IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be (i) a U.S. person (as defined in Regulation S under the Securities Act (as defined below)) or (ii) located within the United States ("**U.S.**"). The attached information memorandum is being sent at your request and by accepting this e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described therein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Metro Holdings Ltd, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Metro Holdings Ltd or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Metro Holdings Ltd in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

METRO HOLDINGS LTD

(Incorporated in the Republic of Singapore on 22 September 1973)
(UEN/Company Registration No. 197301792W)

S$1,000,000,000
Multicurrency Debt Issuance Programme
(the "Programme")

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") and perpetual securities (the "**Perpetual Securities**" and, together with the Notes, the "**Securities**") to be issued from time to time by Metro Holdings Ltd (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Securities on, the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Securities. Unlisted Securities may also be issued under the Programme. The relevant Pricing Supplement (as defined herein) in respect of any Series (as defined herein) will specify whether or not such Securities will be listed, and if so, which exchange(s) the Securities are to be listed on.

Arranger

DBS

TABLE OF CONTENTS

NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Securities. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Securities, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Issuer, and there are no other facts the omission of which in the context of the Programme or the issue and offering of the Securities would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with, or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear (as defined herein) and Clearstream, Luxembourg (as defined herein) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, CDP or a common depositary for Euroclear and Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S$1,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the Programme and the issue, offer or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme and the issue of the Securities may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Securities in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and include Securities in bearer form that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arranger or any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any series of Securities, one or more Dealers named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Securities and 60 days after the date of the allotment of the relevant series of Securities. Any stabilisation action will be conducted in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or publicly announced unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein).

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities and distribution of this Information Memorandum set out under the section "Subscription, Purchase and Distribution" on pages 196 to 200 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective investors should pay attention to the risk factors set out in the section titled "Risk Factors".

Notification under Section 309B of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Markets in Financial Instruments Directive II

The Pricing Supplement in respect of any Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Packaged Retail Investment and Insurance Products – Prohibition of Sales to Retail Investors

If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under the section "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of the Issuer, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The agency agreement dated 4 October 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent, CDP transfer agent and CDP registrar, (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent, non-CDP transfer agent and non-CDP registrar, and (4) the Trustee, as trustee, as amended, restated or supplemented from time to time.
"**Arranger**"	:	DBS Bank Ltd.
"**Bearer Securities**"	:	Securities in bearer form.
"**Business Day**"	:	In respect of each Security, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**CDP Registrar**"	:	Deutsche Bank AG, Singapore Branch.
"**Certificate**"	:	A registered certificate representing one or more Registered Securities of the same Series being substantially in the form set out in Part II of Schedule 1 or, as the case may be, Part II of Schedule 5 of the Trust Deed and, save as provided in the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.

"**Clearstream, Luxembourg**"	:	Clearstream Banking S.A. and includes a reference to its successors and assignors.
"**Common Depositary**"	:	In relation to a Series of Securities, a depositary common to Euroclear and Clearstream, Luxembourg.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	(i) In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and (ii) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Perpetual Securities" as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.

"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Security**"	:	A definitive Bearer Security being substantially in the form set out in Part 1 of Schedule 1 or, as the case may be, Part I of Schedule 5 to the Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue.
"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**EU**"	:	European Union.
"**Euro**"	:	The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**Euroclear**"	:	Euroclear Bank SA/NV and includes a reference to its successors and assignors.
"**FY**"	:	Financial year ended or ending 31 March.
"**Global Certificate**"	:	A global Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) the Common Depositary, (ii) the Depository and/or (iii) any other clearing system, being substantially in the form set out in Schedule 4 or, as the case may be, Schedule 8 to the Trust Deed.
"**Global Security**"	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon.
"**Group**"	:	The Issuer and its subsidiaries.
"**Issuer**"	:	Metro Holdings Ltd.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**IRAS**"	:	Inland Revenue Authority of Singapore.
"**km**"	:	Kilometres.
"**Latest Practicable Date**" or "**LPD**"	:	26 September 2018.
"**MAS**"	:	The Monetary Authority of Singapore.

"Non-CDP Paying Agent"	:	Deutsche Bank AG, Hong Kong Branch.
"Non-CDP Registrar"	:	Deutsche Bank AG, Hong Kong Branch.
"Noteholders"	:	The holders of the Notes.
"Notes"	:	The notes issued or to be issued by the Issuer under the Programme.
"Paying Agents"	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Notes and Coupons.
"Permanent Global Security"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security, being substantially in the form set out in Schedule 3 or, as the case may be, Schedule 7 to the Trust Deed.
"Perpetual Securities"	:	The perpetual securities issued or to be issued by the Issuer under the Programme.
"Perpetual Securityholders"	:	The holders of the Perpetual Securities.
"PRC"	:	The People's Republic of China.
"Pricing Supplement"	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
"Principal Paying Agent"	:	Deutsche Bank AG, Singapore Branch.
"Programme"	:	The S$1,000,000,000 Multicurrency Debt Issuance Programme of the Issuer.
"Programme Agreement"	:	The programme agreement dated 4 October 2018 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) DBS Bank Ltd., as dealer, as amended, restated or supplemented from time to time.
"Securities"	:	The Notes and the Perpetual Securities.
"Securities Act"	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
"Securityholders"	:	The Noteholders and the Perpetual Securityholders.
"Senior Perpetual Securities"	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer.

"Series"	:	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest or (in the case of Perpetual Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Shares"	:	Ordinary shares in the capital of the Issuer.
"sq ft"	:	Square feet.
"sq m"	:	Square metres.
"Subordinated Perpetual Securities"	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
"subsidiary"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"Talons"	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
"TARGET System"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"Temporary Global Security"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 or, as the case may be, Schedule 6 to the Trust Deed.
"Tranche"	:	Securities which are identical in all respects (including as to listing).
"Trust Deed"	:	The trust deed dated 4 October 2018 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, restated or supplemented from time to time.
"Trustee"	:	DB International Trust (Singapore) Limited.

"**UK**"	:	United Kingdom.
"**United States**" or "**U.S.**"	:	United States of America.
"**VAT**"	:	Value-added tax.
"**RMB**" or "**Renminbi**"	:	Renminbi, the lawful currency of the People's Republic of China.
"**RP**" or "**Rupiah**"	:	Indonesian Rupiah, the lawful currency of Indonesia.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, the lawful currency of Singapore.
"**US$**" or "**US dollars**"	:	United States dollars, the lawful currency of the United States.
"**£**" or "**GBP**"	:	Pound Sterling, the lawful currency of the United Kingdom.
"**%**"	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Lt-Gen (Retd) Winston Choo Wee Leong Mr Phua Bah Lee Mr Gerald Ong Chong Keng Mrs Fang Ai Lian Mr Tan Soo Khoon Mr Lawrence Chiang Kok Sung Ms Deborah Lee Siew Yin
Company Secretaries	:	Ms Tan Ching Chek Ms Eve Chan Bee Leng
Registered Office	:	391A Orchard Road, #19-00 Tower A, Ngee Ann City Singapore 238873
Independent Auditors to the Issuer	:	Ernst & Young LLP North Tower Level 18 One Raffles Quay Singapore 048583
Arranger and Dealer of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Trustee, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Principal Paying Agent and CDP Registrar	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent and Non-CDP Registrar	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Trustee for the Securityholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Metro Holdings Ltd.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch.
Description	:	S$1,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S$1,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the Programme Agreement.
Purpose	:	Net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes of the Group, including without limitation, financing investments, acquisitions and capital expenditure, refinancing of existing borrowings and general working capital requirements of the Issuer or its subsidiaries, joint ventures and associates or such other purposes as may be specified in the relevant Pricing Supplement.

Non-Disposal Covenant	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or the Senior Perpetual Securities remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in the Trust Deed) will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 7.3 of the Trust Deed, is substantial in relation to its assets or those of the Group, taken as a whole, or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 7.3 of the Trust Deed: (i) any disposal made in the ordinary course of business of the disposing entity (which shall include the acquisition or divestment of any real properties) on normal commercial terms and on an arm's length basis; (ii) any disposal of assets which are obsolete, excess or no longer required for the purposes of its business; (iii) any disposal of assets in exchange for other assets comparable or superior as to type, value and quality (such value to be based on the valuation provided by a reputable independent professional valuer); (iv) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis; (v) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity; (vi) any disposal of assets from one Principal Subsidiary to the Issuer or another Principal Subsidiary; and (vii) any disposal approved by the Securityholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

NOTES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Tenor	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).

Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein.
		Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.

Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depositary.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption upon Cessation or Suspension of Trading of Shares at the option of Noteholders	:	In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of any Noteholder, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the Effective Date. For the purposes of this paragraph: (1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of 10 market days; and (2) "**market day**" means a day on which the SGX-ST is open for securities trading.

Redemption for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(j) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.
Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 4(c) of the Notes) will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

(i) any liens arising in the ordinary course of its business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 30 days (after any applicable binding grace period granted in writing) or (2) is being contested in good faith and by appropriate means;

(ii) any security existing as at the date of the Trust Deed over any of its assets and the existence of which has been disclosed in writing to the Trustee on or prior to the date of the Trust Deed (but, except with the prior approval of the Noteholders by way of an Extraordinary Resolution, the principal, capital or nominal amount secured by any such security may not be increased) and any security created after the date of the Trust Deed over such assets in connection with the refinancing of the indebtedness secured by such existing asset (provided that the principal amount of such refinancing shall not exceed the original principal amount of the indebtedness being refinanced);

(iii) (1) any security on or over any of its assets acquired, renovated, refurbished, developed or redeveloped by it after the date of the Trust Deed (in the case of a renovation, refurbishment, development or redevelopment of such asset, including such asset which is in the process of being renovated, refurbished, developed or redeveloped as at the date of the Trust Deed) for the sole purpose of financing or refinancing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment, development or redevelopment and (2) any security over such asset in connection with the extension, refinancing or increase in the credit facilities secured by such asset, provided that, in each case, the amount secured by such security shall not at any time exceed (a) (in the case of an acquisition of assets) 80 per cent. of the current market value of such asset acquired at such time (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee) or (b) (in the case of a renovation, refurbishment, development or redevelopment of its existing assets) the cost of such renovation, refurbishment, development or redevelopment;

(iv) any pledge of goods, the related documents of title and/or other related documents arising or created in the ordinary course of its business as security only for indebtedness to a bank or financial institution directly relating to the goods or documents on or over which that pledge exists;

(v) any security created by way of a floating charge on or over their respective assets for the purpose of securing working capital facilities granted in the ordinary course of business;

(vi) any netting and set-off arrangements arising in the ordinary course of the Group's banking arrangements;

(vii) any security created over assets provided that the carried value of all assets of the Group secured at any time, as determined from the latest financial statements of the Group (other than security permitted under Clauses 7.1.1 to 7.1.6 of the Trust Deed and Clauses 7.1.8 to 7.1.9 of the Trust Deed) shall not exceed in aggregate 25 per cent. of the Consolidated Tangible Net Worth (as defined in the Trust Deed) of the Group (or its equivalent in any other currency or currencies) at that time;

(viii) any security created to secure the performance by it of bids, tenders or maintenance of performance bonds and/or bank guarantees issued in the ordinary course of its business;

(ix) any security created after the date of the Trust Deed over assets for the sole purpose of securing the revolving credit facilities granted pursuant to the facility agreement dated 1 October 2018 entered into between (1) the Issuer, as borrower, and (2) DBS Bank Ltd., as lender, and the facility agreement dated 1 October 2018 entered into between (1) the Issuer, as borrower, and (2) The Hongkong and Shanghai Banking Corporation Limited, as lender; and

(x) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

Financial Covenants : The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$800,000,000;

(ii) the ratio of Consolidated Net Debt (as defined in the Trust Deed) to Consolidated Tangible Net Worth shall not at any time exceed 1.5:1; and

		(iii) the ratio of Consolidated Secured Debt (as defined in the Trust Deed) to Consolidated Total Assets (as defined in the Trust Deed) shall not at any time exceed 0.6:1.
Events of Default	:	See Condition 10 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

PERPETUAL SECURITIES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).

Method of Issue	:	Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Perpetual Securities may be issued at par or at a discount, or premium, to par.
No Fixed Maturity	:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.
Distribution Basis	:	Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities	:	Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).

Distribution Discretion	:	If Optional Payment is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in Condition 4(II)(a) of the Perpetual Securities) by giving notice to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date. If Dividend Pusher is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred: (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations (as defined in Condition 4(IV)(a)(A) of the Perpetual Securities) or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations (as defined in Condition 4(IV)(a)(B) of the Perpetual Securities); or (ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration, in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as specified in the applicable Pricing Supplement.

Non-Cumulative Deferral and Cumulative Deferral	:	If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis. If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full. If Additional Distribution is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment	:	If Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of its subsidiaries shall: (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations, in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities	:	The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Perpetual Securities, a Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.
Custody of the Perpetual Securities	:	Perpetual Securities which are to be listed on the SGX-ST may be cleared through CDP. Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depositary.
Status of the Senior Perpetual Securities	:	The Senior Perpetual Securities and Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in Condition 3(b)(i) of the Perpetual Securities) of the Issuer.

Subordination of the Subordinated Perpetual Securities	:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up (as defined in Condition 9(b) of the Perpetual Securities) of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of, and distribution and any amounts in respect of, the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
Set-off in relation to the Subordinated Perpetual Securities	:	Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
Redemption at the Option of the Issuer	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) (if any) to (but excluding) the date fixed for redemption.

Redemption for Taxation Reasons	:	If so provided on the face of the Perpetual Securities and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(a) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(b) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement; and

(b) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.
Redemption for Tax Deductibility	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), if: (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of: (a) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date; (b) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(c) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Redemption upon Cessation or Suspension of Trading of Shares : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation/ Suspension of Trading Event.

		For the purposes of the above paragraph: (1) a "**Cessation/Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days; and (2) "**market day**" means a day on which the SGX-ST is open for securities trading.
Limited right to institute proceedings in relation to Perpetual Securities	:	The right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Proceedings for Winding-Up	:	If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer, (ii) the Issuer fails to make payment of any principal or premium payable by it under any of the Perpetual Securities when due or (iii) the Issuer fails to make payment of any distribution or any other amount payable by it under any of the Perpetual Securities (other than principal or premium) when due and such default continues for a period of three business days after the due date (each an "**Enforcement Event**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.
Taxation	:	All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.
Listing	:	Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.

