of bank borrowings		(16,816)	(11,208)
Dividends paid	28	(33,121)	(49,682)
Net cash flows (used in)/generated from financing activities		(39,000)	47,680
Net decrease in cash and cash equivalents		(55,014)	(191,247)
Effect of exchange rate changes in cash and cash equivalents		1,380	(695)
Cash and cash equivalents at beginning of financial year	22	351,605	543,547
Cash and cash equivalents at end of financial year	22	297,971	351,605

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 2014

(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	2014 $'000	2013 $'000
Profit before taxation		124,820	82,049
Adjustments for:			
(Gain)/deficit from fair value adjustments on investment properties	12	(20,026)	3,931
Interest expense	8	5,101	4,862
Depreciation of property, plant and equipment	11	3,303	3,146
Share of associates' results, net of tax		(21,641)	1,939
Interest and investment income		(12,524)	(23,109)
(Gain)/loss on disposal of property, plant and equipment	7	(204)	10
Inventories written down	7	1,079	993
Write-back of allowance for doubtful debts	7	–	(1)
Property, plant and equipment written off		65	20
(Write-back of)/allowance for obsolete inventories	7	(95)	90
Changes in fair value of short term investments		5,302	(29,553)
Foreign exchange adjustments		(2,971)	2,920
Gain on disposal of asset held-for-sale		(29,559)	–
Loss/(gain) on disposal of short term investments	6	3,060	(1,012)
Gain on disposal of available-for-sale investments		–	(512)
Negative goodwill on acquisition of additional interest in jointly controlled entities	6	(18,975)	–
Operating cash flows before changes in working capital		36,735	45,773

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

(In Singapore dollars)

(b) **Acquisition of additional interest in jointly controlled entities**

The total identifiable net assets of the jointly controlled entities acquired were:

	Note	2014 $'000
Investment properties	12	87,763
Property, plant and equipment	11	32
Accounts and other receivables		739
Cash and bank balances		2,819
		91,353
Accounts and other payables		(2,223)
Amounts due to jointly controlled entities		(4,221)
Bank borrowings		(26,672)
Deferred tax	9(c)	(12,029)
Net identifiable assets		46,208
Negative goodwill on acquisition of additional interest in jointly controlled entities		(18,975)
Purchase consideration		27,233
Less: Cash and cash equivalents of jointly controlled entities acquired		(2,819)
Net cash outflow on acquisition		24,414

On 15 October 2013, the Group's 50% jointly controlled entity, Nordevo Investments Ltd acquired an additional 36.7% interest in its 63.3% owned jointly controlled entity, China East Investment Limited ("CEI"). Consequently, the Group's effective interest in CEI has increased from 31.7% to 50.0%.

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 2014

1. Corporate information

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

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

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

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

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

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

According to the transition provisions of FRS 113 Fair Value Measurement, FRS 113 has been applied prospectively by the Group on 1 April 2013.

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

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interest in Other Entities*	1 January 2014
FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 110, FRS 111 and FRS 112 *Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities*	1 January 2014
FRS 110, FRS 112 and FRS 27 *Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities*	1 January 2014
FRS 36 *Amendments to FRS 36: Recoverable Amount Disclosures for Non-financial Assets*	1 January 2014
FRS 39 *Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
Improvements to FRSs (January 2014)	1 July 2014
Improvements to FRSs (February 2014)	1 July 2014

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

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

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures are effective for financial periods beginning on or after 1 January 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of the arrangement whereas a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

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

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures (cont'd)

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of the equity method to investments in joint ventures in addition to associates.

The Group currently applies proportionate consolidation for its joint ventures and combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. Upon adoption of FRS 111, the Group will equity account for these joint ventures and expects to present its share of the assets and liabilities of these joint ventures as a single line item - being the Group's share of the net assets of the joint ventures. Similarly, the Group's share of each of the income and expenses will be presented as a single line item - being the Group's share of joint ventures' results, net of tax. As compared with the current presentation, assets, liabilities, income and expenses line by line will therefore decrease as disclosed in Note 31 to the financial statements. Comparatives will be restated to that presented under equity accounting.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when applied in 2014.

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

Basis of consolidation from 1 April 2010

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

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

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

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

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

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;

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

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

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

Basis of consolidation from 1 April 2010 (cont'd)

- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Basis of consolidation prior to 1 April 2010

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

- Acquisition of non-controlling interests, prior to 1 April 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 April 2010 were not reallocated between non-controlling interest and the owners of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 April 2010 have not been restated.

(b) *Business combinations*

Business combinations from 1 April 2010

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in the profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

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

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

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

(b) Business combinations (cont'd)

Business combinations from 1 April 2010 *(cont'd)*

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.9. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the profit or loss on the acquisition date.

Business combinations prior to 1 April 2010

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

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

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

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

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

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

2.5 *Transactions with non-controlling interests*

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

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

2.6 *Foreign currency*

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

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and jointly controlled entities and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was 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 except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

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

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

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

2.7 *Property, plant and equipment*

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

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

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

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

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

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

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

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

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

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

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

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

2.8 *Investment properties*

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

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

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

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

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

2.9 *Goodwill*

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to 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 are tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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

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

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

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

2.10 *Impairment of non-financial assets*

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

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

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

Impairment losses of continuing operations are recognised in 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.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Subsidiaries*

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

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

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

2.12 *Associates*

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

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

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

The Group's share of the profit or loss of its associates is based on the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associates.

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

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

The financial statements of the associate are prepared as of the same reporting date as the Company unless it is impractiable to do so.

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

When the financial statements of an associate 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.

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

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

2.13 *Jointly controlled entities*

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

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

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

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

2.14 *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

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

(a) <u>Financial assets at fair value through profit or loss</u>

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

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

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not 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.

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

2.14 *Financial assets (cont'd)*

(b) Loans and receivables

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

(c) Held-to-maturity investments

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

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

(d) Available-for-sale financial assets

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

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

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

Derecognition

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

Regular way purchase or sale of a financial asset

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

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

2.15 *Impairment of financial assets*

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

(a) *Financial assets carried at amortised cost*

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

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

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

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

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

(b) *Financial assets carried at cost*

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

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

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

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit or loss, is transferred from other comprehensive

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

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

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

income and recognised in the profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in the profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

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

2.16 *Cash and cash equivalents*

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

2.17 *Development properties*

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

(a) *Properties under development*

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

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

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

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

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

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

(b) *Properties held-for-sale*

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

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

2.18 *Inventories*

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

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

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

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

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

2.19 *Provisions*

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

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

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 compiled with. Where the grant relates to an income item, it is recognised to the profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

2.21 *Financial liabilities*

Initial recognition and measurement

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

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

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

2.21 *Financial liabilities (cont'd)*

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Financial liabilities at amortised cost

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

Derecognition

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

2.22 *Financial guarantees*

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

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

2.23 *Borrowing costs*

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

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

2.24 *Employee benefits*

(a) *Defined contribution plans*

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

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

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

(b) *Employee leave entitlements*

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

(c) *Long-service benefits*

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

(d) *Profit-sharing bonuses*

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

2.25 *Leases*

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

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

(a) *As lessee*

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

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

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

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

2.25 *Leases (cont'd)*

(b) *As lessor*

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

2.26 *Non-current assets held-for-sale*

Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

2.27 *Revenue*

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

(a) *Sale of goods*

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

(b) *Rental income*

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

(c) *Sale of development property under construction*

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

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

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

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

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

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

2.27 *Revenue (cont'd)*

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

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

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

(d) *Fee and service income*

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

(e) *Dividend income*

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

(f) *Interest income*

Interest income is recognised using the effective interest method.

2.28 *Taxes*

(a) *Current income tax*

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

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

(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.

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

2.28 *Taxes (cont'd)*

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

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

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

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

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

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

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

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

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

(c) *Sales tax*

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

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

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

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

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

2.29 *Segment Reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 *Share capital and share issue expenses*

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

2.31 *Treasury shares*

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

2.32 *Contingencies*

A contingent liability is:

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

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

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

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

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

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

2.33 *Related parties*

A related party is defined as follows:

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

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

   (ii) Has significant influence over the Company; or

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

2.33 *Related parties (cont'd)*

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

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

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

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

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

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

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

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

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

3. *Significant accounting judgments and estimates*

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

3.1 *Judgments made in applying accounting policies*

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

(a) *Impairment of available-for-sale equity investments*

The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgment. In making this judgment, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. There is no impairment loss recognised for available-for-sale financial assets during the financial year (2013: $Nil). The carrying amount of available-for-sale equity investments as at 31 March 2014 was $143,494,000 (2013: $90,002,000). If a decline in fair value below cost was considered significant or prolonged, the Group would have recognised an additional loss of $25,165,000 (2013: $Nil).