		If the application to the SGX-ST to list a particular Series of Perpetual Securities is approved, for so long as such Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.
Governing Law	:	The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, and not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the "**Trust Deed**") dated 4 October 2018 made between (1) Metro Holdings Ltd (the "**Issuer**"), as issuer, and (2) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended or supplemented from time to time, the "**Deed of Covenant**") dated 4 October 2018, relating to the Notes cleared or to be cleared through the CDP System (as defined in the Trust Deed) ("**CDP Notes**") executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") dated 4 October 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent in respect of CDP Notes (in such capacity, the "**Principal Paying Agent**") and registrar and transfer agent in respect of CDP Notes (in such capacity, the "**CDP Registrar**"), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Notes cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Notes**") (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**") and registrar and transfer agent in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Registrar**" and, together with the CDP Registrar and any other transfer agents that may be appointed, the "**Transfer Agents**"), and (4) the Trustee, as trustee for the Noteholders. The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Paying Agent, and (b) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar, and (unless the context otherwise requires) all such references shall be construed accordingly. Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown hereon. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or any such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the

Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency

Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and registrations and issues of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge, Financial Covenants and Other Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

(i) any liens arising in the ordinary course of its business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 30 days (after any applicable binding grace period granted in writing) or (2) is being contested in good faith and by appropriate means;

(ii) any security existing as at the date of the Trust Deed over any of its assets and the existence of which has been disclosed in writing to the Trustee on or prior to the date of the Trust Deed (but, except with the prior approval of the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed), the principal, capital or nominal amount secured by any such security may not be increased) and any security created after the date of the Trust Deed over such assets in connection with the refinancing of the indebtedness secured by such existing asset (provided that the principal amount of such refinancing shall not exceed the original principal amount of the indebtedness being refinanced);

(iii) (1) any security on or over any of its assets acquired, renovated, refurbished, developed or redeveloped by it after the date of the Trust Deed (in the case of a renovation, refurbishment, development or redevelopment of such asset, including such asset which is in the process of being renovated, refurbished, developed or redeveloped as at the date of the Trust Deed) for the sole purpose of financing or refinancing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment, development or redevelopment and (2) any security over such asset in connection with the extension, refinancing or increase in the credit facilities secured by such asset, provided that, in each case, the amount secured by such security shall not at any time exceed (i) (in the case of an acquisition of assets) 80 per cent. of the current market value of such asset acquired at such time (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee) or (ii) (in the case of a renovation, refurbishment, development or redevelopment of its existing assets) the cost of such renovation, refurbishment, development or redevelopment;

(iv) any pledge of goods, the related documents of title and/or other related documents arising or created in the ordinary course of its business as security only for indebtedness to a bank or financial institution directly relating to the goods or documents on or over which that pledge exists;

(v) any security created by way of a floating charge on or over their respective assets for the purpose of securing working capital facilities granted in the ordinary course of its business;

(vi) any netting and set-off arrangements arising in the ordinary course of the Group's (as defined in the Trust Deed) banking arrangements;

(vii) any security created over assets provided that the carried value of all assets of the Group secured at any time, as determined from the latest financial statements of the Group (other than security permitted under Conditions 4(a)(i) to (vi) and Conditions 4(a)(viii) to 4(a)(ix)) shall not exceed in aggregate 25 per cent. of the Consolidated Tangible Net Worth (as defined below) of the Group (or its equivalent in any other currency or currencies) at that time;

(viii) any security created to secure the performance by it of bids, tenders or maintenance of performance bonds and/or bank guarantees issued in the ordinary course of its business;

(ix) any security created after the date of the Trust Deed over assets for the sole purpose of securing the revolving credit facilities granted pursuant to the facility agreement dated 1 October 2018 entered into between (1) the Issuer, as borrower, and (2) DBS Bank Ltd., as lender, and the facility agreement dated 1 October 2018 entered into between (1) the Issuer, as borrower, and (2) The Hongkong and Shanghai Banking Corporation Limited, as lender; and

(x) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$800,000,000;

(ii) the ratio of Consolidated Net Debt to Consolidated Tangible Net Worth shall not at any time exceed 1.5:1; and

(iii) the ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time exceed 0.6:1.

For the purposes of these Conditions:

(1) "**Consolidated Net Debt**" means Consolidated Total Debt less pledged fixed bank deposits (which are given as collateral to secure any bank borrowings) and cash and cash equivalents, all as shown in the latest audited or unaudited consolidated balance sheet of the Group;

(2) "**Consolidated Secured Debt**" means, at any particular time, the portion of Consolidated Total Liabilities secured by any security interest over any asset of the Group;

(3) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (without double counting):

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(B) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, revaluation reserves and profit and loss account) of the Group on a consolidated basis;

all as shown in the then latest audited or unaudited consolidated balance sheet of the Group but after:

(I) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraphs (A) and (B) above of the Group since the date of the latest audited or unaudited consolidated balance sheet of the Group;

(II) excluding any sums set aside for future taxation; and

(III) deducting:

(aa) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited or unaudited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(bb) all goodwill and other intangible assets; and

(cc) any debit balances on consolidated profit and loss account;

(4) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore;

(5) "**Consolidated Total Debt**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (without double counting):

(A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group; and

(6) "**Consolidated Total Liabilities**" means the aggregate of Consolidated Total Debt plus, insofar as not already taken into account, all other liabilities of the Group calculated in accordance with generally accepted accounting principles in Singapore, including:

(A) current creditors, proposed dividends and other distributions to shareholders and taxation payable within 12 months;

(B) the principal amount raised by acceptances under any acceptance credit in favour of any member of the Group;

(C) the face amount of any bills of exchange (other than cheques) or other instruments upon which any member of the Group is liable as drawer, acceptor or endorser;

(D) all actual and contingent liabilities of whatsoever nature of any member of the Group including, without limitation, the maximum premium payable on a redemption of any debenture or other indebtedness of any member of the Group and all actual and contingent liabilities of any other person (including the value of any shares and the principal amount of any debentures of any person) to the extent that such liabilities, shares or debentures are directly or indirectly guaranteed or secured by or are, directly or indirectly, the subject of an indemnity given by, or with a right of recourse against, any member of the Group;

(E) the aggregate of the principal amounts outstanding under all agreements or transactions entered into by any member of the Group for leasing, hire purchase, conditional sale or purchase on deferred terms, or provision of funds in support of obligations of third parties and similar transactions in relation to any property, and any other amounts due to creditors other than current creditors; and

(F) amounts standing to the credit of any deferred tax account or tax equalisation reserve,

provided that no liabilities shall be included in a calculation of Consolidated Total Liabilities more than once.

For the avoidance of doubt, for the purposes of these definitions, any perpetual securities issued by the Issuer or any other member of the Group which are accounted for as “equity” shall be treated as such (and not as debt).

(c) Non-Disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this Condition 4(c), is substantial in relation to its assets or those of the Group, taken as a whole, or the disposal of which (either alone or when so aggregated) could have a material adverse effect on the Issuer. The following disposals shall not be taken into account under this Condition 4(c):

(i) any disposal made in the ordinary course of business of the disposing entity (which shall include the acquisition or divestment of any real properties) on normal commercial terms and on an arm’s length basis;

(ii) any disposal of assets which are obsolete, excess or no longer required for the purposes of its business;

(iii) any disposal of assets in exchange for other assets comparable or superior as to type, value and quality (such value to be based on the valuation provided by a reputable independent professional valuer);

(iv) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;

(v) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(vi) any disposal of assets from one Principal Subsidiary to the Issuer or another Principal Subsidiary; and

(vii) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

For the purposes of the Trust Deed and these Conditions,

(1) "**Principal Subsidiaries**" means, at any particular time, any subsidiary of the Issuer:

(aa) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts; and

(bb) whose total profit before tax, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of the Issuer (the "**transferee**") then:

(I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of (x) the date of issue of the first audited consolidated accounts of the Group prepared as of a date later than the date of the relevant transfer which show the total assets, or (as the case may be) profits before tax as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets, or, as the case may be, 10 per cent. of the consolidated profits before tax of the Group, as shown by such audited consolidated accounts, or (y) the date of a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets, or (as the case may be) total profit before tax of such subsidiary to be less than 15 per cent. of the total assets, or, as the case may be, 10 per cent. of the consolidated profits before tax of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

5. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 5(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to (but excluding) the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 5(II)(d)) shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(d)) for any Fixed Rate Interest Period (as defined below) in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (as defined in Condition 5(II)(d)).

For the purposes of these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to (but excluding) the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(C) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Principal Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Principal Paying Agent, the Non-CDP Paying Agent (if applicable) and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable

Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and in the principal financial centre for that currency;

"**Calculation Agent**" means, in relation to any Series of Notes, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent (in consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement specified in the Pricing Supplement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of such Hybrid Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified**

Number of Months") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(j)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(j)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Variable Rate Notes, if so required by the Issuer having given reasonable notice in writing, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as reasonably practicable after their determination. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial

Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of the Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of the Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes or Certificates representing such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying

Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Notes.

(e) Redemption at the Option of the Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(j) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee a certificate signed by a director and a duly authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing, which shall be addressed to the Trustee, to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certification as sufficient evidence that the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Noteholders.

(g) Redemption upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST (as defined in the Trust Deed) or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the Effective Date (as defined below). The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Issuer (as applicable) no later than 30 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(g):

(1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of 10 market days; and

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(i) Purchases

The Issuer and/or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its related corporations shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Principal Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(j) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of its related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown as the holder thereof on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation Agents; provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Paying Agent, as the case may be, (ii) a Registrar in relation to Registered Notes and (iii) a Calculation Agent where the Conditions so require.

Notice of any such change of appointment or any change of any specified office will be given by the Issuer to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee materially and adversely affect the interests of the holders of the Notes or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may (but is not obliged to), and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay (i) any principal payable by it under any of the Notes at the place and in the currency in which it is expressed to be payable when due or (ii) any interest or any other amount payable by it under any of the Notes (other than principal) at the place and in the currency in which it is expressed to be payable when due and such default continues for a period of three business days after the due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and if that default is capable of remedy, it is not remedied within 30 days of the Trustee giving notice to the Issuer requiring the same to be remedied;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the circumstances resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 30 days of the Trustee giving notice to the Issuer requiring the same to be remedied;

(d) (i) any other indebtedness of the Issuer or any of the Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due (taking into account any originally applicable grace period specified in any agreement relating to that indebtedness); or

(ii) the Issuer or any of the Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this paragraph (d)(i) or (d)(ii) has or have occurred equals or exceeds S$50,000,000 (or its equivalent in the currency in which it is expressed to be payable);

(e) the Issuer or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any part which it will otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or any material part of its indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed, effected, declared or otherwise arises by operation of law in respect of or affecting all or any material part of (or of a particular type of) the indebtedness or (pursuant to an order of court that is issued in connection with a compromise or an arrangement proposed or intended to be proposed between the Issuer or any of its Principal Subsidiaries and its creditors or any class of those creditors) property of the Issuer or any of the Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 21 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of the Principal Subsidiaries becomes enforceable;

(h) any meeting is convened or any petition or originating summons is presented or any order is made or any resolution is passed or any other procedure or proceeding is taken for the winding-up or dissolution of the Issuer or any of the Principal Subsidiaries (except (i) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary only, where such winding-up does not involve insolvency and would not have a material adverse effect on the Issuer) or any step, corporate action or legal proceeding is taken by any person for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of the Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of the Principal Subsidiaries;

(i) the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business (except (i) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Principal Subsidiary, where such cessation does not involve insolvency and would not have a material adverse effect on the Issuer) or (otherwise than as permitted by, and in accordance with, Clause 7.3 of the Trust Deed) disposes or threatens to dispose of the whole or any material part of its property or assets;

(j) any step is taken by any person acting under the authority of any national, regional or local governmental authority or agency with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of the Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.4 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding against the Issuer or any of the Principal Subsidiaries (other than those of a frivolous or vexatious nature which are discharged within 45 days of its commencement) is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

11. Enforcement of Rights

At any time after an Event of Default shall have occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes (together with accrued interest) or to enforce the provisions of the Issue Documents, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant Stock Exchange, Euroclear, Clearstream, Luxembourg, the

Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the

Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Registered Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

Until such time as any Definitive Notes are issued, there may, so long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) No Immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

18. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Principal Paying Agent and CDP Registrar
Deutsche Bank AG, Singapore Branch
One Raffles Quay
#16-00 South Tower
Singapore 048583

Non-CDP Paying Agent and Non-CDP Registrar
Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to "**Perpetual Securities**" are to the Perpetual Securities of one Series only, and not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the "**Trust Deed**") dated 4 October 2018 made between (1) Metro Holdings Ltd (the "**Issuer**"), as issuer, and (2) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant (as amended or supplemented from time to time, the "**Deed of Covenant**") dated 4 October 2018, relating to the Perpetual Securities cleared or to be cleared through the CDP System (as defined in the Trust Deed) ("**CDP Perpetual Securities**") executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") dated 4 October 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent in respect of CDP Perpetual Securities (in such capacity, the "**Principal Paying Agent**") and registrar and transfer agent in respect of CDP Perpetual Securities (in such capacity, the "**CDP Registrar**"), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Perpetual Securities cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Perpetual Securities**") (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**") and registrar and transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the "**Non-CDP Registrar**" and, together with the CDP Registrar and any other transfer agents that may be appointed, the "**Transfer Agents**"), and (4) the Trustee, as trustee for the Perpetual Securityholders. The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Paying Agent, and (b) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (unless the context otherwise requires) all such references shall be construed accordingly. Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**"), in each case in the Denomination Amount shown hereon. Subject to applicable laws, in the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

(i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or any such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) No Exchange of Perpetual Securities: Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities: Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities: In the case of an exercise of the Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge: Transfers of Perpetual Securities and registrations and issues of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

(f) Closed Periods: No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which the Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) Senior Perpetual Securities: This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) Subordinated Perpetual Securities: This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, "**Parity Obligation**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) **Ranking of claims on Winding-up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of, and distribution and any other amounts in respect of, the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated

Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

(c) Non-Disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Senior Perpetual Securities remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this Condition 3(c), is substantial in relation to its assets or those of the Group (as defined in the Trust Deed), taken as a whole, or the disposal of which (either alone or when so aggregated) could have a material adverse effect on the Issuer. The following disposals shall not be taken into account under this Condition 3(c):

(i) any disposal made in the ordinary course of business of the disposing entity (which shall include the acquisition or divestment of any real properties) on normal commercial terms and on an arm's length basis;

(ii) any disposal of assets which are obsolete, excess or no longer required for the purposes of its business;

(iii) any disposal of assets in exchange for other assets comparable or superior as to type, value and quality (such value to be based on the valuation provided by a reputable independent professional valuer);

(iv) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;

(v) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such vehicle provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;

(vi) any disposal of assets from one Principal Subsidiary to the Issuer or another Principal Subsidiary; and

(vii) any disposal approved by the Perpetual Securityholders by way of an Extraordinary Resolution.

For the purposes of the Trust Deed and these Conditions,

(1) "**Principal Subsidiaries**" means, at any particular time, any subsidiary of the Issuer:

(aa) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts; and

(bb) whose total profit before tax, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of the Issuer (the "**transferee**") then:

(I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of (x) the date of issue of the first audited consolidated accounts of the Group prepared as of a date later than the date of the relevant transfer which show the total assets, or (as the case may be) profits before tax as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets, or, as the case may be, 10 per cent. of the consolidated profits before tax of the Group, as shown by such audited consolidated accounts, or (y) the date of a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets, or (as the case may be) total profit before tax of such subsidiary to be less than 15 per cent. of the total assets, or, as the case may be, 10 per cent. of the consolidated profits before tax of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date (as defined in Condition 4(II)(c)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to (but excluding) the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement),

(1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate,

provided always that if Redemption upon Cessation or Suspension of Trading of Shares is specified on the face of such Perpetual Security and a Cessation/Suspension of Trading of Shares Margin is specified in the applicable Pricing Supplement, in the event that a Cessation/Suspension of Trading Event (as defined in Condition 5(g)) has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Distribution Rate shall be increased by the Cessation/Suspension of Trading Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Cessation/Suspension of Trading Event occurred (or, if the Cessation/Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation/Suspension of Trading Margin (if applicable, as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(I)(b)(ii) above; and

"**Swap Offer Rate**" means:

(aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and (dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) Calculation of Distribution Rate or Reset Distribution Rate

The Calculation Agent will, on the second business day prior to each Fixed Rate Determination Date, determine the applicable Reset Distribution Rate or (if a Cessation/ Suspension of Trading Event has occurred) the applicable Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In these Conditions, "**Fixed Rate Determination Date**" means each Step-Up Date, each Reset Date or (if a Cessation/Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation/ Suspension of Trading Event occurred (or, if the Cessation/Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

(d) Notification of Relevant Reset Distribution Rate

The Calculation Agent will cause the applicable Reset Distribution Rate or (if a Cessation/Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate or (if a Cessation/Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Registrar, the Transfer Agent, the Trustee and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) **Determination or Calculation by Trustee**

If the Calculation Agent does not at any material time determine or calculate the applicable Distribution Rate or the applicable Reset Distribution Rate (as the case may be), the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) **Calculations**

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(c)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, "**Fixed Rate Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) **Distribution on Floating Rate Perpetual Securities**

(a) **Distribution Payment Dates**

Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to (but excluding) the Relevant Date.

(b) Rate of Distribution – Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The "Spread" and the Step-Up Spread are the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the "**Rate of Distribution**".

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent;

(C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(C) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and in the principal financial centre for that currency;

"**Calculation Agent**" means, in relation to any Series of Perpetual Securities, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

"**Calculation Amount**" means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

"**Distribution Determination Date**" means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Issue Date**" means the date specified as such in the applicable Pricing Supplement;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent (in consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Perpetual Securities are denominated;

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

"**Relevant Time**" means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the "**Distribution Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Calculation Agent will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event (as defined below) occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

(A) "**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities; and

(B) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

If Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Principal Paying Agent, by a certificate signed by a director or a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Principal Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No obligation to pay

If Optional Payment is set out hereon and subject to Conditions 4(IV)(c) and 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a Winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) (if any) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement; and

(2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee a certificate signed by a director and a duly authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of independent legal, tax or any other professional advisers of recognised standing, which shall be addressed to the Trustee, to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee:

(i) a certificate signed by a director and a duly authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by a director and a duly authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and an opinion of the Issuer's independent tax or legal adviser of recognised standing stating the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion or ruling as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued (if any) to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon Cessation or Suspension of Trading of Shares

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation/Suspension of Trading Event.

For the purposes of these Conditions:

(i) a "**Cessation/Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days; and

(ii) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Purchases

The Issuer and/or any of its related corporations may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of its related corporations shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Principal Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of its related corporations may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Distribution in respect of Registered Perpetual Securities

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).

(ii) Distribution on Registered Perpetual Securities shall be paid to the person shown as the holder thereof on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation Agents; provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Perpetual Securities) a Non-CDP Paying Agent, as the case may be, (ii) a Registrar in relation to Registered Perpetual Securities and (iii) a Calculation Agent where the Conditions so require.

Notice of any such change of appointment or any change of any specified office will be given by the Issuer to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee materially and adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relevant Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**distribution**" shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**distribution**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer, (ii) the Issuer fails to make payment of any principal or premium payable by it under any of the Perpetual Securities when due or (iii) the Issuer fails to make payment of any distribution or any other amount payable by it under any of the Perpetual Securities (other than principal or premium) when due and such default continues for a period of three business days after the due date (each an "**Enforcement Event**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

For the purposes of these Conditions, "**Winding-up**" means bankruptcy, winding-up, liquidation, receivership, judicial management or similar proceedings.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-up or claim in the liquidation of the Issuer or to prove in such Winding-up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities.

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Perpetual Securities or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant Stock Exchange, Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and such modification, authorisation or waiver shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of interest on them) so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

Until such time as any Definitive Securities are issued, there may, so long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Perpetual Security or Perpetual Securities, with the Principal Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition 14, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) No Immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Principal Paying Agent and CDP Registrar
Deutsche Bank AG, Singapore Branch
One Raffles Quay
#16-00 South Tower
Singapore 048583

Non-CDP Paying Agent and Non-CDP Registrar
Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

THE ISSUER

1. BACKGROUND

The Issuer was founded in 1957 by the late Mr Ong Tjoe Kim. In 1973, the Issuer was listed on the Mainboard of the SGX-ST and the late Mr Jopie Ong Hie Koan was appointed as Managing Director of the Group. Starting out as a textile store on 72 High Street, Singapore, the Issuer has grown through the years to become a property investment and development group with a broad and diversified asset portfolio, backed by an established retail track record. As at the Latest Practicable Date, the Issuer has a market capitalisation of approximately S$911 million.

For the past six decades, the Group has built a track record of tapping into a wide network of established strategic retail and real estate partners and reputable developers at various project levels. Led by the late Mr Jopie Ong and an experienced board and management team, the Group was able to capitalise on its competitive strengths to leverage on such partnerships to expand its global reach across diverse property investment and development interests in commercial, retail, residential, serviced apartments, exhibition and convention centre, industrial, resort and city hotels that spanned across several geographical markets such as the PRC, the UK, Malaysia, Australia, Japan and Indonesia.

The Group's first property investment in Singapore was the acquisition of Orchard Square Development Corporation Pte Ltd ("**OSDC**") in 1976, with OSDC holding a 99-year lease for a prime site, Orchard Square, with frontage along Orchard Road. Upon completion, Orchard Square was expected to be the then biggest and busiest shopping area in South East Asia where it would provide retail space to house, amongst other things, department stores, supermarkets and boutiques. In 1989, the Group launched the development project "Ngee Ann City" in a joint venture with Ngee Ann Kongsi. Completed in 1993, Ngee Ann City is located in the heart of Singapore's premier shopping belt along Orchard Road and comprises a seven-storey retail podium flanked by two 27-storey office towers on a 28,803 sqm site. As part of its capital-recycling strategy, the Group divested its entire 27% stake in OSDC in 2003. As of today, Ngee Ann City remains as an attractive shopping mall for both Singaporeans and tourists.

In 1971, the Group founded Metrobilt Construction Pte Ltd ("**Metrobilt**"), the construction arm for the Group. Since then till the late 1980s, it has successfully completed the construction of projects including condominium, housing, hotel complexes, office and factory buildings such as The Braddell Rise Apartments, Willyn Ville at Holland Road, Grenville Condominium at Holland Road, The Balmoral Condominium at Balmoral Road, luxurious condominiums in Negara Brunei Darussalam, The Tai Pan Hotel in Queen Street, Hock Lam Resettlement Shopping Center in North Bridge Road, Funan Centre in High Street, Telecommunications Exchange Center at Geylang Serai and PIL Office Building in Cecil Street. Other public construction projects include Tampines Junior College and the National University of Singapore ("**NUS**") Hon Sui Sen Memorial Library.

The Group made its first foray into the PRC in 1988 and the PRC property market in the 1990s when it secured a joint venture to develop GIE Tower, a Grade A office property in Guangzhou. Over the years, the Group has been able to tap on its strategic partners to develop and invest in properties in first-tier cities of the PRC, such as Beijing and Shanghai, and have expanded as far west as Urumqi, Xinjiang and as far east as Heilongjiang. The Group's current properties in the first tier cities of PRC include Metro Tower and Metro City in Shanghai, and GIE Tower in Guangzhou. Some of the Group's past strategic projects, namely EC Mall, Metro City Beijing, 1 Financial Street and Metropolis Tower in Beijing, as well as retail-chain malls namely Tesco Lifespace in Qinhuangdao, Fushun, Anshan, Fuzhou, Xiamen and Shenyang (the "**Tesco Lifespace Malls**") have been successfully divested.

The Group's entrance into the PRC property market allowed the Group to forge strategic alliances with partners and quickly establish itself as an experienced and reputable property developer on the global stage where it has also participated in other strategic projects such as Gurney Plaza in Penang, Malaysia, and the Oasis Resort Hotel in Cairns, Australia, both of which have since been divested successfully, and the Group's current office, residential and mixed-use development projects in Middlewood Locks in Manchester, UK, and Sheffield Digital Campus in Sheffield, UK.

To continue leveraging on its strategic partners, in September 2017 the Group acquired a 30% equity stake in three office buildings in Bay Valley, New Jiangwan City, Yangpu District of Shanghai, PRC, with Top Spring International Limited ("**Top Spring**") holding the remaining 70% equity stake. Together with the Lee Kim Tah Group ("**Lee Kim Tah**") and PT. Trans Corpora ("**Trans Corp**"), the Group entered into a partnership to develop, market and sell five 32-storey residential towers in Bekasi, Jakarta, and two residential towers in Bintaro, Jakarta, Indonesia, in November 2017 and April 2018, respectively. In January 2018, the Group and Lee Kim Tah entered the London property market and jointly acquired a freehold office property at 5 Chancery Lane in London, UK. In May 2018, the Group grew its presence further in Shanghai, PRC, by acquiring a 35% equity interest in a joint venture which in turn acquired a 90% stake of a mixed-use commercial building, Shanghai Plaza.

On the retail front, the Group has established itself as a household name in the region and has had successes introducing new retail brands and concepts. The Group has had, among others, partnerships with leading industry players such as Toys "R" Us Inc. (1984 – 1993) and Kmart Corporation (1993 – 1996) as well as high-end luxury watch brands such as Cartier and Piaget.

At present, the Group operates two core business segments – property investment and development, and retail.

- Property Investment and Development

  The Group's property arm has significant interests in prime retail and office investment properties in London, UK and first-tier cities in the PRC, such as Shanghai and Guangzhou as well as residential and mixed-used development properties held predominantly for sale. The Group also owns 15.0% of Top Spring, a Hong Kong-listed PRC property developer, 7.5% of the units in Mapletree Global Student Accommodation ("**MGSA**") Private Trust, a private trust in Singapore, and 23.7% of InfraRed NF China Real Estate Fund II (A), L.P., ("**InfraRed Fund II**"), a private equity real estate opportunity fund.

  The Group's current portfolio of properties can be found on pages 117 and 122 of this Information Memorandum.

- Retail Operations

  The Group's retail arm serves customers through a chain of three Metro department stores in Singapore and 10 Metro 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 and luxury brands in about 1.5 million sqft of downtown and suburban retail space in both Singapore and Indonesia.

HISTORY

Over the past 60 years, the Group has flourished from its humble beginnings to become a property investment and development group with a broad and diversified asset portfolio, backed by an established retail track record. Below are the key phases of the Group's growth from 1957 until the present day.

Birth of the Issuer

The late Mr Ong Tjoe Kim founded the Issuer in 1957 as a small retail store of 250 sqm at 72 High Street, then Singapore's busiest shopping district. The first Metro store flourished and expanded from its initial store size of 250 sqm to 1,800 sqm. The Issuer then further expanded its presence with two more stores along Orchard Road, which brought the total retail area to approximately 7,000 sqm in 1971.

In 1973, the Issuer was listed on the Mainboard of the SGX-ST with a market capitalisation of S$11 million.

Continued Expansion of Retail Business

With the late Mr Jopie Ong at its helm, the Issuer continued to grow its retail business. The Group continuously sought out opportunities to expand its retail presence and offerings to cater to changing consumer demand in Singapore. Over the years, the Group has had stores in several prime retail locations, including Metro Marina Square, Metro Far East and Metro Grand at Scotts, as well as in several suburban areas.

Capitalising on the growing scale of its business, the Group ventured into retail-related business segments where it established DTS Pte Ltd ("**DTS**") to provide business control systems for retail and hotel businesses in 1978. In the same year, the Group set up Transmarco Pte Ltd to take over and expand the activities of the Group's wholesale activities, which included luxury watch agencies for Cartier and Piaget in Singapore, Malaysia and Hong Kong. The Group made its foray into the fine watch market in 1979 through the establishment of Hour Glass Pte Ltd ("**Hour Glass**"). With the growing number of brands and businesses under its management, the Group consolidated the businesses of Transmarco Pte Ltd, DTS and Hour Glass under Transmarco Limited ("**Transmarco**"), which was listed on the Stock Exchange of Singapore in 1982 and subsequently divested in 1994. From 1984 to 1993, the Group expanded into the toy business following a joint venture with Toys "R" Us to open Toys "R" Us stores in Singapore and Malaysia.

The Group's retail footprint has expanded beyond Singapore through its joint ventures in Malaysia and Indonesia. The Group opened its first department store, Metrojaya Bhd in Kuala Lumpur, Malaysia, in a joint venture with the Malaysia Urban Development Authority in 1976 which was subsequently divested in 1993. In 1991, the Group opened its first store in Jakarta, Indonesia, under a licensing agreement. As at the Latest Practicable Date, the Group continues to operate 10 department stores throughout Indonesia.