(b) *Operating lease commitments – As lessor*

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

3. *Significant accounting judgments and estimates* (cont'd)

3.1 *Judgments made in applying accounting policies (cont'd)*

(c) *Determination of functional currency*

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

(d) *Income taxes*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 March 2014, the carrying amount of the Group's current and deferred tax provisions amounted to $9,168,000 and $96,539,000 (2013: $5,748,000 and $79,091,000) respectively and the carrying amount of the Group's tax recoverable was $190,000 (2013: $269,000).

3.2 *Key sources of estimation uncertainty*

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

(a) *Fair value of financial instruments*

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. The valuation of financial instruments is described in more detail in Note 35.

(b) *Impairment of subsidiaries*

The Company determines whether its investment in subsidiaries and amounts due from subsidiaries are impaired at least on an annual basis. An impairment exists when the investment in subsidiary exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Management has determined the recoverable amount of the investment in subsidiaries based on the underlying net assets of the subsidiaries which are mainly the external market valuation of the underlying investment properties held by the subsidiaries. Any changes in fair value of the investment properties held by these subsidiaries would affect the Group's consolidated income statement. The carrying amount of investment in subsidiaries and amounts due from subsidiaries as at 31 March 2014 was $664,024,000 (2013: $611,199,000).

3. *Significant accounting judgments and estimates* (cont'd)

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

(c) *Impairment of loans and receivables*

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

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

(d) *Revaluation of investment property*

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

The fair values of investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques comprise the Direct Capitalisation Method, the Direct Comparison Method and the Discounted Cash Flow Method.

The determination of the fair values of the investment properties require the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount and key assumptions used to determine the fair value of the investment properties are further explained in Note 35.

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2014

4. Revenue

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

	Note	Group 2014 $'000	Group 2013 $'000
Retail - Sale of goods		128,207	128,792
Property - Rental income and related service income	12	66,059	58,328
		194,266	187,120

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

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

	2014 $'000	2013 $'000
Retail	208,541	210,847
Property	66,059	58,328
	274,600	269,175

Rental income includes contingent rents recognised for the financial year ended 31 March 2014 of $1,382,000 (2013: $1,100,000).

5. Cost of revenue

	Group 2014 $'000	Group 2013 $'000
Retail	118,476	119,392
Property	19,484	10,506
	137,960	129,898

6. Other income including interest income

	Group 2014 $'000	Group 2013 $'000
Interest income from:		
- Loans and receivables	5,534	12,423
Dividends, gross from:		
- Available-for-sale financial assets	3,549	4,923
- Held-for-trading financial assets	3,441	5,763
	6,990	10,686
Net (loss)/gain on financial instruments:		
- Held-for-trading financial assets	(3,060)	1,012
- Available-for-sale financial assets		
• Transferred from equity	-	482
• Realised gain on disposal	-	30
	(3,060)	1,524
Management fee income from associates	857	2,127
Foreign exchange gain	3,495	179
Government grant for refurbishment work	1,483	-
Negative goodwill on acquisition of additional interest in jointly controlled entities	18,975	-
Other rental income	2,544	2,123
Sundry income	2,343	1,863
	39,161	30,925

7. Profit from operating activities

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

	Note	Group 2014 $'000	Group 2013 $'000
Salaries, bonuses and other related costs		32,972	30,414
Contributions to CPF and other defined contribution schemes		2,971	2,886
Provision for long-service benefits		302	45
Staff costs (including Directors' emoluments)		36,245	33,345
Staff costs includes Directors' emoluments as follows:			
Directors' emoluments:			
Directors of the Company			
- Other emoluments		5,535	3,944
- Fees payable		577	484
- Professional fees paid and payable to a company in which a Director has an interest		120	120
Directors of subsidiaries		1,460	1,542
		7,692	6,090
Foreign exchange (gain)/loss			
Included in other income		(3,495)	(179)
Included in general and administrative expenses		86	55
Foreign exchange gain, net		(3,409)	(124)
Depreciation of property, plant and equipment	11	3,303	3,146
Audit fees:			
- Auditors of the Company		474	462
- Other auditors		296	239
Non-audit fees:			
- Auditors of the Company		140	113
- Other auditors		131	123
(Write-back of)/allowance for obsolete inventories	20	(95)	90
Write-back of allowance for doubtful debts, net	21	-	(1)
Property, plant and equipment written off		65	20
(Gain)/loss on disposal of property, plant and equipment		(204)	10
Rental expense		25,388	23,862
Inventories written down	20	1,079	993

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2014 amounting to $1,333,000 (2013: $1,308,000).

7. Profit from operating activities (cont'd)

Presentation of expenses recognised in Consolidated Income Statement based on function is as follows:

	Note	2014 $'000	2013 $'000
Revenue	4	194,266	187,120
Cost of revenue	5	(137,960)	(129,898)
Gross profit		56,306	57,222
Other income		83,444	56,547
General and administrative expenses		(31,470)	(24,919)
Finance costs	8	(5,101)	(4,862)
Share of associates' results, net of tax		21,641	(1,939)
Profit before income tax		124,820	82,049
Taxation	9	(17,928)	(17,088)
Profit for the year		106,892	64,961

8. Finance costs

	Group	
	2014 $'000	2013 $'000
Interest expense on:		
- Bank loans	5,101	4,862

9. Taxation

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

The major components of income tax expense for the financial years ended 31 March 2014 and 2013 are:

Consolidated income statement

	Group	
	2014 $'000	2013 $'000
Current taxation		
- Current income taxation	13,910	10,887
- Over provision in respect of prior financial years	(287)	(1,494)
	13,623	9,393
Deferred taxation		
- Origination and reversal of temporary differences	4,335	7,710
- Over provision in respect of prior financial years	(169)	(46)
	4,166	7,664
Withholding tax	139	31
Income tax expense recognised in the consolidated income statement	17,928	17,088

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	
	2014	**2013**
	$'000	$'000
Profit before taxation	124,820	82,049
Taxation calculated at Singapore statutory income tax rate of 17% (2013: 17%)	21,219	13,948
Expenses not deductible for tax purposes	2,656	2,686
Difference arising from tax rates applicable to foreign entities	4,432	1,882
Income not subject to tax	(8,235)	(1,948)
Unremitted foreign sourced income	1,394	1,393
Utilisation of previously unrecognised tax assets	(211)	(123)
Over provision in respect of prior financial years	(456)	(1,540)
Share of associates' results	(3,679)	330
Withholding tax	139	31
Others	669	429
Taxation expense recognised in the consolidated income statement	17,928	17,088

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

(c) *Deferred tax*

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Balance at beginning of financial year	79,091	71,508	319	320
Exchange adjustments	1,253	(81)	-	-
Charged/(credited) to income statement	4,166	7,664	9	(1)
Arising on acquisition of additional interest in jointly controlled entities	12,029	-	-	-
Balance at end of financial year	96,539	79,091	328	319

The Group's share of jointly controlled entities' deferred tax liability balances amounted to $83,258,000 (2013: $62,136,000) (Note 31).

9. Taxation (cont'd)

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

Deferred tax as at 31 March relates to the following:

	Consolidated statement of financial position		Consolidated income statement		Company statement of financial position	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities						
Differences in depreciation	29,610	26,663	2,546	1,759	-	-
Fair value changes	2,226	6,514	(4,288)	3,695	-	-
Revaluation surplus on investment properties	65,713	46,050	6,735	1,351	-	-
Unremitted foreign sourced income	3,806	3,465	321	330	328	319
	101,355	82,692			328	319
Deferred tax assets						
Deferred income and other deferred tax assets	(4,816)	(3,601)	(1,148)	529	-	-
	96,539	79,091			328	319
Deferred income tax expense			4,166	7,664		

Unrecognised tax losses

A loss-transfer system of Group relief ("group relief system") for companies was introduced in Singapore with effect from Year of Assessment 2003. Under the Group relief system, a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unutilised trade losses and current year unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the assessable income.

There are estimated tax losses and unabsorbed capital allowances amounting to $20,112,000 and $27,000 (2013: $24,706,000 and $27,000) respectively, available for offset against future taxable profits of certain subsidiaries in which $19,420,000 (2013: $20,660,000) is not recognised as deferred tax asset due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Temporary differences relating to investments in subsidiaries and jointly controlled entities

As at the end of the reporting period, the Group has recognised deferred tax liability of $3,478,000 (2013: $3,146,000) for taxes that would be payable on the undistributable earnings of certain of the Group's subsidiaries and jointly controlled entities.

Tax consequences of proposed dividends

There are no further Singapore income tax consequences (2013: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

10. Earnings per share

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

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

	Group	
	2014	**2013**
	$'000	$'000
Profit for the financial year attributable to owners of the Company, used in the computation of basic and diluted earnings per share	106,849	64,813

	No. of shares	**No. of shares**
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	828,036	828,036

As at 31 March 2014, there are no dilutive potential ordinary shares (2013: Nil).

11. Property, plant and equipment

Group **Cost or valuation**	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
At 1 April 2012						
Cost	-	-	320	26,778	1,695	28,793
Valuation	9,210	790	-	-	-	10,000
	9,210	790	320	26,778	1,695	38,793
Exchange adjustments	-	-	-	(1)	-	(1)
Additions	-	-	-	3,197	-	3,197
Disposals/write-offs	-	-	-	(801)	-	(801)
Transfer to asset held-for-sale (Note 23)	(9,210)	(790)	-	-	-	(10,000)
At 31 March 2013 and 1 April 2013						
Cost	-	-	320	29,173	1,695	31,188
Exchange adjustments	-	-	5	11	5	21
Additions	-	-	-	1,542	-	1,542
Acquisition of additional interest in jointly controlled entities	-	-	-	85	4	89
Disposals/write-offs	-	-	-	(3,898)	(416)	(4,314)
At 31 March 2014						
Cost	-	-	325	26,913	1,288	28,526
Accumulated depreciation						
At 1 April 2012	-	49	31	21,229	994	22,303
Charge for 2013	-	50	6	2,827	263	3,146
Disposals/write-offs	-	-	-	(765)	-	(765)
Transfer to asset held-for-sale (Note 23)	-	(99)	-	-	-	(99)
At 31 March 2013 and 1 April 2013	-	-	37	23,291	1,257	24,585
Exchange adjustments	-	-	2	2	4	8
Charge for 2014	-	-	3	3,126	174	3,303
Acquisition of additional interest in jointly controlled entities	-	-	-	55	2	57
Disposals/write-offs	-	-	-	(3,829)	(416)	(4,245)
At 31 March 2014	-	-	42	22,645	1,021	23,708
Net book value						
At 31 March 2013	-	-	283	5,882	438	6,603
At 31 March 2014	-	-	283	4,268	267	4,818

11. Property, plant and equipment (cont'd)

Company **Cost or valuation**	**Freehold land** $'000	**Freehold buildings** $'000	**Plant, equipment, furniture and fittings** $'000	**Motor vehicles** $'000	**Total** $'000
At 1 April 2012					
Cost	-	-	1,828	915	2,743
Valuation	9,210	790	-	-	10,000
	9,210	790	1,828	915	12,743
Additions	-	-	9	-	9
Disposals	-	-	(52)	-	(52)
Transfer to asset held-for-sale (Note 23)	(9,210)	(790)	-	-	(10,000)
At 31 March 2013 and 1 April 2013					
Cost	-	-	1,785	915	2,700
Additions	-	-	8	-	8
Disposals	-	-	(17)	(415)	(432)
At 31 March 2014					
Cost	-	-	1,776	500	2,276
Accumulated depreciation					
At 1 April 2012	-	49	1,781	504	2,334
Charge for 2013	-	50	23	169	242
Disposals	-	-	(52)	-	(52)
Transfer to asset held-for-sale (Note 23)	-	(99)	-	-	(99)
At 31 March 2013 and 1 April 2013	-	-	1,752	673	2,425
Charge for 2014	-	-	20	100	120
Disposals	-	-	(17)	(415)	(432)
At 31 March 2014	-	-	1,755	358	2,113
Net book value					
At 31 March 2013	-	-	33	242	275
At 31 March 2014	-	-	21	142	163

Share of property, plant and equipment in jointly controlled entities

As at 31 March 2014, the Group's share of property, plant and equipment in jointly controlled entities amounted to $628,000 (2013: $596,000) (Note 31).

12. Investment properties

	Note	Group 2014 $'000	Group 2013 $'000
Statement of Financial Position:			
Balance at 1 April		533,871	550,194
Subsequent expenditure		7,521	154
Adjustment to fair value		20,026	(3,931)
Acquisition of additional interest in jointly controlled entities		87,763	-
Exchange adjustments		4,737	(12,546)
Balance at 31 March		653,918	533,871
Consolidated Income Statement:			
Rental and related service income from investment properties	4	66,059	58,328
Direct operating expenses (including repairs and maintenance and refurbishment) arising from rental generating properties		(19,164)	(10,371)

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

Name of building	Description	Tenure of land	Name of valuer	Valuation method	Fair value 2014 $'000	Fair value 2013 $'000
GIE Tower, Guangzhou	Part of a 7-storey shopping podium & 35-storey office tower along Huan Shi Dong Road, Guangzhou	50 years' lease from 18 October 1994 (30 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	98,890	97,100
Metro Tower, Shanghai	60% of a 26-storey office tower, along Tianyaoqiao Road, Xuhui District, Shanghai	50 years' lease from 22 February 1993 (29 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	113,274	109,380
Metro City, Shanghai	60% of a 9-storey entertainment centre along ZhaoJiaBang Road, Xuhui District, Shanghai	36 years' lease from 13 April 1993 (15 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation	137,512	143,040
Lakeville Regency, Shanghai	Flat No. 2702, No. 5 The Lakeville Regency, Lane 168, Shun Chang Road, Luwan District, Shanghai	64 years' lease from 20 April 2007 (57 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	5,603	5,480

12. Investment properties (cont'd)

Name of building	Description	Tenure of land	Name of valuer	Valuation method	Fair value 2014 $'000	Fair value 2013 $'000
Fu Yuan Hui, Shanghai	60% of Flat No. 2302, Foundation Garden No. 1 Lane 168, Nandan East Road, Xuhui District, Shanghai	70 years' lease from 12 June 2001 (57 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	470	459
EC Mall	50% (2013: 31.65%) of a 6-storey, 4-basement retail mall along Danleng Street, Zhongguancun West Area, Haidian District, Beijing	50 years' lease from 13 May 2001 (37 years remaining)	DTZ Debenham Tie Leung Limited	Income approach and direct comparison method	241,865	112,117
Frontier Koishikawa Building	A 9-storey office building, located in the Bunkyo District, Tokyo	Freehold	Daiwa Real Estate Appraisal Co. Ltd	Direct capitalisation and discounted cash flow method	56,304	66,295
					653,918	533,871

Valuation of investment properties

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

Details of valuation techniques and input used are disclosed in Note 35.

Properties pledged as security

Investment properties amounting to $397,059,000 (2013: $275,512,000) are pledged as security for bank loans (Note 24(a), (b) and (c)). Under the terms and conditions of the loans, the Group is restricted from disposing of these investment properties or subjecting them to further charges.

Share of investment properties in jointly controlled entities

As at 31 March 2014, the Group's share of investment properties in jointly controlled entities amounted to $493,121,000 (2013: $364,996,000) (Note 31).

Restrictions on investment property

As at the end of the reporting period, an investment property amounting to $137,512,000 (2013: $143,040,000) is subject to restrictions on the lease, pledge and transfer of title in accordance with the prevailing laws in the People's Republic of China.

13. Subsidiaries

	Company 2014 $'000	Company 2013 $'000
Unquoted equity shares, at cost	21,828	21,828
Impairment losses	(4,038)	(4,038)
Carrying amount of investments	17,790	17,790

Details of subsidiaries are shown in Note 37.

Movement in impairment loss is as follows:

	Company 2014 $'000	Company 2013 $'000
Balance at beginning of financial year	4,038	4,654
Write-back for the year	-	(616)
Balance at end of financial year	4,038	4,038

In the previous financial year, an impairment loss of $616,000 was written back to the statement of comprehensive income, subsequent to an assessment performed on the recoverable amount of the investments in subsidiaries.

14. Amounts due from subsidiaries

	Company 2014 $'000	Company 2013 $'000
Amounts due from subsidiaries	674,031	622,180
Impairment losses	(27,797)	(28,771)
	646,234	593,409

Movement in impairment loss is as follows:

	Company 2014 $'000	Company 2013 $'000
Balance at beginning of financial year	28,771	30,146
Write-back for the year	(974)	(1,375)
Balance at end of financial year	27,797	28,771

Amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest free, except for $180,564,000 (2013: $91,527,000) which bear interest ranging from 1.50% to 4.50% (2013: 1.15% to 2.47%) per annum. These are considered quasi-equity in nature and are expected to be settled in cash.

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

In the current financial year, a reversal of impairment loss of $974,000 (2013: $1,375,000) was recognised in the Company's income statement subsequent to a debt recovery assessment performed on amounts due from subsidiaries as at 31 March 2014.

15. Associates

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	64,454	54,730	500	500
Share of post-acquisition reserves	20,318	1,497	-	-
Share of changes recognised directly in associate's equity	2,894	-	-	-
Foreign currency translation reserve	(2,632)	1,111	-	-
	85,034	57,338	500	500

Details of the associates are shown in Note 37.