Venturing into Property Construction and Development

As the Group's retail business continued to grow, it sought to diversify its business by focusing on areas which had synergy with its existing retail business. This resulted in the Group's entry into property construction and development. The Group's first property investment was the acquisition of OSDC in 1976, with OSDC holding a 99-year lease for a prime site, Orchard Square, with frontage along Orchard Road. In 1989, the Group launched Ngee Ann City in a joint venture with Ngee Ann Kongsi. Upon completion in 1993, OSDC's 27% stake in Ngee Ann City yielded 34,731 sqm of gross leasable area.

Along with the formation of OSDC in 1976, Metrobilt was also formed by the Group to participate in property construction and development. Led by its enterprising leadership, Metrobilt had grown from strength to strength over the years and has completed projects ranging from shopping centres (Funan Centre in 1985) to condominiums (The Balmoral Condominium in 1986) and public infrastructure (Tampines Junior College in 1986).

Expanding to the PRC and Other Overseas Markets

As the Group continued to grow its construction and property development business, the Group ventured beyond Singapore and entered Malaysia and the PRC through Metrobilt. In 1988, the Group, through Metrobilt, secured a joint venture to develop GIE Tower, a Grade A office property in Guangzhou, PRC, thereby marking the Group's entry into the PRC. GIE Tower was completed in 1995, with the Group holding 100% of the strata-titled lettable area of 28,390 sqm.

In 1992, the Group set up Shanghai Roway Real Estate Development Ltd and successfully obtained a development licence to develop low-cost housing on an 88,000 sqm site at Dong Wan Cun in the Xuhui district of Shanghai, PRC (the "**Shanghai Roway Project**"). By 1995, Phase 1 of the Shanghai Roway Project comprising 76,000 sqm saleable area was completed and sold out, while Phase 2 of the Shanghai Roway Project comprising 45,500 sqm saleable area was completed and sold out in 1998. The project's success established the Group as a reputable foreign property player in the PRC.

Riding on the successes of GIE Tower and Shanghai Roway Project, the Group received formal approval in 1993 for the joint development of Metro Tower, an office building, and Metro City, an entertainment centre, in Xujiahui, Shanghai, PRC. The successes of these projects laid the ground for the Group's continued involvement in the PRC over the next two decades.

In 1994, the Group acquired a 24.5% stake in the Gurney Park retail, hotel and residential development in Penang, Malaysia, to broaden its property investment and development footprint. The residential development was completely sold out in 2000. Subsequently, the Group increased its stake in the retail mall component of Gurney Park, Gurney Plaza, to 49% in 2004.

In 1995, the Group also acquired a two-hectare site in Cairns, Australia for the development of a resort ("**The Oasis Resort**"). The luxury resort hotel was officially opened in mid-June 1997 with 306 rooms and eight suites in a tropical-style resort setting with lush landscaping, a free-form lagoon style pool and a beach feature. The resort extends over 60% of a 20,232 sqm inner city site in Cairns, gateway to Australia's Great Barrier Reef and Far North. Operated by Accor Asia Pacific, the resort hotel has won many awards. The Oasis Resort was divested in 2005.

Focusing on its core strengths – Property Investment and Development and Retail Operations

At the turn of the 21st century, management decided to focus on its key expertise – property investment and development and retail operations, given changes in global economic conditions and consumer spending habits.

The Group's property investment and development business continued to grow significantly, particularly in the PRC following the Group's earlier successes. To ride on the burgeoning growth of the PRC economy, the Group embarked on an asset portfolio reconstitution and capital recycling plan to unlock value in mature assets for deployment into higher yielding investments. Amongst others, the Group divested its stake in Ngee Ann City through an asset securitisation in 2003 and divested its stake in The Oasis Resort in 2005.

In late 2004, the Group invested US$25 million in International Commerce & Trade Plaza, a 290,000 sqm wholesale trade centre in Urumqi, Xinjiang, PRC. In the same year, the Group subscribed for US$50 million of convertible redeemable participating preference shares (the "**Convertible Shares**") in Shui On Land Ltd ("**Shui On**") which provided the Group with a recurring dividend income as well as opportunities for co-investment in core development projects across the PRC.

The Group also participated in the joint development of a retail mall, Metro City, in Chaoyang District, Beijing, PRC. Metro City Beijing was opened in 2007 and was subsequently divested in 2011 as part of the Group's capital recycling strategy. Further, in 2007, the Group signed investment agreements with InfraRed NF China Real Estate Fund, L.P. ("**InfraRed Fund**") to invest in 45% of the 1 Financial Street development project in Xicheng District, Beijing. In the same year, the Group invested in EC Mall and Metropolis Tower in Haidian District, Beijing, in collaboration with ECM Real Estate Investment AG and InfraRed Fund. Subsequently in 2009 and 2011, the Group also acquired minority stakes in the Tesco Lifespace Malls. As part of the Group's capital recycling plans, investments in 1 Financial Street and Metropolis Tower were divested in 2010 while investments in the Tesco Lifespace Malls and EC Mall were divested in 2014 and 2015, respectively.

To further deepen its presence in the PRC, the Group forged a strategic partnership with Top Spring through a US$40 million investment for a 5% interest in its Hong Kong initial public offering ("**IPO**") in 2011, with its stake increasing through further acquisitions of shares over the years. Given the strategic partnership with Top Spring, the Group also invested in a US$20 million bond for Top Spring Hangzhou Hidden Valley, a residential development project led by Top Spring, and approximately US$38 million for a 30% share in Nanchang Fashion Mark, Jiangxi Province, PRC, a mixed-use development project led by Top Spring. The US$20 million bond has since been redeemed. The Group's 30% share in Nanchang Fashion Mark has been successfully divested in 2018. In 2013, the Group also acquired a 30% interest in Shama Century Park, Shanghai, PRC, a serviced apartment development for strata sales led by an indirect subsidiary of Top Spring, which has also been substantially sold as at August 2018. As at the Latest Practicable Date, the Group has a 15% ownership interest in Top Spring.

On the retail operations front, the Group continued to leverage on its household brand name to grow its business in Indonesia. In 2000, the Group acquired a 50% stake in PT Metropolitan Retailmart, which formerly operated through a licensing agreement with the Group.

Diversifying Beyond the PRC

Beyond the PRC, the Group actively seeks out investment opportunities with partners to generate sustainable returns.

In Malaysia, the Group successfully completed the 705,500 sqft Gurney Plaza development in 2001. A 12,500 sqm extension (the "**Gurney Plaza Extension**") was successfully completed in 2008. As part of the Group's asset reconstitution strategy, Gurney Plaza and Gurney Plaza Extension were divested in 2007 and 2011 respectively. In Japan, the Group acquired the Frontier Koishikawa Building, an office building in Tokyo, and the property was subsequently divested in 2015.

In 2012, the Group entered into a joint venture with Wing Tai Holdings Limited and UE E&C Ltd to develop a residential project, The Crest, on a 23,785 sqm site at Prince Charles Crescent, Singapore ("**The Crest**"). The Group holds a 40% interest in The Crest, which was completed in February 2017.

In 2014, the Group made its maiden entrance into the UK property market with the development of Milliners Wharf The Hat Box (the "**Hatbox**"), a residential development, and Middlewood Locks, a mixed-use development, through a joint venture with Top Spring and the Scarborough Group. Both developments are freehold properties in Manchester, UK, where the Group holds a 25% stake. The Hatbox was completed and sold in 2016. In the same year, the Group acquired a 50% interest in Sheffield Digital Campus, UK, through a joint venture with the Scarborough Group. Sheffield Digital Campus comprises two Grade A office buildings, namely Acero Works and Vidrio House. Acero Works was divested in May 2018. Planning works are now focused on Vidrio House.

Growing Presence in the PRC, the UK and Indonesia

The Group maintains its commitment to grow in the PRC. In September 2017, the Group acquired three office buildings comprising 97,854 sqm of total GFA and 210 car park spaces for a total investment value of approximately RMB2,476 million (approximately S$505.1 million[1]). Located at No. 25, No. 33, No. 36, No. 78 and No. 79, 1688 Guoquan North Road, the properties are well-located within the integrated business community development known as the Bay Valley. Bay Valley is situated in New Jiangwan City, which is in the Yangpu District of Shanghai, one of the PRC's most established industrial centres.

Leveraging on the Group's considerable retail experience and its strategic partner in Indonesia, the Group decided to venture into property development with Trans Corp, the Group's local partner in its retail operations. In November 2017, the Group entered into a partnership with Trans Corp and Lee Kim Tah in relation to the development, marketing and sale of five 32-storey residential towers Trans Park Juanda, Bekasi, Jakarta, Indonesia, for a total investment value of Rp1,987 billion (including VAT) (approximately S$200.4 million[2]).

Following the successful completion of the Hatbox in Manchester, UK, the Group has ventured further into the UK market. In January 2018, the Group acquired a freehold office property in the heart of Midtown Central London at 5 Chancery Lane in a joint venture with Lee Kim Tah for a total purchase consideration of £80.75 million (approximately S$148.2 million[3]).

In April 2018, the Group further partnered Trans Corp and Lee Kim Tah in relation to the development, marketing and sale of two residential towers in Bintaro, Jakarta, Indonesia, for a total investment value of Rp1,330 billion (including VAT) (approximately S$127 million[4]).

In May 2018, the Group acquired a 35% equity interest in a joint venture which in turn acquired a 90% stake of a mixed-use commercial building, Shanghai Plaza, Shanghai, PRC, for a total investment value of RMB2,907 million (approximately S$613 million[5]).

In June 2018, the Group partnered InfraRed NF China Real Estate Fund III L.P. to co-invest in real estate debt instruments in the PRC.

1 At an exchange rate of RMB1 = S$0.204 on 27 September 2017.

2 At an exchange rate of S$1 = Rp9,913 on 3 November 2017.

3 At an exchange rate of £1 = S$1.835 on 23 January 2018.

4 At an exchange rate of S$1 = Rp10,490 on 16 April 2018.

5 At an exchange rate of RMB1 = S$0.211 on 17 May 2018.

2. COMPETITIVE STRENGTHS

(a) Track record in successfully developing different businesses in diverse geographical locations

The Group has built up a track record of being able to successfully develop different businesses in various geographical locations. The Group first started out in the retail industry more than 60 years ago. Over the years, the Group has sought to diversify its operations by entering into various other businesses such as toys, leisure and big box departmental stores through joint ventures with Toys "R" Us, Sun Cruises Holdings Pte Ltd and Kmart Corporation, respectively. The Group has also sought to diversify to become a property investment and development group. Due to the Group's success in the retail and real estate business segments, the Group made the decision to consolidate its operations and presently operates two core business segments – property investment and development, and retail.

Through its property investment and development arm, the Group has diversified its asset portfolio and has held various interests in residential properties, serviced apartments, commercial properties and mixed-use developments. The Group's properties are currently located in first-tier cities in the PRC, providing exposure to the rapidly growing property markets of Shanghai and Guangzhou. The Group also has interests in properties in Singapore, Indonesia and the UK. The asset and geographical diversification of the Group's properties reduces the Group's dependence on any single property segment or any single regional market and, accordingly, enhances the stability of future earnings.

(b) Established business relationships and extensive networks

The Group has a proven track record of building and tapping into a wide network of strong and strategic real estate partners at various project levels. The Group places great importance in maintaining strong relationships with its joint venture partners. In particular, the Group has collaborated with the Shanghai Xuhui District People's Government, Trans Corp, Top Spring and InfraRed Fund.

In the PRC, the Group's joint venture with the Shanghai Xuhui District People's Government led to the development of Metro City and Metro Tower in Shanghai, PRC. Both projects provide a stable recurring income for the Group.

Through its stake in Top Spring, the Group has embarked on several successful projects in the PRC. The Group's investment in 30% of Nanchang Fashion Mark, Jiangxi Province, PRC, was successfully divested in 2018, and the apartment units in Shama Century Park, Shanghai, PRC, have been substantially sold as of August 2018.

The Group expanded its footprint into the UK in 2014 with the development of the Hatbox and Middlewood Locks, both in Manchester, UK, through a joint venture with Top Spring and the Scarborough Group. In 2016, the Group acquired a 50% effective interest in an office development site in Sheffield, UK, in a joint venture with Scarborough Group. In 2018, the Group entered the London market by partnering Lee Kim Tah to jointly acquire 5 Chancery Lane, a freehold office property in the heart of Midtown Central London which is in close proximity to a few underground stations.

In September 2017, the Group acquired a 30% equity stake in three office buildings in Bay Valley, New Jiangwan City, Yangpu District of Shanghai, PRC, with Top Spring holding the remaining 70% equity stake.

In Indonesia, the Group first collaborated with Trans Corp in 2001 when it opened its third store in Bandung Supermal. This partnership deepened in November 2017 when the Group partnered with Trans Corp and Lee Kim Tah to develop, market and sell the five 32-storey of residential towers in Trans Park Juanda, Bekasi, Jakarta, Indonesia a mixed development comprising the residential towers, a hotel, a school, SoHo apartments, shop houses, an office building and a Transmart mall in Bekasi, Greater Jakarta. Subsequently, in April 2018, the Group, together with Trans Corp and Lee Kim Tah, embarked on the development, marketing and sale of two residential towers in Bintaro, Jakarta, Indonesia.

(c) Strong balance sheet and capability of capital recycling to mitigate against downturns and take advantage of new opportunities

The Group believes in prudent capital and financial management. In the event of an economic downturn in the PRC, the UK, Indonesia or Singapore, highly geared property developers and investors may face severe financial difficulties. The Group, however, has the financial strength to weather such downturns. The Group's financial stability, as exemplified by its strong balance sheet with net assets of S$1.52 billion and a healthy net cash position of S$291.3 million as at 30 June 2018, will help to mitigate any business and financial risks that may arise.

By maintaining a robust balance sheet and a healthy net cash position, the Group has the financial flexibility to respond quickly and competitively to capitalise on investment or development opportunities. In addition, the Group has commitments from banks for credit facilities which may be utilised to fund growth and expansion.

(d) Household retail brand in Singapore and Indonesia with a strong focus on quality products and diverse merchandise mix

The Group opened its first Singapore-based outlet in 1957, at the site that is now the Singapore Treasury Building. 60 years later, the Group has established itself as a household retail brand across both countries and is currently operating three stores in Singapore and 10 stores in Indonesia.

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

To-date, the Group has four exclusive in-house labels – Kiro, Kurt Woods, M. Maison and M. Essentials – which were developed by its in-house development team. Its products range from fashion to home furnishings, and comprise a wide range of offerings to satisfy customer demand.

(e) Strong Board and management team combining Singapore managerial expertise with overseas execution capabilities

The Group is led by a strong Board and experienced management team that has a proven track record in growing and expanding its business and operations. In particular, the Group is led by its Group Chief Executive Officer, Mr Lawrence Chiang Kok Sung, who has over 40 years of retail and real estate experience in property investment and development. The Group has also introduced new members to its management team, including Mr Yip Hoong Mun, who was recently re-designated as Deputy Group Chief Executive Officer. Mr Yip has close to 30 years of experience in the real estate sector.

Under the Board's and the management team's guidance, the Group has undertaken property investment and development projects abroad through collaboration with strong and reputable local partners. In 1988, the Group's management spear headed its entry into the PRC market, and successfully completed the Shanghai Roway Project and GIE Tower. On the back of these successes, the Group continued to invest in the PRC and has since built a stable income stream through Metro City, Metro Tower and GIE Tower. The Group has also had successful ventures in Australia and Malaysia in the 1990s and more recently in the UK and Indonesia.

Over the years, the Group has demonstrated its continued ability to identify high-quality assets, execute asset enhancement strategies as well as recycle capital for redeployment through realising opportune exits.

3. GROWTH STRATEGY

(a) Property Investment and Development Business

Through diversifying across a full spectrum of properties in key markets, the Group seeks to broaden revenue streams and build sustained profitability. Leveraging on its experience, the Group can undertake asset enhancement of lettable space and thus improve efficiency of its operations.

(i) Continuous investment in its core markets of the PRC, Indonesia and the UK while expanding its property footprint

Building on the success of the Group's current properties in first-tier cities in the PRC, the Group will focus on the PRC market whilst expanding its property footprint in other regions. Together with partners such as InfraRed Fund II, the Shanghai District Government and Top Spring, as well as leveraging on its strong network, the Group will continue to seek quality property projects in first and second-tier cities in the PRC. The Group also seeks to leverage on its retail branding and execution capabilities to open doors and identify new opportunities and quality assets. To illustrate, the Group invested approximately US$38 million for a 30% stake in Nanchang Fashion Mark, Jiangxi Province, PRC, a mixed-use development project led by Top Spring, which was successfully divested in 2018. More recently, in 2017, the Group made a further investment in the Yangpu District of Shanghai, one of PRC's most established industrial centres, with the acquisition of a 30% equity stake in three office buildings well-located within the integrated business community known as the Bay Valley, with the remaining 70% stake owned by Top Spring. In May 2018, the Group grew its presence in Shanghai by acquiring a 35% equity interest in a joint venture which in turn acquired a 90% stake of a landmark mixed-use commercial building, Shanghai Plaza. Shanghai Plaza is located at the prime Huai Hai Zhong Road, Huang Pu district, Shanghai. In order to capitalise on the strong demand for Grade A offices as well as quality retail properties in Shanghai, Shanghai Plaza will undergo re-development and upgrading for both office and retail usage and thus present the opportunity for lease restructuring which will then generate higher stable returns upon completion in the coming years.

The Group believes that Indonesia has vast potential for growth, given sound fundamentals such as the country's steady economic growth, rapid urbanisation, increasing domestic consumption, a rising affluent middle class and a young population. In addition, the Indonesian government has plans to build up its rail network and infrastructure to offer seamless connectivity between cities in the country. As a result of Indonesia's demographics and growth potential, the Group believes that there will be steady growth in demand for niche mid-level residential apartments which the Group believes is currently under-served in the market. The Group hopes to be able to tap on this opportunity through its strategic partnerships with Trans Corp and Lee Kim Tah, and deepen its footprint in Indonesia's residential property market. Currently, the Group has two ongoing developments in Indonesia, namely Trans Park Juanda, Bekasi, and Trans Park Bintaro.

The strategy of the Group in the UK is to identify and acquire undervalued commercial properties in London. Once acquired, the Group will carry out asset enhancement initiatives on these commercial properties. The Group expects to benefit from the asset enhancement of these commercial properties in the form of an increase in lettable space and positive rental reversion. The Group also aims to continue to build its presence in Manchester, UK, through the development of residential properties catering to the under-served residential market in Manchester.

(ii) Selective investments to broaden asset base and geographical spread

To reduce the Group's dependence on any single regional and market segments, the Group will selectively pursue real estate opportunities in other regions and market segments with a focus on building a significant presence in that market. The Group believes it can achieve a first-mover advantage in high-growth and untapped emerging markets by leveraging on its partners' extensive network of relationships and experience in the emerging markets. Besides this, the Group's careful selection of new partners with relevant experience, expertise and proven execution capability will place the Group in good stead in its further expansion.

(iii) Ability to recycle capital effectively

The Group's start-to-finish execution capabilities enable the Group to recycle capital effectively, thereby allowing the Group to strengthen its financial position via a healthy balance sheet with a low gearing ratio. The strong balance sheet of the Group can also be leveraged on, as the healthy cash levels provide flexibility to capitalise on investment opportunities and buffer against any unexpected market developments. As part of the Group's commitment to recycle its capital effectively, the Group also places great importance in identifying and realising opportune exits for its investments, so as to ensure that the Group has sufficient funds once other growth opportunities surface.

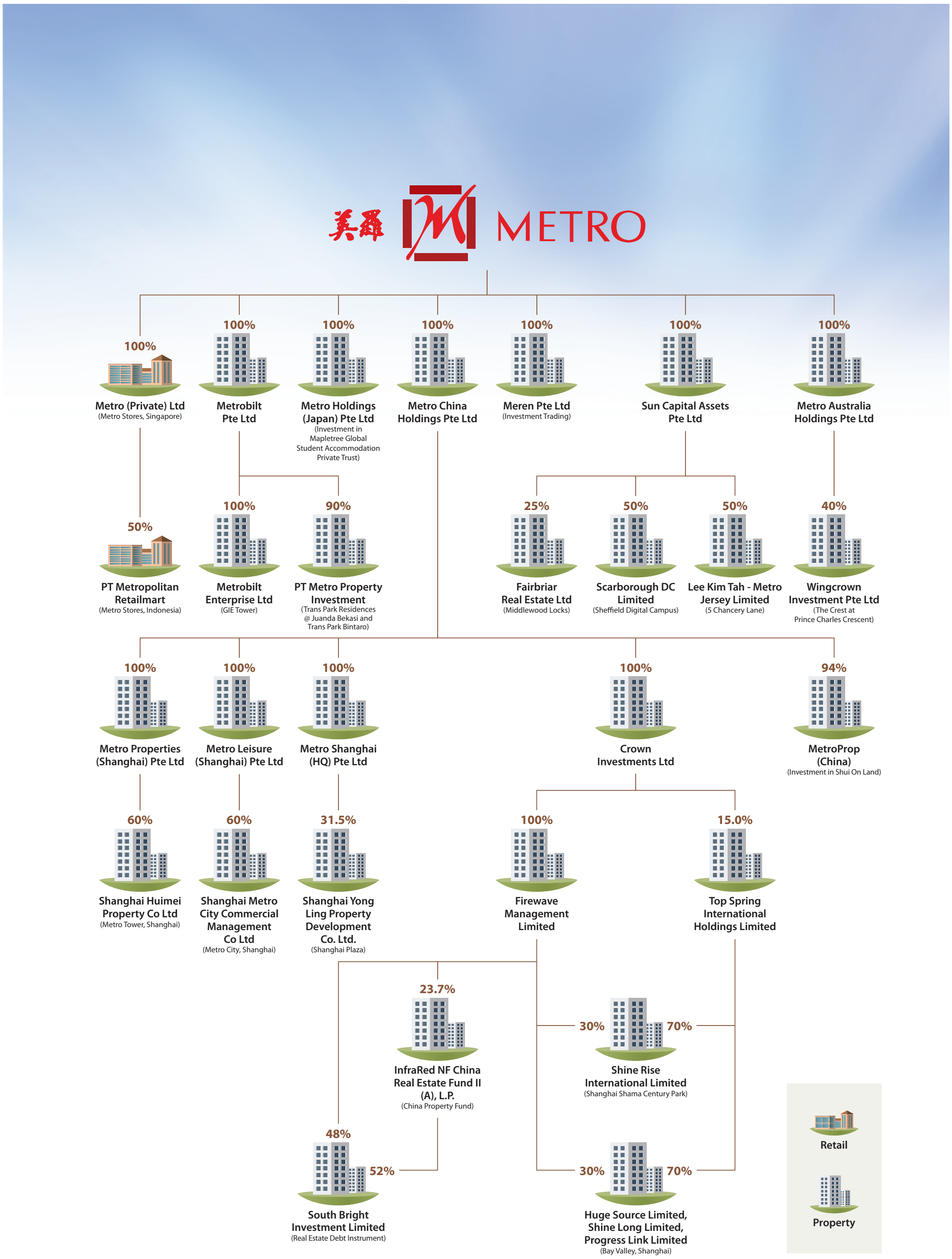
(b) Retail Operations Business

(i) Improve trading performance

The retail market in Indonesia remains optimistic with Jakarta being an expansion target of international retailers. The Central Bank of Indonesia estimates gross domestic product growth to be in the range of 5.2% to 5.6% in 2019, as influenced by robust consumption and investment, as well as improvements in the country's export commodity prices. As such, Indonesia continues to hold huge potential in terms of growing consumption power in view of the burgeoning middle class. The Group will continue to evaluate the profitability and sustainability of its retail outlets in Indonesia and Singapore with a view to rightsizing its retail operations in line with market conditions.

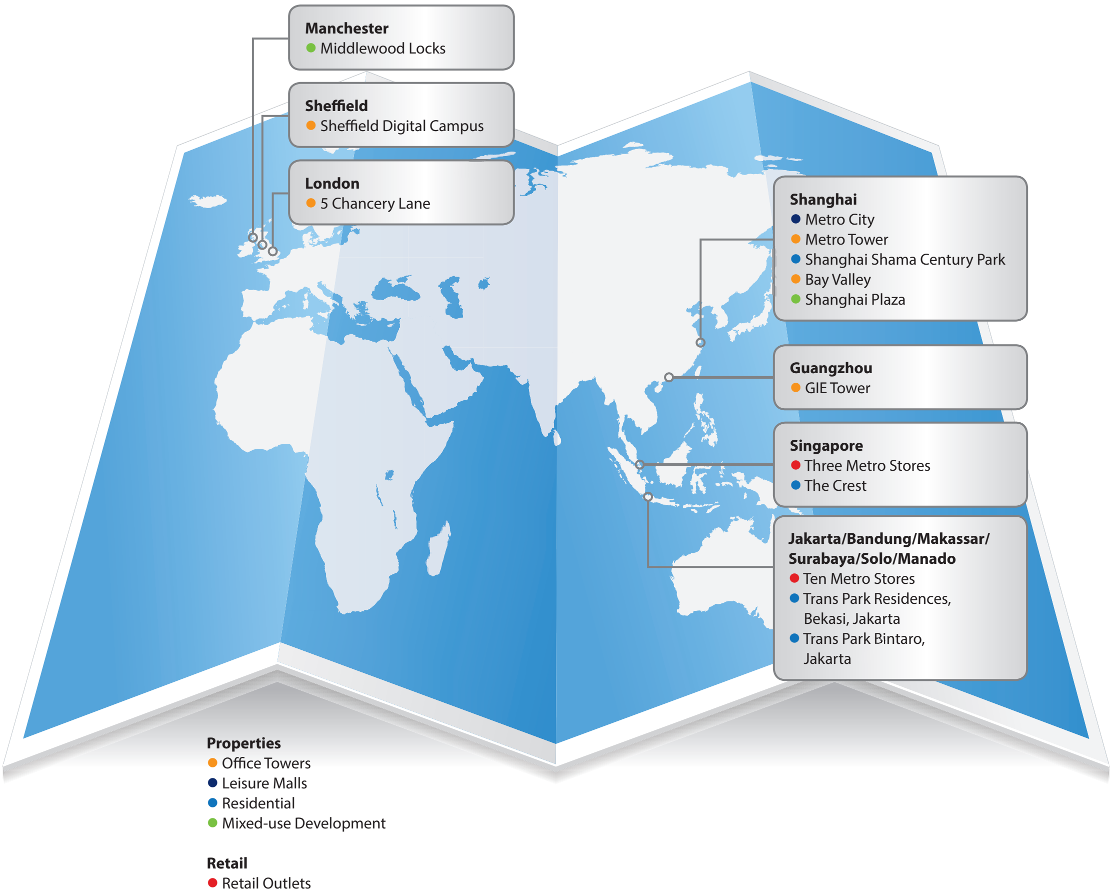
4. CORPORATE STRUCTURE

The chart below sets out the Group's corporate structure as at the Latest Practicable Date:



5. **BUSINESS ACTIVITIES**

Today, the Group operates two core business segments – property investment and development, and retail. It is focused on key markets in the region, such as the PRC, Indonesia and Singapore. The Group has also expanded its geographical presence to the UK. For the financial year ended 31 March 2018, the Group had a profit before tax of S$168 million and net assets of S$1.48 billion. For the first quarter of FY2019 ended 30 June 2018, the Group registered a profit before tax of S$21.7 million and net assets of S$1.52 billion.



* Map as at 25 May 2018

(a) Property Investment and Development Business

The Group's property arm has significant interests in prime retail and office investment properties in London and first-tier cities in the PRC, such as Shanghai and Guangzhou as well as residential and mixed-use development properties held predominantly for sale. The Group also held interests in various hotel and retail mall developments which have since been successfully divested. Through covering a fuller spectrum of properties in key markets, the Group seeks to broaden revenue stream and build sustained profitability. Leveraging on the rich retail experience of the Group, it can optimise tenant mix of its properties and continuously undertake asset enhancement of lettable space, thus improving the efficiency of its mall management. It focuses on key markets such as the PRC, Indonesia, the UK and Singapore. The Group has also expanded its geographical presence to the UK through the formation of joint ventures with Scarborough Group and Top Spring. As at 31 March 2018, the Group owns 15.0% of Top Spring, 7.5% of the units in MGSA and 23.7% of InfraRed Fund II.

(i) Investment Properties

As at 31 March 2018, average occupancy for the Group's four investment properties, including those held by joint ventures, remained high at 96.1% (31 March 2017 (three investment properties): 91.5%).

OCCUPANCY RATES

	As at 31.3.2018 (%)	As at 31.3.2017 (%)
GIE Tower, Guangzhou	88.6	86.4
Metro City, Shanghai	97.1	95.5
Metro Tower, Shanghai	98.5	92.7
5 Chancery Lane, London	100.0	–

PROPERTY VALUATIONS

As at 31 March 2018, GIE Tower, Guangzhou, PRC and Metro Tower, Shanghai, PRC, recorded slight increases in valuations, while Metro City, Shanghai, PRC, registered a decline in valuation.