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

	Group	
	2014	**2013**
	$'000	$'000
Assets and liabilities:		
Total assets	570,187	257,361
Total liabilities	(485,153)	(200,023)
Results:		
Revenue	40,238	47,364
Cost of revenue	(37,650)	(40,744)
Gross profit	2,588	6,620
Other income including interest income	5,005	5,373
Negative goodwill on acquisition	4,965	-
Gain/(deficit) from fair value adjustments on investment properties	27,259	(4,799)
Goodwill written off	-	(821)
General and administrative expenses	(7,025)	(7,400)
Profit/(loss) from operating activities	32,792	(1,027)
Finance costs	(3,629)	(2,536)
Profit/(loss) from operations before taxation	29,163	(3,563)
Taxation	(7,522)	1,624
Profit/(loss) net of taxation	21,641	(1,939)

Share of revenue of the associates reported on a gross transaction basis, which represents the value of the overall activity of the associates based on the gross value achieved by the concessionaire on the sale, is $87,862,000 (2013: $105,178,000).

16. Amounts due from associates

	Group	
	2014	**2013**
	$'000	$'000
Amounts due from associates	114,050	72,448

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

17. Amounts due from jointly controlled entities

	Group	
	2014	**2013**
	$'000	$'000
Amounts due from jointly controlled entities	460	2,555

The amounts due from jointly controlled entities are interest bearing at 8% per annum (2013: interest-free), unsecured and are not expected to be repaid within the next financial year. These amounts due from jointly controlled entities are considered quasi-equity in nature and are expected to be settled in cash.

18. Investments

	Group	
	2014	**2013**
	$'000	$'000
Current:		
Financial assets at fair value through profit and loss		
Held-for-trading investments		
Shares (quoted)	31,583	99,291
Non-current:		
Available-for-sale investments		
Shares (unquoted), at cost	-	54
Shares (unquoted), at fair value	16,635	11,331
Shares (quoted)	126,859	78,617
	143,494	90,002

Investments pledged as security

In the previous financial year, the Group's investment in quoted shares amounting to $26,060,000 was pledged as security for bank loans (Note 24(a)). Under the terms and conditions of the bank facilities, the Group is restricted from disposing those investments or subjecting them to further changes without furnishing a security of similar value. The loans were fully repaid during the year.

19. Development property

	Group	
	2014	**2013**
	$'000	$'000
Leasehold land, at cost	213,033	206,520
Development costs	28,347	19,557
	241,380	226,077

During the financial year, borrowing costs of $1,335,000 (2013: $2,148,000) arising from borrowings obtained specifically for the development property were capitalised under "Development costs". The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 1.20% to 1.27% (2013: 1.27% to 1.35%), which are interest rates of the specific borrowings relating to the development property.

The property under development has been pledged as security for bank loans (Note 24 (d)).

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

Description and location	**Tenure of land**	**Site area (square metre)**	**Stage of development (expected completion date)**	**Interest held by the Group**	
				2014	**2013**
				%	%
Condominium development comprising of 4 blocks of 5-storey and 3 blocks of 24-storey residential buildings at Prince Charles Crescent, Singapore	99 years' lease from 21 December 2012 (98 years remaining)	23,785	11% (Late 2016)	40	40

As at 31 March 2014, the Group's share of development property in jointly controlled entities amounted to $241,380,000 (2013: $226,077,000) (Note 31).

20. Inventories

	Note	Group 2014 $'000	Group 2013 $'000
Consolidated Statement of Financial Position:			
Inventories held for resale (at cost or net realisable value)		15,047	14,826
Raw materials (at cost)		56	151
Total inventories at lower of cost and net realisable value		15,103	14,977
Inventories are stated after deducting allowance for obsolete inventories of		653	748
Balance at 1 April		748	658
Charged to the consolidated income statement	7	(95)	90
Balance at 31 March		653	748
Consolidated Income Statement:			
Inventories recognised as an expense in cost of sales		62,428	64,862
Inventories recognised as an expense in cost of sales is inclusive of the following charge:			
- Inventories written down	7	1,079	993
- (Write-back of)/allowance for obsolete inventories	7	(95)	90

21. Accounts and other receivables

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Current					
Trade receivables	(a)	6,661	6,339	–	–
Deposits	(b)	6,563	8,089	149	149
Other receivables					
- Recoverables and sundry debtors	(c)	2,778	1,926	2,578	32
		16,002	16,354	2,727	181
Non-current					
Amounts due from subsidiaries	14	-	-	646,234	593,409
Amounts due from associates	16	114,050	72,448	-	-
Amounts due from jointly controlled entities	17	460	2,555	-	-
Other receivable	(d)	-	29,981	-	-
Total receivables (current and non-current)		130,512	121,338	648,961	593,590
Add: Pledged fixed and bank deposits	22	39,271	34,982	–	–
Cash and cash equivalents	22	297,971	351,605	6,112	35,355
Total loans and receivables		467,754	507,925	655,073	628,945

21. Accounts and other receivables (cont'd)

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

The Group's share of jointly controlled entities' trade receivables balances amounted to $6,011,000 (2013: $4,131,000) (Note 31).

(a) *Receivables that are impaired*

As at 31 March 2014, the Group has trade receivables amounting to $243,000 (2013: $372,000) 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	
	2014	**2013**
	$'000	$'000
Individually impaired		
Trade receivables – nominal amounts	9	9
Less: Allowance for impairment	(9)	(9)
	-	-
Movement in allowance for doubtful debts is as follows:		
Balance at 1 April	9	2,199
Write-back to the income statement	-	(1)
Bad debts written off	-	(2,189)
Balance at 31 March	9	9

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.

In the previous financial year, a reversal of impairment loss of $1,000 was recognised in the consolidated income statement subsequent to a debt recovery assessment performed on trade and other receivables.

(b) *Deposits*

The Group's share of jointly controlled entities' deposits amounted to $Nil (2013: $4,324,000) (Note 31).

(c) *Other current receivables*

The Group's share of jointly controlled entities' other receivables amounted to $839,000 as at 31 March 2014 (2013: $727,000) (Note 31).

(d) *Other non-current receivable*

The unsecured loan comprised of a loan extended to a joint venture partner. The Chinese Renminbi denominated loan was interest-bearing at 10% per annum and was repaid in full during the financial year.

21. Accounts and other receivables (cont'd)

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

	Group	
	2014	**2013**
	$'000	$'000
United States dollar	97	4,286
Chinese renminbi	7,571	6,262
Japanese yen	338	251
Hong Kong dollar	2	-
	8,008	10,799

22. Cash and cash equivalents

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Fixed deposits	232,187	311,926	4,510	32,038
Cash on hand and at bank	105,055	74,661	1,602	3,317
Total cash and bank balances	337,242	386,587	6,112	35,355
Less: Fixed and bank deposits pledged as security	(39,271)	(34,982)	-	-
Cash and cash equivalents	297,971	351,605	6,112	35,355

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 0.01% to 3.30% (2013: 0.03% to 3.50%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.4% (2013: 0.4%) per annum.

Fixed deposits of $33,774,000 (2013: $33,687,000) and bank deposits of $5,497,000 (2013: $1,295,000) have been pledged to financial institutions as security for bank loans (Note 24).

The Group's share of jointly controlled entities' cash and bank balances as at the financial year end amounted to $65,417,000 (2013: $53,670,000) (Note 31).

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
United States dollar	51,709	14,059	179	1,341
Chinese renminbi	126,956	93,067	-	-
Japanese yen	3,058	3,244	-	-
Hong Kong dollar	2	2	-	-
	181,725	110,372	179	1,341

23. Asset held-for-sale

In the previous financial year, asset held-for-sale of $9,901,000 represents the Group's and the Company's carrying value of a freehold property, which was reclassified from property, plant and equipment (Note 11) as the property had been marketed for sale. During the financial year, the disposal of the freehold property at a consideration of $39,800,000 was completed, resulting in a gain on disposal of $29,559,000, net of transactions cost amounting to $340,000, as well as a direct transfer of $9,119,000 from reserve of asset classified as held-for-sale to the revenue reserve.

24. Bank borrowings

	Note	Group 2014 $'000	Group 2013 $'000
Current			
Bank revolving credit facilities, denominated in:			
- Hong Kong dollar, secured	(a)	-	11,379
- Japanese yen, secured	(b)	25,529	27,226
Share of jointly controlled entities' Chinese Renminbi-denominated bank loans, secured	(c)	6,969	3,260
		32,498	41,865
Non-current			
Bank loans, denominated in Japanese yen	(b)	39,045	43,098
Share of jointly controlled entities' bank loans, denominated in:			
- Chinese Renminbi, secured	(c)	63,825	43,315
- Singapore dollar, secured	(d)	119,507	108,570
		222,377	194,983
Maturity of bank borrowings			
Repayable			
Within 1 year		32,498	41,865
After 1 year but within 5 years		222,377	86,413
More than 5 years		-	108,570
		254,875	236,848

(a) In the previous financial year, the Hong Kong dollar denominated revolving credit facility bore interest at rates ranging from 1.76% to 2.16% per annum. Those bank loans were secured by charges over an investment property of $97,100,000 (Note 12), investments of $26,060,000 (Note 18) and a pledge over 100% of the issued share capital of subsidiaries, namely Metrobilt Enterprise Ltd and Guangzhou International Electronics Building Co Ltd. The loans were fully repaid during the year.