	FY2018 (RMB'm)	FY2017 (RMB'm)	Change (%)	FY2018 (S$'m)	FY2017 (S$'m)	Change (%)
GIE Tower, Guangzhou(1)	482	480	+0.4	100	97	+3.1
Metro City, Shanghai(1)	988	1,024	-3.5	206	208	-1.0
Metro Tower, Shanghai(1)	973	958	+1.6	202	195	+3.6

	FY2018 (GBP'm)	FY2017 (GBP'm)	Change (%)	FY2018 (S$'m)	FY2017 (S$'m)	Change (%)
5 Chancery Lane, London(2)	76	–	n.m.	140	–	n.m.

n.m. not meaningful
(1) As at 31 March
(2) As at 30 January 2018
(3) Above figures represent 100% of the property valuations and are appraised by independent valuers DTZ Debenham Tie Leung Limited (Shanghai and Guangzhou) and CBRE Limited (London)

Exchange rates:
FY2018: S$1: RMB 4.808: GBP 0.5423
FY2017: S$1: RMB 4.926

The Shanghai and Guangzhou markets are underpinned by stable GDP growth in the PRC. Shanghai's office demand is driven by financial and technology companies and co-working space operators while Guangzhou benefits from strong government support of the innovation industry and increasing demand for flexible working spaces. Hence, the commercial property markets where the Group has a core presence in, are anticipated to remain resilient.

As at the first quarter of 2018, Central London's office space enjoyed steady prime rents that remained unchanged during the quarter. With the weaker sterling against the Euro resulting from uncertainty caused by Brexit, Central London, UK, presents investors with attractive rental yields relative to other top European cities such as Berlin and Paris.

EXPIRY PROFILE BY GROSS RENTAL INCOME

	1HFY2019 (%)	2HFY2019 (%)
GIE Tower, Guangzhou	4.0	15.0
Metro City, Shanghai	7.0	11.7
Metro Tower, Shanghai	7.7	6.5
5 Chancery Lane, London	–	–

The following table provides an overview of the Group's portfolio of investment properties as at 31 March 2018:

	Name of property, location	Type of development	Effective equity interest (%)	Tenure	Site area	Lettable area	Expiry profile by gross rental income 1HFY2019 (%)	Expiry profile by gross rental income 2HFY2019 (%)	Occupancy rate (%)	Valuation (100%)
1	GIE Tower, Dongshan District, Guangzhou, PRC	Commercial	100	50-year term from 1994 (26 years remaining)	Strata titled	28,390 sqm	4.0	15.0	88.6	S$100 million[1]
2	Metro City, Xujiahui District, Shanghai, PRC	Retail	60	36-year term from 1993 (11 years remaining)	15,434 sqm	38,444 sqm	7.0	11.7	97.1	S$206 million[1]
3	Metro Tower, Xujiahui District, Shanghai, PRC	Commercial	60	50-year term from 1993 (25 years remaining)	4,933 sqm	40,349 sqm	7.7	6.5	98.5	S$202 million[1]
4	5 Chancery Lane, London, UK	Commercial	50	Freehold	0.487 acres	7,882 sqm	–	–	100	S$140 million[2]

1 As at 31 March 2018.

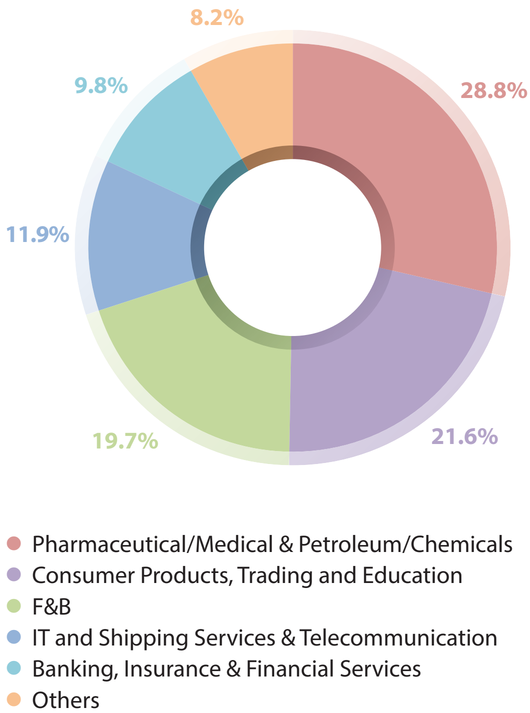
2 As at 30 January 2018.

1. GIE Tower, Guangzhou

In 1988, Metrobilt ventured into the PRC and secured a joint venture to develop GIE Tower, a Grade A office tower in Guangzhou. Part of a seven-storey shopping podium and 35-storey office tower, GIE Tower is located at Huanshi Road East, in the central business district of Dongshan, Guangzhou, PRC.

The Group owns over 28,000 sqm of Grade A office space in the building. GIE Tower's occupancy rate rose to 88.6% as at 31 March 2018 (2017: 86.4%).

OFFICE TENANT MIX BY LETTABLE AREA
(As at 31 March 2018)



KEY STATISTICS	
% owned by Group	100
Site area (sqm)	Strata-titled
Lettable Area (sqm)	28,390
Tenure	50-year term from 1994 (26 years remaining)
No. of Tenants	33
Occupancy Rate (%)	88.6
Valuation (100%)	S$100 million

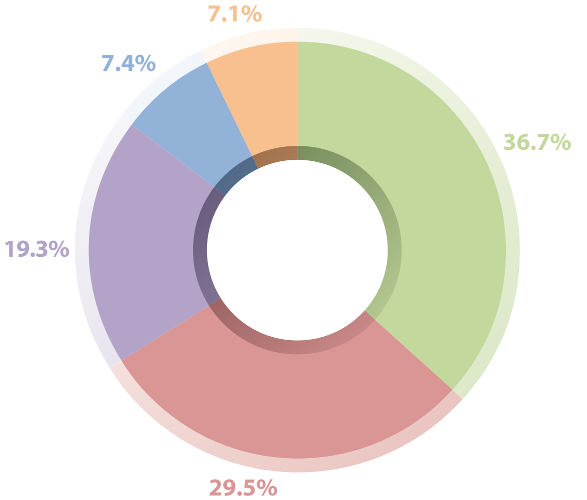
2. <u>Metro City, Shanghai</u>

KEY STATISTICS	
% owned by Group	60
Site area (sqm)	15,434
Lettable Area (sqm)	38,444
Tenure	36-year term from 1993 (11 years remaining)
No. of Tenants	173
Occupancy Rate (%)	97.1
Valuation (100%)	S$206 million

Metro City was opened in 1998 and is one of the Group's flagship properties in Shanghai, PRC. Strategically located at Xujiahui, Metro City is a lifestyle entertainment centre with nine levels of space, spanning nearly 40,000 sqm. Directly linked to a subway station, the mall attracts high shopper traffic due to its prime location and accessibility.

Asset enhancement on the last two levels of Metro City was completed in March 2017. Its occupancy rate as at 31 March 2018 was 97.1% (2017: 95.5%).

MALL TENANT MIX BY LETTABLE AREA
(As at 31 March 2018)



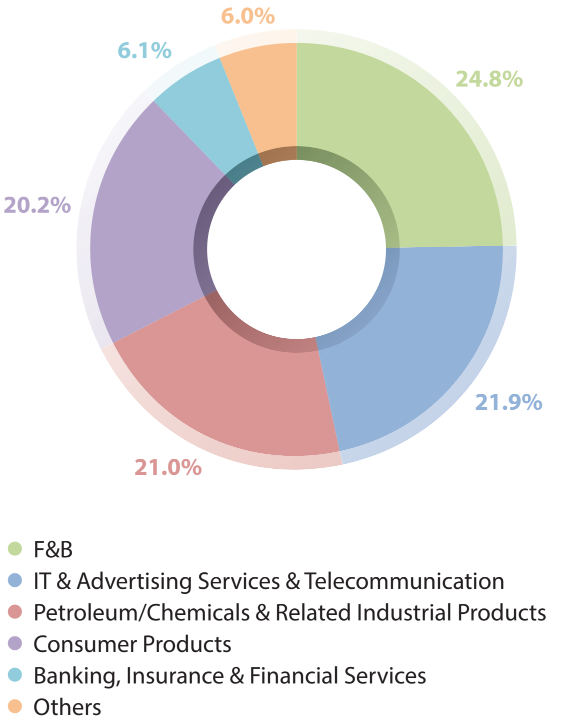
- F&B/Food Court (Includes KFC & Pizza Hut)
- Leisure & Entertainment
- Fashion & Shoes (Includes Uniqlo)
- Books/Gifts & Specialty/Hobbies/Toys/Jewelry (Includes Godiva)
- Others

3. <u>Metro Tower, Shanghai</u>

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

Metro Tower was completed in 1997 and is supported by a strong multinational tenant base and its occupancy remains high at 98.5% as at 31 March 2018 (2017: 92.7%).

OFFICE TENANT MIX BY LETTABLE AREA
(As at 31 March 2018)



KEY STATISTICS	
% owned by Group	60
Site area (sqm)	4,933
Lettable Area (sqm)	40,349
Tenure	50-year term from 1993 (25 years remaining)
No. of Tenants	31
Occupancy Rate (%)	98.5
Valuation (100%)	S$202 million

4. 5 Chancery Lane, London

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

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

The property is currently fully leased until 2023.

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

(ii) Development Properties

The following table provides brief details on the Group's ongoing and completed development properties as at 31 March 2018:

	Name of property, location	Type of development	Date of expiry of land use rights	Site area	Total number of units/total GFA	Effective equity interest (%)	Project acquisition date	Project handover/ completion date
1	Shanghai Shama Century Park, Shanghai, PRC	Residential	30 December 2072	–	Total of 284 residential units with a total gross floor area of approximately 49,357 sqm and 240 underground car park units.	30	October 2013	Construction completed in 2006.
2	The Crest at Prince Charles Crescent, Singapore	Residential	99 years from 2012	23,785 sqm	Total of 469 units with a GFA of 50,854 sqm.	40	September 2012	Temporary Occupation Permit granted in February 2017.
3	Sheffield Digital Campus, Sheaf Street, Sheffield, UK	Commercial	Freehold	1.03 acres	The campus comprises two Grade A office buildings, Acero Works and Vidrio House, built with six floors and eight floors, spanning 80,300 sqft and 50,900 sqft in net internal area respectively. Both buildings will also have a secure car park facility.	50	February 2016	Acero Works was completed in 3Q2017 and sold in May 2018. Planning works are now focused on Vidrio House.
4	Middlewood Locks, Manchester City Centre, UK	Residential and commercial	Freehold	24 acres	Total of 2,215 apartment units and commercial space including offices, hotels, shops, restaurants, a convenience store and a gym with an estimated total GFA of 2.4 million sqft.	25	July 2014	Phase 1, comprising 571 apartment units, has been completed and is being handed over in stages in the second half of 2018. As of the Latest Practicable Date, the sales and marketing activities of the units are in progress.
5	Bay Valley, Shanghai, PRC	Commercial	2 November 2058	39,141 sqm	Three office buildings with a total GFA of almost 98,000 sqm.	30	September 2017	Construction completed in Dec 2014.
6	Trans Park Juanda, Bekasi, Jakarta, Indonesia	Residential	N/A	4.5 hectares	Five 32-storey residential towers (5,622 units).	90	November 2017	Expected completion date of end 2020.

1. Shanghai Shama Century Park, Shanghai

Acquired in October 2013, the property comprises a total of 284 residential units with a total GFA of approximately 49,357 sqm and 240 underground car park units, and is currently operated as serviced apartments. Shama Century Park was developed as a joint venture between the Group and Top Spring. As at the Latest Practicable Date, the Group holds a 30% stake in the joint venture.

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

As at 31 March 2018, leasable GFA of approximately 47,642 sqm, comprising 277 units, have been sold and handed over.

KEY STATISTICS	
Completion Date	2006
% owned by Group	30
Land use rights tenure ending on	30 December 2072
Saleable/Leaseable GFA (sqm)*	1,715
Valuation (100%)*	S$18 million

*As at 31 March 2018

2. <u>The Crest at Prince Charles Crescent, Singapore</u>

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

Located in the tranquil Jervois precinct, the leasehold site at Prince Charles Crescent fronts the good class bungalow areas of the Chatsworth and Bishopgate estates in Singapore. The Crest, which sits on a land parcel of over 23,000 sqm, is of superior spatial quality and offers occupants open and unblocked views.

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

The development was completed in February 2017.

KEY STATISTICS	
% owned by Group	40
Site area (sqm)	23,785
Construction start date	June 2013
Temporary Occupation Permit	February 2017
Total GFA (sqm)	50,854
Land cost (S$'million)	516.3

3. Sheffield Digital Campus, Sheffield

KEY STATISTICS	
% owned by Group	50
Site area (acres)	1.03
Tenure	Freehold
Expected completion date	2017/2020
Estimated total saleable GFA (sqft)	131,226

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

The campus comprises two Grade A office buildings, Acero Works and Vidrio House, built with six floors and eight floors, spanning 80,300 sqft and 50,900 sqft in net internal area, respectively. Both buildings will also have a secure car park facility.

Acero Works was completed in 3Q2017. The building was sold in May 2018. Planning works are now focused on Vidrio House.

4. Middlewood Locks, Manchester

KEY STATISTICS	
% owned by Group	25
Site area (acres)	24.0
Tenure	Freehold
Estimated total GFA (sqft)	2.4 million

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

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

Middlewood Locks' residential properties are being developed in phases.

Phase 1, comprising 571 apartment units, has been completed and is being handed over in stages in the second half of 2018. As at the Latest Practicable Date, the sales and marketing activities of the units are in progress.

5. <u>Bay Valley, Shanghai</u>

Acquired in September 2017, the three office buildings comprise a total GFA of approximately 97,854 sqm and 210 car park spaces.

Located at No. 25, No. 33 and 36 and No. 78 and 79, 1688 Guoquan North Road, the properties are well-located within the integrated business community development known as the Bay Valley. Bay Valley is situated in New Jiangwan City, which is in the Yangpu District of Shanghai, one of the PRC's most established industrial centres.

As at the Latest Practicable Date, leasing activities are underway.