(b) The Japanese yen denominated revolving credit facilities and loans bear interest at rates ranging from 2.39% to 2.42% (2013: 2.42% to 2.45%) per annum. These bank loans are secured by charges over an investment property of $56,304,000 (2013: $66,295,000) (Note 12), fixed deposits of $33,774,000 (2013: $33,687,000) (Note 22) and a pledge over 50.1% of the issued preference share capital of a subsidiary owned by Bunkyo Property Pte Ltd. The loans were refinanced in April 2013 and are due for full repayment by 2016.

(c) Chinese Renminbi denominated loans amounting to $70,794,000 (2013: $46,575,000) (Note 31) are secured against jointly controlled entities' investment property of $241,865,000 (2013: $112,117,000) (Note 12) and $5,497,000 in bank deposits (2013: $1,295,000) (Note 22) and bear interest at 6.21% (2013: 6.21% to 6.69%). The loans are due in 2015 with an exercisable option for a two year extension.

24. Bank borrowings (cont'd)

(d) Singapore dollar denominated loans amounting to $119,507,000 (2013: $108,570,000) (Note 31) are secured by a first legal mortgage over a jointly controlled entity's property under development (Note 19) and assignment of all rights and benefits with respect to the development project. The bank loans bear interest at rates ranging from 1.20% to 1.27% (2013: 1.27% to 1.35%). The loans are due for full repayment by 2018 or 24 months after the date of issuance of Temporary Occupation Permit, whichever is earlier.

25. Accounts and other payables

		Group		Company	
	Note	**2014**	**2013**	**2014**	**2013**
		$'000	$'000	$'000	$'000
Financial liabilities					
Current					
Trade payables		17,733	14,206	–	–
Other payables					
- Sundry creditors		48,937	30,918	675	1,490
- Accruals		11,816	16,188	7,194	5,357
- Refundable deposits		13,485	14,667	–	–
		91,971	75,979	7,869	6,847
Non-current					
Amounts due to subsidiaries		–	–	372,049	352,935
Total accounts and other payables (current and non-current)		91,971	75,979	379,918	359,782
Add: Total bank borrowings	24	254,875	236,848	–	–
Total financial liabilities carried at amortised cost		346,846	312,827	379,918	359,782
Non-financial liabilities					
Non-current					
Deferred income		6,326	779	–	–

25. Accounts and other payables (cont'd)

Trade payables

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

Other payables

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

The Group's share of jointly controlled entities' accounts and other payables as at 31 March 2014 amounted to $51,074,000 (2013: $38,019,000) (Note 31).

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

	Group	
	2014	**2013**
	$'000	$'000
United States dollar	1,162	2,543
Chinese renminbi	51,343	40,871
Sterling pound	300	277
Hong Kong dollar	109	31
Euro	27	53
Japanese yen	1,804	2,129
	54,745	45,904

26. Share capital and treasury shares

(a) ***Share capital***

	Group and Company			
	2014		**2013**	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
Ordinary shares				
Balance at beginning and end of the financial year	831,549	169,717	831,549	169,717

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

26. Share capital and treasury shares (cont'd)

(b) ***Treasury shares***

	Group and Company			
	2014		2013	
	No. of shares '000	$'000	No. of shares '000	$'000
Balance at beginning and end of the financial year	3,513	1,768	3,513	1,768

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

27. Reserves

		Group		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Revenue reserve		1,042,911	960,532	124,517	120,173
Revaluation reserve	(a)	9,954	9,954	–	–
Foreign currency translation reserve	(b)	(22,048)	(27,176)	–	–
Statutory reserve	(c)	3,020	2,552	–	–
Fair value reserve	(d)	(22,052)	21,988	–	–
Other reserve	(e)	2,894	–	–	–
		1,014,679	967,850	124,517	120,173

(a) ***Revaluation reserve***

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

The revaluation reserve as at 31 March 2014 of $9,954,000 (2013: $9,954,000) relates to fair value adjustments on acquisition of jointly controlled entities relating to previously held interest.

(b) ***Foreign currency translation reserve***

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

27. Reserves (cont'd)

(c) ***Statutory reserve***

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

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

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

(e) ***Other reserve***

Other reserve comprises the share of other reserves of associates.

28. Dividends

	Group and Company	
	2014	**2013**
	$'000	$'000
Dividends paid during the financial year:		
Final exempt (one-tier) dividend of 2.0 cents per ordinary share for 2013 (2012: 2.0 cents)	16,561	16,561
Final special exempt (one-tier) dividend of 2.0 cents per ordinary share for 2013 (2012: 4.0 cents)	16,560	33,121
	33,121	49,682
Dividends proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final exempt (one-tier) dividend of 2.0 cents (2013: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend of 4.0 cents (2013: 2.0 cents) per ordinary share	33,121	16,560
	49,682	33,121

29. Commitments

(i) *Capital commitments*

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

	Group	
	2014	2013
	$'000	$'000
Capital commitments in respect of investment in available-for-sale financial assets	3,101	7,076
Capital commitments in respect of investment in loans and receivables	–	43,619

(ii) *Operating lease commitments*

(a) *As lessee*

The Group leases certain properties under non-cancellable lease arrangements which do not have any purchase options and expire at various dates till 2017. All leases include a clause to enable upward revision of the rental charge on a periodic basis, based on prevailing market conditions. The future minimum rentals under these non-cancellable leases are:

	Group	
	2014	2013
	$'000	$'000
Not later than one year	27,582	16,698
Later than one year but not later than five years	97,405	12,182
Later than five years	9,624	–
	134,611	28,880

(b) *As lessor*

The Group has entered into commercial property leases on its property portfolio. These non-cancellable leases have remaining lease terms of between 1 and 11 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:

Not later than one year	50,642	42,829
Later than one year but not later than five years	92,917	76,615
Later than five years	15,748	19,059
	159,307	138,503

30. Contingent liabilities

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Financial support given to certain subsidiaries, associates and jointly controlled entities having deficiencies in shareholders' funds	16,927	10,489	41,631	36,351

31. Jointly controlled entities

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

	Note	Group's share	
		2014	**2013**
		$'000	$'000
Assets			
Property, plant and equipment	11	628	596
Investment properties	12	493,121	364,996
Investments		–	54
Loans to jointly controlled entities	17	460	2,555
Development property	19	241,380	226,077
Prepayments		40	–
Trade receivables	21	6,011	4,131
Deposits	21(b)	–	4,324
Other receivables	21(c)	839	727
Cash and bank balances	22	65,417	53,670
		807,896	657,130
Liabilities			
Bank borrowings	24	(190,301)	(155,145)
Accounts and other payables	25	(51,074)	(38,019)
Provision for taxation		(2,726)	(2,877)
Deferred tax liabilities	9	(83,258)	(62,136)
		(327,359)	(258,177)
Net assets		480,537	398,953

31. Jointly controlled entities (cont'd)

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

	Group's share	
	2014	**2013**
	$'000	$'000
Income statement		
Revenue	55,087	47,710
Direct operating expenses	(16,969)	(8,055)
Property income	38,118	39,655
Other income including interest income	22,514	2,197
Gain/(deficit) from fair value adjustments on investment properties	24,834	(293)
General and administrative expenses	(3,804)	(3,070)
Profit from operating activities	81,662	38,489
Finance costs	(3,748)	(3,003)
Profit from operations before taxation	77,914	35,486
Taxation	(14,897)	(9,556)
Profit net of taxation	63,017	25,930

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

32. 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	
	2014	**2013**
	$'000	$'000
Interest income from an associate	(2,968)	(2,926)
Management fee received from associates	(857)	(2,127)
Rental income from a company in which a Director has an interest *	(179)	(169)
Corporate advisory fee paid to a company that is controlled by a Director	120	120

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

(b) *Compensation of key management personnel*

	Group	
	2014	**2013**
	$'000	$'000
Salary, bonus and other benefits	9,463	6,983
Contributions to CPF	54	49
Total compensation paid to key management personnel	9,517	7,032
Comprise amounts paid to:		
Directors of the Company	5,599	3,997
Other key management personnel	3,918	3,035
	9,517	7,032

33. Segment information

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

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

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

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

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

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

Business segments

	Property	Retail	Inter-segment eliminations	Total
	$'000	$'000	$'000	$'000
2014				
Sales to external customers	66,059	128,207	–	194,266
Inter-segment sales	32	–	(32)	–
Segment revenue	66,091	128,207	(32)	194,266
Segment results	89,266	4,290	–	93,556
Finance costs	(5,101)	–	–	(5,101)
Changes in fair value of short term investments	(5,302)	–	–	(5,302)
Gain from fair value adjustments on investment properties	20,026	–	–	20,026
Share of associates' results, net of tax	20,384	1,257	–	21,641
Segment profit before taxation	119,273	5,547	–	124,820
Taxation	(17,225)	(703)	–	(17,928)
Profit for the year	102,048	4,844	–	106,892

33. Segment information (cont'd)

Business segments (cont'd)

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

33. Segment information (cont'd)

Business segments (cont'd)

	Property	Retail	Total
	$'000	$'000	$'000
Assets and liabilities			
2014			
Segment assets	1,369,999	75,317	1,445,316
Investment in associates	188,737	10,347	199,084
Tax recoverable	190	–	190
Total assets	1,558,926	85,664	1,644,590
Segment liabilities	325,715	27,457	353,172
Provision for taxation	6,992	2,176	9,168
Deferred taxation	96,268	271	96,539
Total liabilities	428,975	29,904	458,879
Other segment information			
Additions to non-current assets			
- Property, plant and equipment	177	1,365	1,542
- Investment properties	7,521	–	7,521
	7,698	1,365	9,063
Interest expense	5,101	–	5,101
Interest income	(5,408)	(126)	(5,534)
Depreciation of property, plant and equipment	284	3,019	3,303
Other material non-cash items			
Inventories written down	–	1,079	1,079
Fair value loss on held-for-trading investments (unrealised)	5,302	–	5,302
Gain on disposal of asset held-for-sale	(29,559)	–	(29,559)
Gain from fair value adjustments on investment properties	(20,026)	–	(20,026)
Write-back of allowance for obsolete inventories	–	(95)	(95)

33. Segment information (cont'd)

Business segments (cont'd)

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

33. Segment information (cont'd)

Geographical information

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

	Singapore	People's Republic of China	Japan	Others	Group
	$'000	$'000	$'000	$'000	$'000
2014					
Segment revenue from external customers	128,207	62,733	3,326	–	194,266
Non-current assets					
- Property, plant and equipment	4,179	639	–	–	4,818
- Investment properties	–	597,614	56,304	–	653,918
- Investment in associates	–	75,122	–	9,912	85,034
	4,179	673,375	56,304	9,912	743,770
2013					
Segment revenue from external customers	128,792	54,793	3,535	–	187,120
Non-current assets					
- Property, plant and equipment	6,003	600	–	–	6,603
- Investment properties	–	467,576	66,295	–	533,871
- Investment in associates	–	50,254	–	7,084	57,338
	6,003	518,430	66,295	7,084	597,812

34. 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 (2013: 1 to 3 months) from the end of the reporting period.

Sensitivity analysis for interest rate risk

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

	Increase/ decrease in basis points	**2014** $'000	**2013** $'000
Group			
- Singapore dollar	+100	(1,195)	(1,086)
- Chinese renminbi	+100	(708)	(466)
- Hong Kong dollar	+100	–	(114)
- Japanese yen	+100	(646)	(703)
- Singapore dollar	-100	1,195	1,086
- Chinese renminbi	-100	708	466
- Hong Kong dollar	-100	–	114
- Japanese yen	-100	646	703

34. Financial risk management objectives and policies (cont'd)

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

Sensitivity analysis for foreign currency risk

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

		2014		2013	
		Profit before tax	Equity	Profit before tax	Equity
		$'000	$'000	$'000	$'000
RMB	- strengthened 5% (2013: 5%)	620	2,406	966	1,505
	- weakened 5% (2013: 5%)	(620)	(2,406)	(966)	(1,505)
USD	- strengthened 5% (2013: 5%)	2,532	4,037	567	4,050
	- weakened 5% (2013: 5%)	(2,532)	(4,037)	(567)	(4,050)
HKD	- strengthened 5% (2013: 5%)	472	6,343	773	3,931
	- weakened 5% (2013: 5%)	(472)	(6,343)	(773)	(3,931)

(c) ***Credit risk***

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

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

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

34. Financial risk management objectives and policies (cont'd)

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

Credit risk concentration profile

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

	Singapore	People's Republic of China/ Hong Kong	Japan	Others	Total
	$'000	$'000	$'000	$'000	$'000
By country:					
At 31 March 2014					
Loans and receivables					
Amounts due from associates (Note 16)	–	111,758	–	2,292	114,050
Amounts due from jointly controlled entities (Note 17)	–	460	–	–	460
Accounts and other receivables (Note 21)	8,006	7,644	352	–	16,002
Pledged fixed and bank deposits (Note 22)	–	5,497	33,774	–	39,271
Cash and cash equivalents (Note 22)	138,422	156,295	3,254	–	297,971
Total	146,428	281,654	37,380	2,292	467,754
At 31 March 2013					
Loans and receivables					
Amounts due from associates (Note 16)	–	67,168	–	5,280	72,448
Amounts due from jointly controlled entities (Note 17)	–	2,555	–	–	2,555
Accounts and other receivables (Note 21)	5,532	40,537	266	–	46,335
Pledged fixed and bank deposits (Note 22)	-	1,295	33,687	-	34,982
Cash and cash equivalents (Note 22)	245,000	103,291	3,314	-	351,605
Total	250,532	214,846	37,267	5,280	507,925

34. Financial risk management objectives and policies (cont'd)

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

Credit risk concentration profile (cont'd)

Of the total financial assets of $467,754,000 (2013: $507,925,000) disclosed above, 90.2% (2013: 91.6%) 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 creditworthy debtors with good payment record with the Group. Cash and cash equivalents and investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with no history of default.

Financial assets that are either past due or impaired

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

(d) ***Liquidity risk***

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

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

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.

34. Financial risk management objectives and policies (cont'd)

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

Group	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2014				
Financial assets:				
Accounts and other receivables	16,002	–	–	16,002
Amounts due from jointly controlled entities	–	478	–	478
Amounts due from associates	–	65,940	48,110	114,050
Pledged deposits	39,271	–	–	39,271
Cash and cash equivalents	297,971	–	–	297,971
Total undiscounted financial assets	353,244	66,418	48,110	467,772
Financial liabilities:				
Accounts and other payables	91,971	–	–	91,971
Bank borrowings	39,296	228,371	–	267,667
Total undiscounted financial liabilities	131,267	228,371	–	359,638
Total net undiscounted financial assets/ (liabilities)	221,977	(161,953)	48,110	108,134
2013				
Financial assets:				
Accounts and other receivables	19,352	34,478	–	53,830
Amounts due from jointly controlled entities	–	2,555	–	2,555
Amounts due from associates	–	62,486	9,962	72,448
Pledged deposits	34,982	–	–	34,982
Cash and cash equivalents	351,605	–	–	351,605
Total undiscounted financial assets	405,939	99,519	9,962	515,420
Financial liabilities:				
Accounts and other payables	75,979	–	–	75,979
Bank borrowings	47,214	96,943	108,913	253,070
Total undiscounted financial liabilities	123,193	96,943	108,913	329,049
Total net undiscounted financial assets/ (liabilities)	282,746	2,576	(98,951)	186,371

34. Financial risk management objectives and policies (cont'd)

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

	1 year or less	1 to 5 years	Total
Company	$'000	$'000	$'000
2014			
Financial assets:			
Accounts and other receivables	2,727	–	2,727
Amounts due from subsidiaries	6,215	655,652	661,867
Cash and cash equivalents	6,112	–	6,112
Total undiscounted financial assets	15,054	655,652	670,706
Financial liabilities:			
Trade and other payables	7,869	–	7,869
Amounts due to subsidiaries	–	372,049	372,049
Total undiscounted financial liabilities	7,869	372,049	379,918
Total net undiscounted financial assets	7,185	283,603	290,788
2013			
Financial assets:			
Accounts and other receivables	181	–	181
Amounts due from subsidiaries	826	599,832	600,658
Cash and cash equivalents	35,355	–	35,355
Total undiscounted financial assets	36,362	599,832	636,194
Financial liabilities:			
Trade and other payables	6,847	–	6,847
Amounts due to subsidiaries	–	352,935	352,935
Total undiscounted financial liabilities	6,847	352,935	359,782
Total net undiscounted financial assets	29,515	246,897	276,412

34. Financial risk management objectives and policies (cont'd)

(e) ***Market price risk***

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

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.

	2014		2013	
	Profit before tax	**Equity**	**Profit before tax**	**Equity**
	$'000	$'000	$'000	$'000
HSI				
- 10% higher	693	12,686	766	7,862
- 10% lower	(693)	(12,686)	(766)	(7,862)
STI				
- 10% higher	2,465	–	9,163	–
- 10% lower	(2,465)	–	(9,163)	–

35. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

35. 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:

	2014 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant un-observable inputs (Level 3)**	**Total**
	$'000	$'000	$'000	
Group				
Recurring fair value measurements				
Financial assets:				
Held-for-trading financial assets (Note 18)				
- Quoted equity instruments	31,583	–	–	31,583
Available-for-sale financial assets (Note 18)				
Equity instruments				
- Quoted equity instruments	126,859	–	–	126,859
- Unquoted equity instruments	–	–	16,635	16,635
Total available-for-sale financial assets	126,859	–	16,635	143,494
Financial assets as at 31 March 2014	158,442	–	16,635	175,077
Non-financial assets:				
Investment properties	–	–	653,918	653,918
Non-financial assets as at 31 March 2014	–	–	653,918	653,918

There have been no transfers between Level 1, Level 2 and Level 3 during 2014 and 2013.