KEY STATISTICS	
Completion Date	2014
% owned by Group	30
Land use rights tenure ending on	2 November 2058
Saleable/Leaseable GFA (sqm)*	97,854

*As at 31 March 2018

6. Trans Park Juanda, Bekasi, Jakarta

KEY STATISTICS	
% owned by Group	90
Construction start date	November 2017
Expected completion date	End 2020
Total saleable GFA (sqm)*	162,754

*As at 31 March 2018

The Group, together with Trans Corp and the Lee Kim Tah Group, will develop, market and sell the residential component, Trans Park Residences, of this project.

The residential units are expected to appeal to homeowners looking for quality affordable residential apartments and is part of the larger Trans Park Juanda, Bekasi, a quality landmark mixed-use development consisting of five 32-storey residential towers (approximately 5,622 units), a hotel, a school, SoHo apartments, shophouses, an office building and a Transmart mall over a site area of 4.5 hectares. Notably, Trans Corp will be developing its trademark Transmart mall with a GFA of approximately 30,485 sqm, complete with department stores, supermarkets and cinemas, as well as a theme park with Snow Town and Kidcity.

The project is situated in Bekasi, south-east of Jakarta along Jalan Insinyur Haji Juanda, in close proximity to the bus station and railway station (100 metres) and the upcoming light train station which is expected to be completed in 2018. It is also located near the entry and exit points of a highway.

(iii) Investments

Top Spring International Holdings Limited, PRC

The Group owns about 15.0% of Top Spring as at 31 March 2018.

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

As at 31 December 2017, the Group had a total of 19 projects over 11 cities in various stages of development, including an estimated net saleable/leasable GFA of completed projects of approximately 229,729 sqm, an estimated net saleable/leasable GFA of projects under development of approximately 203,241 sqm, an estimated net saleable/leasable GFA of projects held for future development of approximately 81,387 sqm and an estimated net saleable/leasable GFA of projects contracted to be acquired or under application for change in land use of approximately 132,278 sqm, amounting to an estimated net saleable/leasable GFA of approximately 646,635 sqm.

(iv) Recent Investments

1. Trans Park Bintaro, Jakarta

Trans Park Bintaro, Jakarta is a quality landmark mixed-use development project of Trans Corp, an Indonesia-based group with businesses spanning across media, lifestyle and entertainment, retail and property. The Group, together with Trans Corp and the Lee Kim Tah Group, will develop, market and sell the residential component of this project.

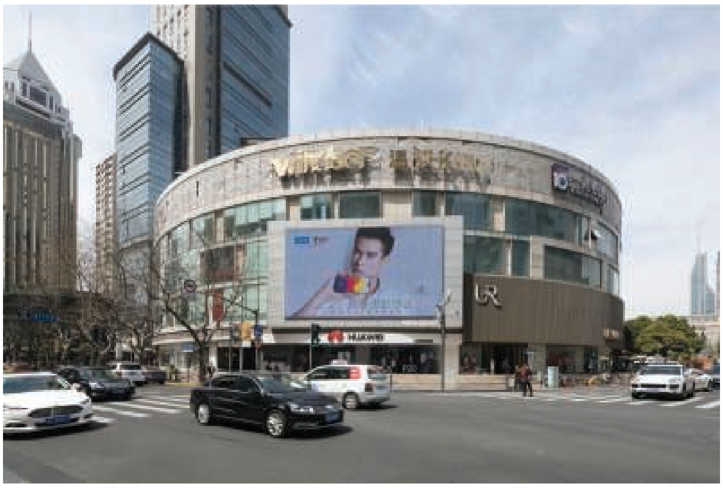
The development is over a site area of about 1.6 hectares, comprising two residential towers (with approximately 1,400 apartment units and 170 SoHo units) and a Trans Studio retail mall with gross floor area of approximately 22,361 sqm. The residential units are positioned for the middle to middle upper level market with a focus on quality design.

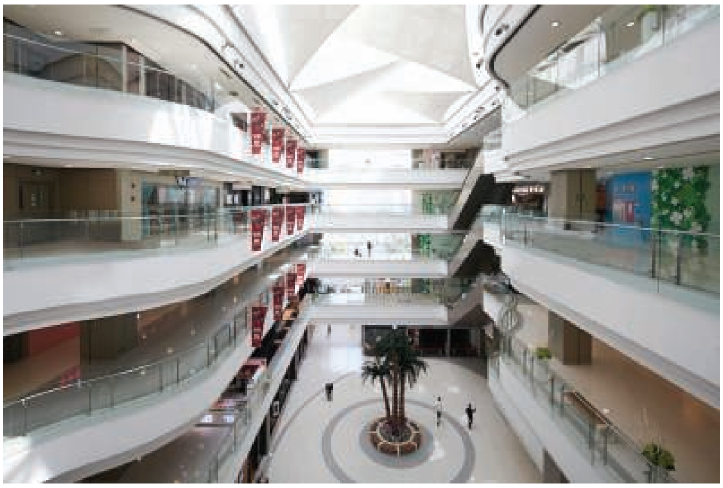
The Bintaro project is located within Bintaro Jaya, a mature township which is now over 1,500 hectares and is a popular residential area for professionals working in the Central Business District. The location is well connected to Jakarta through the toll road and the railway line (approximately 15 km away).

KEY STATISTICS	
% owned by Group	90
Construction start date	23 March 2018
Expected completion date	Mid 2021
Total saleable GFA (sqm)*	61,618

* As at 25 May 2018

2. Shanghai Plaza, Shanghai





In May 2018, the Group acquired a 35% equity interest in a joint venture which in turn acquired a 90% stake of a mixed-use commercial building, Shanghai Plaza, Shanghai, PRC, for a total investment value of RMB2,907 million (approximately S$613 million[1]). Shanghai Plaza, a landmark 7-storey mixed-used commercial building, is located at the prime Huai Hai Zhong Road, Huang Pu district, Shanghai, PRC, which is one of the most densely populated urban districts in the PRC. The property is also close to the popular shopping district area near Xintiandi District and People's Square, with connectivity to major train lines and expressways. This property will be undergoing asset enhancement in 2019.

KEY STATISTICS	
% owned by Group	31.5
Tenure	50 years from 1992
GFA (sqm)*	40,693

*As at 25 May 2018

1 At an exchange rate of RMB1 = S$0.211 on 17 May 2018.

(b) Retail

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

The Group's retail arm originally offered high-end luxury fashion and watch products through Hour Glass. Thereafter, in 1982, the Transmarco Group was established and took over Hour Glass' operations. The Transmarco Group expanded to Malaysia, while expanding its exclusive range of time pieces and jewellery through the injection of Cartier and Piaget agencies into the Transmarco Group. This assisted the Group in establishing itself as a high-end retailer, before it disposed of its interests in the Transmarco Group. Further, the Group had a key role to play in introducing various other major brands into Singapore, such as Toys "R" Us, Kmart, Tag Heuer and Burberry.

The Group continually enhances its merchandise mix to bring refreshing shopping experiences to its customers. It collaborates closely with local and international business partners, looks into the expansion of product categories and optimises its product assortments. To further enhance its merchandise offering, the Group has also expanded its in-house development team to develop exclusive products just for its customers. The Group currently has four exclusive in-house labels – Kiro, Kurt Woods, M. Maison and M. Essentials – which were developed by its in-house development team. Its products range from fashion to home furnishings.

The Group is dedicated to understanding customers' needs and shopping preferences, which it carefully evaluates in order to continually improve customers' shopping experience. The Group's Customer Relationship Management system, when implemented, will be one of the ways in which the Group rewards its loyal customers, while simultaneously leveraging on the platform to innovate, and find even more ways to delight its loyal customers through curated product offerings.

The Group has also undertaken to transform itself with a strong focus on multimedia strategy and in developing fresh concepts and improving assortment of merchandise to entice consumers. This, coupled with better in-store shopping experience, is targeted at meeting the evolving needs of customers and supporting a complete online-to-offline user experience. The Group also introduced a cross-store merchandising and selling option, where customers can now buy, collect, exchange and return merchandise from any Metro store.

To strengthen its brand presence, the Group continues to focus on its multimedia strategy of engaging its customers through various platforms such as Facebook, Twitter, Instagram, mobile web and electronic direct mail. Given the rising popularity of messaging applications, the Group launched the 'Metro App' in October 2017 to further engage customers via instant marketing promotions. The Group continues to adhere to the Personal Data Protection Act 2012, and ensures that there are proper protocols and processes in place to safeguard its customers' data.

(i) Singapore Metro Stores

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

- Metro Centrepoint
- Metro Paragon
- Metro Woodlands

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

The marketing of the Metro stores are based primarily on three principles, namely, design, quality, value ("**DQV philosophy**"). For 60 years, the DQV philosophy has been evident across all departments, ranging from men's and women's fashion, kids wear, toys, home and bedding, where every product at Metro is sourced and curated with stringent guidelines. In addition, Metro stores are well-known for their country and thematic promotions which seek to provide Singaporeans with experiences spanning different cultures and countries. To illustrate, some of these popular country and thematic promotions have included 'Vision De France' and 'Metro Goes to USA'.

(ii) Indonesia Metro Stores

The Group started its operations in the Indonesian market in 1991 at Pondok Indah Mall and currently operates ten stores in Indonesia with a total retail space of approximately 1.2 million sqft:

- Metro Pondok Indah, Jakarta;
- Metro Plaza Senayan, Jakarta;
- Metro Bandung Supermal, Bandung;
- Metro Taman Anggrek, Jakarta;
- Metro Trans Studio Makassar, Makassar;
- Metro Gandaria City, Jakarta;
- Metro Ciputra World, Surabaya;
- Metro Park Solo, Solo;
- Metro Puri Indah mall, Jakarta (Newly opened in 1QFY2018); and
- Metro Grand Kawanua Manado, Manado (Newly opened in 3QFY2018).

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

6. AWARDS AND ACCREDITATIONS

The Group has been accorded the awards as set out below:

Awards	Awarding Organisation	Date of Award
The Oasis Resort – Best Tourism Development Project	Tourism Tropical North Queensland Awards	1998
The Oasis Resort – Best Deluxe Accommodation	Tourism Tropical North Queensland Awards	1999, 2000
People Developer Award	National Productivity Board	2001
The Oasis Resort – First Class Accommodation Excellence Award	Australian Tourism Export Council	2003

7. BOARD OF DIRECTORS, SENIOR MANAGEMENT AND LEGAL REPRESENTATIVES

DIRECTORS

The Group's Board of Directors is entrusted with the responsibility for the overall management of the Group. The Group's Directors' particulars are listed below:

Name	Position
Lt-Gen (Retd) Winston Choo Wee Leong	Non-Executive and Independent Chairman
Mr Phua Bah Lee	Non-Executive and Independent Director
Mr Gerald Ong Chong Keng	Non-Executive Director
Mrs Fang Ai Lian	Non-Executive and Independent Director
Mr Tan Soo Khoon	Non-Executive and Independent Director
Mr Lawrence Chiang Kok Sung	Group Chief Executive Officer ("**CEO**") and Executive Director
Ms Deborah Lee Siew Yin	Non-Executive and Independent Director

Notes:

(1) None of the Issuer's Directors is related by blood or marriage to one another or to the Issuer's shareholders who have interest(s) in shares the nominal amount of which is not less than 5.0% of the total votes attached to all the voting shares of a corporation ("**Substantial Shareholders**").

Information on the business and working experience of the Group's Directors is set out below:

Lt-Gen (Retd) Winston Choo Wee Leong

Lt-Gen (Retd) Winston Choo Wee Leong is the Issuer's Non-Executive and Independent Chairman. He was appointed to the Board 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.

Lt-Gen Choo had a distinguished military career from 1959 to 1992, and was Singapore's Chief of Defence Force from 1974 to 1992. He served as Singapore's High Commissioner to Australia and concurrently Ambassador to Fiji from 1994 to 1997. He also served as Singapore's Non-Resident High Commissioner to the Republic of South Africa and the Independent State of Papua New Guinea from 2000 to 2006. He 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's degree in History from Duke University, USA, and has completed the Advance Management Programme at Harvard University, USA.

Mr Phua Bah Lee

Mr Phua Bah Lee joined the Issuer's Board as a Non-Executive and Independent Director 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 Singapura Finance Ltd and also holds directorships in a number of private companies. Mr Phua was the Parliamentary Secretary of the Ministry of Communications from 1968 to 1971 and Senior Parliamentary Secretary of the Ministry of Defence from 1972 to 1988. He was a Member of Parliament for the Tampines Constituency from 1968 to 1988.

Mr Phua graduated from the Nanyang University, Singapore, with a Bachelor of Commerce degree.

Mr Gerald Ong Chong Keng

Mr Gerald Ong Chong Keng joined the Issuer's Board as a Non-Executive Director in June 2007. He is a member of the Audit, Nominating, Investment and Remuneration Committees. He is currently the CEO of the PrimePartners Corporate Finance Group and is a Director of Aseana Properties Ltd (listed on the London Stock Exchange Main List). Mr Ong has more than 25 years of corporate finance related experience. He has held senior positions at various financial institutions including NM Rothschilds & Sons (Singapore) Ltd, the DBS Bank Group, Tokyo-Mitsubishi International (Singapore) Pte Ltd and Hong Leong (Malaysia) Group. During his time with these institutions, Mr Ong's duties encompassed the provision of a wide variety of Corporate Finance services from advisory, M&A activities and fund raising exercises incorporating various structures such as equity, debt, equity-linked and derivative-enhanced issues.

Mr Ong has been recognised as an IBF Distinguished Fellow and is a Council Member of the Singapore Institute of International Affairs. He is an alumnus of the NUS, University of British Columbia and Harvard Business School.

Mrs Fang Ai Lian

Mrs Fang Ai Lian joined the Issuer's Board as a Non-Executive and Independent Director in July 2008. She is also the Chairman of the Audit Committee and a member of the Nominating Committee.

She is an Independent Director of Banyan Tree Holdings Limited, Singapore Post Limited, Jubilant Pharma Limited and Cromwell EREIT Management Pte. Ltd. and Advisor to the Far East Organization Group. She is Chairman of the Board of Trustees of the Singapore Business Federation and Medishield Life Council. She also serves on the Board of Trustees of the Singapore University of Technology and Design, and is a member of Tote Board (Singapore Totalisator Board). Mrs Fang was previously with Ernst & Young ("**E&Y**") for 37 years where she last held the position of Chairman of E&Y Singapore until her retirement on 31 March 2008. She previously served as the Chairman of Charity Council. She is also a Justice of the Peace and was awarded the Public Service Star in 2009. Her past directorships include Singapore Telecommunications Limited and MediaCorp Pte Ltd.