35. Fair value of assets and liabilities (cont'd)

(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.

(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 2014** $'000	**Valuation techniques**	**Key unobservable inputs**	**Range**
Recurring fair value measurements				
Available-for-sale financial assets:				
- Unquoted equity instruments	16,635	Net asset value[1]	Not applicable	Not applicable
Investment properties	653,918	Direct captalisation method, direct comparison method and/or discounted cash flow method[2]	Capitalisation rate	1.75% to 16.00%
			Discount rate	4.8%
			Terminal capitalisation rate	5.2%

[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.

The valuations of the investment properties are generally sensitive to changes in yield and rental rates. A significant increase/decrease in yield and rental adjustments based on management's assumptions would result in a significantly higher/lower fair value measurement.

Management considers that changing one or more of the significant unobservable inputs used to other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

35. 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):

	2014		
	Available-for-sale financial assets (Unquoted equity instruments)	**Investment properties**	**Total**
	$'000	$'000	$'000
Group			
Opening balance	11,331	533,871	545,202
Total gains or losses for the period			
- Fair value gain recognised in profit or loss	–	20,026	20,026
- Fair value gain recognised in other comprehensive income	703	–	703
Additions			
- Purchases	4,428	–	4,428
- Subsequent expenditure	–	7,521	7,521
Exchange differences	173	4,737	4,910
Arising from acquisition of additional interest in jointly controlled entities	–	87,763	87,763
Closing balance	16,635	653,918	670,553

(iii) *Valuation policies and procedures*

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

35. Fair value of assets and liabilities (cont'd)

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

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

		Group				Company			
		Carrying amount		Fair value		Carrying amount		Fair value	
	Note	2014	2013	2014	2013	2014	2013	2014	2013
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets:									
Amounts due from subsidiaries (non-current) [1]									
- non interest-bearing	14	–	–	–	–	465,670	501,882	(ii)	(ii)
Amounts due from associates (non-current)									
- non interest-bearing	16	114,050	72,448	(ii)	(ii)	–	–	–	–
Amounts due from jointly controlled entities (non-current)									
- Fixed rate [2]	17	460	–	467	–	–	–	–	–
- non interest-bearing	17	–	2,555	–	(ii)	–	–	–	–
Unquoted shares	18	–	54	–	(i)	–	–	–	–
Other receivable									
- Fixed rate [2]	21	–	29,981	–	31,755	–	–	–	–
Financial liabilities:									
Amounts due to subsidiaries (non-current) [1]									
- non interest-bearing	25	–	–	–	–	372,049	352,935	(ii)	(ii)

[1] The interest-bearing amounts due from/(to) subsidiaries have been excluded as they are charged at floating interest rates and their carrying amounts approximate their fair values.

[2] The fixed rate amounts due from jointly controlled entities and other receivable are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

35. Fair value of assets and liabilities (cont'd)

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

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

(ii) The amounts due from/(to) subsidiaries, associates and jointly controlled entities 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.

36. Capital management policy

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2013 and 31 March 2014.

As disclosed in Note 27(c), a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 March 2013 and 31 March 2014.

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

37. Subsidiaries, associates and jointly controlled entities

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

	Group	
	2014	**2013**
	$'000	$'000
Name of company		
Metro (Private) Limited	8,914	8,914
Orchard Square Development Corporation Pte Ltd	7,576	7,576
Metrobilt Pte Ltd	4,038	4,038
Metro Australia Holdings Pte Ltd	1,000	1,000
Meren Pte Ltd	300	300
Metro China Holdings Pte Ltd	*	*
Sun Capital Assets Pte Ltd	*	*
Metro Holdings (Japan) Pte Ltd	*	*
Metro Development Holdings (S) Pte Ltd	*	*
	21,828	21,828

* Cost is $2.

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

Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2014 %	2013 %
Held by the Company			
Retailers and department store operators			
Metro (Private) Limited (Singapore)	Singapore	100.0	100.0
Property			
Orchard Square Development Corporation Pte Ltd (Singapore)	Singapore	100.0	100.0

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

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2014 %	2013 %
	Held by the Company (cont'd)			
	Investment holding			
	Metrobilt Pte Ltd (Singapore)	Singapore	100.0	100.0
	Metro China Holdings Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Australia Holdings Pte Ltd (Singapore)	Singapore	100.0	100.0
	Sun Capital Assets Pte Ltd (Singapore)	Singapore	100.0	100.0
	Metro Holdings (Japan) Pte Ltd (Singapore)	Singapore	100.0	100.0
(2)	Metro Development Holdings (S) Pte Ltd (Singapore)	Singapore	100.0	–
	Investment trading			
	Meren Pte Ltd (Singapore)	Singapore	100.0	100.0
	Held by subsidiaries			
	Retailers and department store operators			
	The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	100.0
	Property			
+ (1)	Guangzhou International Electronics Building Co Ltd (People's Republic of China)	People's Republic of China	100.0	100.0
+	Zensei Tokutei Mokuteki Kaisha (Japan)	Japan	100.0	100.0

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

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2014 %	2013 %
	Held by subsidiaries (cont'd)			
	Investment holding			
	Metro Xinjiang Investments Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Properties (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Leisure (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Shanghai (HQ) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+	Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0
+ (1)	Metrobilt Enterprise Ltd (Hong Kong)	People's Republic of China	100.0	100.0
+	MetroProp (China) (Mauritius)	People's Republic of China	94.0	94.0
	Metro City (Beijing) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+	Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0
Ω	Firewave Management Limited (British Virgin Islands)	People's Republic of China	100.0	100.0
	Metro Prop Japan Pte Ltd (Singapore)	Singapore	100.0	100.0
	Kowa Property Pte Ltd (Singapore)	Singapore	100.0	100.0
	Bunkyo Property Pte Ltd (Singapore)	Japan	100.0	100.0
(2)	Metro Prop Singapore Pte Ltd (Singapore)	Singapore	100.0	–

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

	Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2014 %	2013 %
	Held by subsidiaries (cont'd)			
	Management service consultants			
	Metrobilt Construction Pte Ltd (Singapore)	Singapore	100.0	100.0
Ω	Zensei Leasing GK (Japan)	Japan	100.0	100.0
	Dormant companies			
	Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0
+	Metro Factory Outlet (Malaysia) Sdn Bhd (Malaysia)	Malaysia	100.0	100.0

	Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2014 %	2013 %
	Retailers and department store operators			
+	PT Metropolitan Retailmart (Indonesia)	Indonesia	50.0	50.0
	Property			
&	Etika Cekap Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Gurney Plaza Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
+	Nanchang Top Spring Real Estate Co., Ltd (People's Republic of China)	People's Republic of China	30.0	30.0

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

	Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2014 %	2013 %
	Investment holding			
	Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0
&	China Infrastructure Group Limited (British Virgin Islands)	People's Republic of China	50.0	50.0
&	Diamond Wind Company Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
&	Choice Bright Holdings Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
&	Barlo Development Company Limited (British Virgin Islands)	People's Republic of China	33.3	33.3
&	Shine Rise International Limited (British Virgin Islands)	People's Republic of China	30.0	-

	Jointly controlled entities (Country of incorporation)	Place of business	Percentage of equity held by the Group 2014 %	2013 %
	Property			
&	Wingcrown Investment Pte. Ltd. (Singapore)	Singapore	40.0	40.0
+@	Shanghai Metro City Commercial Management Co. Ltd (formerly known as Shanghai Metro City Cultural and Entertainment Co Ltd) (People's Republic of China)	People's Republic of China	60.0	60.0
+@	Shanghai Huimei Property Co Ltd (People's Republic of China)	People's Republic of China	60.0	60.0
#	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	50.0	50.0
	Held through jointly controlled entity			
#	China East Investment Limited (Hong Kong)	People's Republic of China	50.0	31.7

37. Subsidiaries, associates and jointly controlled entities (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 jointly controlled entities in proportion to their respective capital contributions but have contractual joint control of the jointly controlled entities.

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

(2) Incorporated during the financial year.

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

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

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

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

These significant foreign incorporated jointly controlled entities are audited by other firm which is considered a suitable auditing firm as it is one of the big four audit firms.

38. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on 20 June 2014.

Statistics of Shareholdings

As at 9 June 2014

Number of fully issued and paid 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

DISTRIBUTION OF SHAREHOLDERS AND SIZE OF SHAREHOLDINGS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD
1.	ENG KUAN COMPANY PTE LTD	133,555,636
2.	NGEE ANN DEVELOPMENT PTE LTD	82,995,056
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	58,721,677
4.	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	55,733,828
5.	DYNAMIC HOLDINGS PTE LTD	48,293,203
6.	LEROY SINGAPORE PTE LTD	47,758,905
7.	DBS NOMINEES PTE LTD	31,311,556
8.	ONG SIOE HONG	21,211,182
9.	GAN TENG SIEW REALTY SDN BHD	20,846,796
10.	BNP PARIBAS SECURITIES SERVICES PTE LTD	16,009,853
11.	UNITED OVERSEAS BANK NOMINEES PTE LTD	13,485,355
12.	PHILLIP SECURITIES PTE LTD	9,716,573
13.	LEE YUEN SHIH	8,998,200
14.	HL BANK NOMINEES (SINGAPORE) PTE LTD	8,741,984
15.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,435,653
16.	MORPH INVESTMENTS LTD	8,110,600
17.	HSBC (SINGAPORE) NOMINEES PTE LTD	7,367,804
18.	SHAW VEE KING	6,499,000
19.	DBSN SERVICES PTE LTD	6,043,887
20.	COMO HOLDINGS INC	4,804,800
	TOTAL :	598,641,548

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 9 JUNE 2014

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	362	6.24	115,442	0.01
1,000 - 10,000	2,385	41.11	14,029,096	1.70
10,001 - 1,000,000	3,009	51.87	161,330,818	19.48
1,000,001 AND ABOVE	45	0.78	652,560,518	78.81
TOTAL :	5,801	100.00	828,035,874	100.00

Note:
Percentage computed based on 828,035,874 shares in issue (excluding shares held as treasury shares) as at 9 June 2014. Treasury shares as at 9 June 2014 are 3,512,800 shares.

Substantial Shareholders

As at 9 June 2014

Name	No of shares Direct Interest	No of shares Deemed Interest
Jopie Ong Hie Koan (Note 1)	-	285,047,743
Eng Kuan Company Private Limited (Note 2)	133,555,636	55,439,999
Dynamic Holdings Pte Ltd	48,293,203	-
Leroy Singapore Pte Ltd	47,758,905	-
Ong Jen Yaw (Note 3)	70,540	215,503,049
Ong Ling Ling (Note 4)	75,360	48,293,203
Ong Jenn (Note 4)	63,360	48,293,203
Ong Ching Ping (Note 4)	63,360	48,293,203
Ong Sek Hian (Wang ShiXian) (Note 4)	63,360	48,293,203
Ngee Ann Development Pte Ltd	82,995,056	-
Ngee Ann Kongsi (Note 5)	-	82,995,056
Takashimaya Co Limited (Note 6)	-	82,995,056

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

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

Note 3 - Mr Ong Jen Yaw's deemed interest is held through Eng Kuan Company Private Limited and Citibank Nominees Singapore Pte Ltd. Mr Ong Jen Yaw is deemed to be interested in the shares of the Company through his interests in Eng Kuan Company Private Limited.

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

Note 5 - Ngee Ann Kongsi is deemed to be interested in the shares of the Company through its interests in Ngee Ann Development Pte Ltd.

Note 6 - Takashimaya Co Limited is deemed to be interested in the shares of the Company through its interests in Ngee Ann Development Pte Ltd.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on the Register of Shareholders, and to the best knowledge of the Company, the percentage of shareholding held in the hands of public as at 9 June 2014 is approximately 48.98% of the total issued shares, excluding treasury shares. Therefore, the Company complies with Rule 723 of the Listing Manual.

TREASURY SHARES

As at 9 June 2014, the number of treasury shares held is 3,512,800 representing 0.42 % of the total number of issued shares excluding treasury shares.

Notice of Annual General Meeting and Notice of Books Closure Date

NOTICE IS HEREBY GIVEN that the Forty-First Annual General Meeting of the Company will be held at Hilton Singapore, Ballroom 1, Level 3, 581 Orchard Road, Singapore 238883 on 24 July 2014 at 10.30 a.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 March 2014 and the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare the payment of a first and final tax exempt (one tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2014. **(Resolution 2)**
3. To declare the payment of a special tax exempt (one tier) dividend of 4.0 cents per ordinary share for the year ended 31 March 2014. **(Resolution 3)**
4. To re-appoint Mr Phua Bah Lee, who is retiring under Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. [refer to explanatory note (a)] **(Resolution 4)**
5. To re-appoint Lt-Gen (Retd) Winston Choo Wee Leong, who is retiring under Section 153(6)of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. [refer to explanatory note (b)] **(Resolution 5)**
6. To re-appoint Mr Jopie Ong Hie Koan, who is retiring under Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. [refer to explanatory note (c)] **(Resolution 6)**
7. To re-elect Mr Tan Soo Khoon, a Director retiring pursuant to Article 94 of the Company's Articles of Association. [refer to explanatory note (d)] **(Resolution 7)**
8. To approve the Directors' Fees of $557,000 for the year ended 31 March 2014. (2013: $464,000). **(Resolution 8)**
9. To re-appoint Ernst & Young LLP as the Company's Auditor and to authorise the Directors to fix their remuneration. **(Resolution 9)**

SPECIAL BUSINESS

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

10. SHARE ISSUE MANDATE

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

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

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

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

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

PROVIDED THAT:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

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

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

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [refer to explanatory note (e)] **(Resolution 10)**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 1 August 2014 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 and the special tax-exempt (one-tier) dividend of 4.0 cents per ordinary share for the financial year ended 31 March 2014 (the **"Proposed Dividends"**).

Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5:00 p.m. on 31 July 2014 will be registered before shareholders' entitlements to the Proposed Dividends are determined.

Shareholders (being Depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5:00 p.m. on 31 July 2014 will rank for the Proposed Dividends.

The Proposed Dividends, if approved at the Forty-First Annual General Meeting of the Company to be held on 24 July 2014, will be paid on 11 August 2014.

By Order of the Board
Tan Ching Chek and Lee Chin Yin
Joint Company Secretaries

Singapore
8 July 2014

Notice of Annual General Meeting and Notice of Books Closure Date

Explanatory notes:

(a) Mr Phua Bah Lee, if re-appointed, will continue to serve as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. Mr Phua Bah Lee is considered by the Board of Directors as an Independent Director. For more information on Mr Phua Bah Lee, please refer to the "Board of Directors" and "Corporate Governance" sections in the Annual Report 2014.

(b) Lt-Gen (Retd) Winston Choo Wee Leong, if re-appointed, will continue to serve as the Chairman of the Board, Chairman of the Nominating Committee and a member of the Remuneration Committee. Lt-Gen (Retd) Winston Choo Wee Leong, is considered by the Board of Directors as an Independent Director. For more information on Lt-Gen (Retd) Winston Choo Wee Leong, please refer to the "Board of Directors" and "Corporate Governance" sections in the Annual Report 2014.

(c) Mr Jopie Ong Hie Koan, the Group Managing Director, if re-appointed, will continue to serve as the Group Managing Director and a member of the Nominating Committee. For more information on Mr Jopie Ong Hie Koan, please refer to the "Board of Directors" and "Corporate Governance" sections in the Annual Report 2014.

(d) Mr Tan Soo Khoon is considered by the Board of Directors as an Independent Director. For more information on Mr Tan Soo Khoon, please refer to the "Board of Directors" and "Corporate Governance" sections in the Annual Report 2014.

(e) The proposed ordinary resolution 10 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares in the Company up to the limits as specified in the resolution for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

Notice of Annual General Meeting and Notice of Books Closure Date

Notes:

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

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

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

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

METRO HOLDINGS LIMITED

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

ANNUAL GENERAL MEETING
PROXY FORM

Important

CPF Investors

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

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 July 2014.

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

of (Address) ____

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

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Forty-First Annual General Meeting of the Company (the "Meeting") to be held at Hilton Singapore, Ballroom 1, Level 3, 581 Orchard Road, Singapore 238883 on 24 July 2014 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions	For	Against
1	To adopt the Directors' Reports and Audited Financial Statements		
2	To declare First and Final Dividend		
3	To declare Special Dividend		
4	To re-appoint Mr Phua Bah Lee pursuant to Section 153(6) of Companies Act, Chapter 50 of Singapore		
5	To re-appoint Lt-Gen (Retd) Winston Choo Wee Leong pursuant to Section 153(6) of Companies Act, Chapter 50 of Singapore		
6	To re-appoint Mr Jopie Ong Hie Koan pursuant to Section 153(6) of Companies Act, Chapter 50 of Singapore		
7	To re-elect Mr Tan Soo Khoon, a Director retiring under Article 94 of the Articles of Association		
8	To approve Directors' Fees		
9	To re-appoint Ernst & Young LLP as Auditor and authorise the directors to fix their remuneration		
	SPECIAL BUSINESS		
10	To approve the Share Issue Mandate		

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

Date this ____________ day of ____________ 2014

Total Number of Shares held in:	

____

Signature(s) of Members(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES:

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

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

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

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

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

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

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

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

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

General:

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

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www.metroholdings.com.sg

METRO HOLDINGS LIMITED
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