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

Mr Tan Soo Khoon

Mr Tan Soo Khoon joined the Issuer's Board as a Non-Executive and Independent Director in December 2011. He is a member of the Audit and Investment Committees.

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

Mr Tan holds a Bachelor of Business Administration degree with Honours from the NUS.

Mr Lawrence Chiang Kok Sung

Mr Lawrence Chiang Kok Sung is the Group CEO and appointed as an Executive Director of the Issuer in June 2016. He is a member of the Investment Committee.

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

Mr Chiang joined the Issuer in 1989 and has held positions as the Group's Head, Corporate Affairs and Special Projects and Financial Controller. He was appointed the Group General Manager in April 2007 before being re-designated as the Group Chief Operating Officer in July 2013. He was appointed as the Acting Group CEO in February 2016. He has 44 years of working experience in industries involved in property development and management, retail and department stores, cruise, hotel, engineering and trading operations.

Ms Deborah Lee Siew Yin

Ms Deborah Lee Siew Yin joined the Issuer's Board as a Non-Executive and Independent Director in June 2018. She is presently an Independent Director of Ascendas Hospitality Trust and Assurity Trusted Solutions Pte Ltd. She is also a board member of WTL Capital Pte Ltd.

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

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

Ms Lee holds a Bachelor of Accountancy (Honours) and a Master's in Applied Finance from NUS. She is a Chartered Financial Analyst charterholder.

SENIOR MANAGEMENT

The day-to-day operations of the Group are entrusted to an experienced and qualified team of Executive Officers. The particulars of the Executive Officers are set out below:

Name	Position
Mr Lawrence Chiang Kok Sung	Group CEO
Mr Yip Hoong Mun	Deputy Group CEO
Mrs Wong Sioe Hong	Executive Chairman (Metro (Private) Limited)
Ms Eve Chan Bee Leng	Group Chief Financial Officer and Joint Company Secretary
Mr David Tang Kai Kong	CEO (Metro (Private) Limited)

Note:

(1) Save as disclosed below, none of the Issuer's Executive Officers is related to one another, the Issuer's Directors or to the Issuer's Substantial Shareholders.

The Issuer's Executive Chairman (Metro (Private) Limited), Mrs Wong Sioe Hong is the aunt of its substantial shareholders, Ms Ong Lingling, Mr Ong Jenn (Wang Zhen), Ms Ong Ching Ping, and Mr Ong Sek Hian (Wang ShiXian).

Information on the business and working experience of the Issuer's Executive Officers is set out below:

Mr Lawrence Chiang Kok Sung

Please refer to page 136 for information on Mr Lawrence Chiang Kok Sung.

Mr Yip Hoong Mun

Mr Yip Hoong Mun joined the Issuer in February 2017 as the Group Chief Operating Officer of the Group and was re-designated to Deputy Group Chief Executive Officer in May 2018. He is also Chief Executive Officer of Metro China Holdings Group.

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

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

Mr Yip has a Bachelor of Civil Engineering degree with First Class Honours from NUS and a Master's degree in Business Administration from Stanford University, USA. He also completed a management course at Fudan University, Shanghai, PRC.

Mrs Wong Sioe Hong

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

Mrs Wong first joined the Issuer's retail organisation in 1971 and 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 Issuer's 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) degree from the University of Santa Clara, USA.

Ms Eve Chan Bee Leng

Ms Eve Chan Bee Leng joined the Issuer in August 2017 as the Director of Finance of the Group and was re-designated to the Group Chief Financial Officer in August 2018.

Ms Chan has more than 25 years of experience in group finance, audit, tax, accounting, corporate finance and treasury with public listed firms, engineering/power plant, real estate/property developer/private equity funds/real estate investment trusts, hospitality and international auditing firm. She has also been involved in numerous corporate exercises such as mergers, acquisition and divestment exercises, Public Offering launches as well as the organisation and structuring of private equity real estate funds and real estate investment trusts with portfolios that span across Asia Pacific and Middle East regions. Prior to joining the Issuer, she was the Group Financial Controller for PacificLight Power Group. Ms Chan also previously held various finance positions at ST Engineering, Keppel REIT, Kingdom Hotel Investment, CapitaLand/Ascott Group with portfolios that span across Asia Pacific and Middle East regions.

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

Mr David Tang Kai Kong

Mr David Tang was appointed as the CEO 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 J.C. Penney Company, Inc. in Indianapolis, Indiana, USA.

Prior to joining the Issuer, Mr Tang was at the helm of Robinsons & Co (Singapore) Pte Ltd ("**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's degree in Business Administration in Retailing and Wholesaling from the University of Stirling, Scotland, and a Bachelor of Science (Highest Distinction) in Finance degree from Indiana University, USA.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The tables set forth selected consolidated financial information of the Group for FY2016, FY2017, FY2018, 1QFY2018, 1QFY2019 and as at 30 June 2018. This selected financial information has been derived from, and should be read in conjunction with, the Audited Consolidated Financial Statements of Metro Holdings Ltd and its subsidiaries for the Financial Year Ended 31 March 2018 and Unaudited Financial Statements of Metro Holdings Ltd and its subsidiaries for the Three-Month Financial Period Ended 30 June 2018, including the notes thereto, which appear in Appendices III and IV of this Information Memorandum.

1. CONSOLIDATED INCOME STATEMENT

	Audited			Unaudited	
	FY2016 $'000	FY2017 $'000	FY2018 $'000	1QFY2018 $'000 (restated)	1QFY2019 $'000
Revenue	154,595	131,224	136,326	32,424	30,167
Cost of revenue	(143,237)	(122,240)	(128,550)	(31,328)	(29,629)
Gross profit	11,358	8,984	7,776	1,096	538
Other net income	12,621	30,397	54,359	8,689	11,329
Fair value (loss)/gain on investment properties	(813)	832	416	–	–
General and administrative expenses	(33,375)	(21,967)	(25,290)	(5,306)	(4,931)
Interest on borrowings	(557)	(277)	(2,029)	(366)	(650)
Associates					
– Share of results, net of tax	75,660	42,514	124,913	13,383	(625)
– Dilution loss	(1,250)	(217)	(1,319)	–	(197)
	74,410	42,297	123,594	13,383	(822)
Joint ventures					
– Share of results, net of tax	68,160	22,275	(317)	8,084	16,265
– (Write down of)/reversal of amount due from a joint venture	(9,472)	–	9,472	–	–
	58,688	22,275	9,155	8,084	16,265
Profit from operations before taxation	122,332	82,541	167,981	25,580	21,729
Taxation	(9,040)	(1,522)	(11,007)	(538)	(1,473)
Profit net of taxation	113,292	81,019	156,974	25,042	20,256
Attributable to:					
Owners of the Company	113,129	80,682	156,474	24,990	20,227
Non-controlling interests	163	337	500	52	29
	113,292	81,019	156,974	25,042	20,256

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited			Unaudited	
	FY2016	FY2017	FY2018	1QFY2018 (restated)	1QFY2019
	$'000	$'000	$'000	$'000	$'000
Profit net of taxation	113,292	81,019	156,974	25,042	20,256
Other comprehensive income/ (expense):					
Items that will not be reclassified to profit or loss:					
Share of other comprehensive income of an associate	42	290	–	–	–
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	(36,228)	(11,713)	(12,953)	(4,821)	12,049
Investments at fair value through other comprehensive income					
– net fair value changes	8,868	(4,273)	7,991	4,965	–
– net fair value changes reclassified to profit or loss	(2,234)	(5,482)	(5,782)	(423)	–
Translation and other reserve of subsidiary, associates and joint venture transferred to profit or loss upon disposal/liquidation	(12,329)	(2,392)	(3,663)	–	–
Share of other comprehensive (expense)/income of associates and joint ventures	(19,554)	(28,279)	24,514	884	4,978
Other comprehensive (expense)/ income, net of tax	(61,435)	(51,849)	10,107	605	17,027
Total comprehensive income for the period	51,857	29,170	167,081	25,647	37,283
Total comprehensive income/ (expense) attributable to:					
Owners of the Company	51,362	30,542	166,733	25,333	38,682
Non-controlling interests	495	(1,372)	348	314	(1,399)
	51,857	29,170	167,081	25,647	37,283

3. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Balance Sheets as at	Audited			Unaudited
	FY2016 $'000	FY2017 $'000	FY2018 $'000	As at 30 June 2018 $'000
Non-current assets				
Plant and equipment	4,872	5,062	4,466	4,090
Investment properties	106,653	104,423	100,214	99,251
Associates	467,051	507,650	544,174	628,475
Joint ventures	345,221	382,674	419,917	194,070
Long term investments				
– Fair value through profit or loss	–	–	–	88,919
– Available-for-sale	51,429	94,921	80,336	–
Deferred tax assets	1,441	1,102	–	–
	976,667	1,095,832	1,149,107	1,014,805
Current assets				
Development properties	–	–	50,556	79,880
Inventories	19,296	19,433	16,950	15,858
Prepayments	721	1,073	1,922	768
Accounts and other receivables	10,492	7,819	135,350	14,332
Tax recoverable	267	250	–	–
Amounts due from associates	–	–	–	229
Amounts due from joint ventures	–	–	–	197,446
Short term investments	33,919	42,208	30,262	29,478
Pledged fixed bank deposits	–	111,278	158,409	125,466
Cash and cash equivalents	493,606	278,164	159,364	268,387
	558,301	460,225	552,813	731,844
Current liabilities				
Bank borrowings	–	65,915	136,752	102,560
Accounts and other payables	52,683	39,641	53,876	49,664
Amount due to an associate	69,050	67,457	–	–
Amount due to a joint venture	–	–	–	27,979
Provision for taxation	4,813	2,234	1,448	1,508
	126,546	175,247	192,076	181,711
Net current assets	431,755	284,978	360,737	550,133
Non-current liabilities				
Amount due to a joint venture	–	–	–	15,428
Deferred income	12,010	13,352	11,325	10,296
Deferred taxation	16,920	16,759	16,377	15,745
	(28,930)	(30,111)	(27,702)	(41,469)
Net assets	1,379,492	1,350,699	1,482,142	1,523,469
Equity attributable to owners of the Company				
Share capital	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	1,207,698	1,180,277	1,305,608	1,344,290
	1,375,647	1,348,226	1,473,557	1,512,239
Non-controlling interests	3,845	2,473	8,585	11,230
Total equity	1,379,492	1,350,699	1,482,142	1,523,469

4. REVIEW OF RESULTS OF OPERATIONS

In December 2017, the Accounting Standards Council (the "**ASC**") issued the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 March 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 April 2018 as follows:

(a) SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 April 2017. As a result, cumulative translation losses of $50,177,000 were reclassified from foreign currency translation reserve to retained earnings as at 1 April 2017 for the Group. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before 1 April 2017.

(b) SFRS(I) 9 Financial Instruments

The Group has applied the exemption in SFRS(I) 9 which allowed it not to restate comparative information in the FY2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised as an adjustment to the opening balance of retained earnings and reserves as at 1 April 2018.

The Group and the Company have reclassified certain amounts due from subsidiaries and joint ventures from non-current assets to current assets and amounts due to subsidiaries from non-current liabilities to current liabilities to conform with the requirements of SFRS(I) 9.

Investments

On adoption of SFRS(I) 9, the Group has reclassified "Long term investments – available-for-sale ("**AFS**")" of $80.3 million to "Long term investments – fair value through profit or loss ("**FVTPL**")". Consequently, changes in fair value of previously held AFS are recognised in profit or loss instead of fair value through other comprehensive income.

The Group continues to measure the "Short term investments" at fair value through profit or loss.

(c) SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has applied the changes in accounting policies, using the full retrospective approach.

The adoption of the SFRS(I) 15 did not have any significant impact on the financial statements of the Group.

1QFY2019 vs 1QFY2018

Turnover

The Group's turnover of $30.2 million for 1QFY2019 decreased by 7.0% over 1QFY2018's $32.4 million as the retail division reported lower sales. Correspondingly, gross profit for 1QFY2019 decreased to $0.5 million as compared to 1QFY2018's $1.1 million.

Profit Before Tax

Other net income increased to $11.3 million for 1QFY2019 from $8.7 million for 1QFY2018 mainly due to net change in fair value of investments at fair value through profit or loss ("**FVTPL**") of $6.7 million in 1QFY2019 which include fair value gain of $8.5 million on "Long term investments" previously recognised as "Long term investments – available-for-sale" ("**AFS**"). In the prior 1QFY2018, changes in fair value of investments relate to an unrealised fair value gain of $1.9 million, of the Group's portfolio of short term investments in REITs held by the property division and the Group had recognised the fair value gain of $5.0 million of such long term investments in AFS through other comprehensive income. The prior quarter also included a gain on disposal of an investment property in Shanghai of $0.8 million and distributions from long term investments of $1.3 million.

Share of results of associates recorded a loss of $0.6 million in 1QFY2019 from a gain of $13.4 million in 1QFY2018 mainly because the prior 1QFY2018 included a one-off significant gain of $8.3 million (net of tax) on disposal of certain interests in a subsidiary and joint venture by the Group's associate, Top Spring. With the completion of the divestment of the Group's 30% equity interest in our associate in Nanchang, contribution from this property development project has ceased in 1QFY2019.

Share of results of joint ventures increased to $16.3 million in 1QFY2019 from $8.1 million in 1QFY2018 mainly due to contribution from The Crest, Singapore, and recognition of $2.3 million from the sale of Acero Works, an office building in Sheffield, the UK. There was a fair value gain on investment properties of $0.8 million in 1QFY2019 as compared to a fair value loss of $0.3 million in 1QFY2018.

As a result of the foregoing, profit before taxation decreased to $21.7 million in 1QFY2019 from $25.6 million in 1QFY2018, with the main factor being the lower contribution from the Group's associate, Top Spring. This was partially offset by higher contributions from the Group's joint ventures and the recognition of net fair value gain of investments in the income statement.

FY2018 vs FY2017

Turnover

Group turnover for FY2018 increased to $136.3 million from $131.2 million in FY2017 as the retail division reported higher sales. However, gross profit for FY2018 decreased to $7.8 million from $9.0 million in FY2017 due to lower margins and higher operating costs.

Profit Before Tax

The Group's profit before tax for the year increased to $168.0 million in FY2018 from $82.5 million in FY2017.

Other net income improved to $54.4 million in FY2018 from $30.4 million in FY2017 mainly due to the divestment gain of $15.8 million from the disposal of the Group's 30% equity interest in our associate in Nanchang. An unrealised fair value gain of $1.9 million was recorded on changes in fair value of short term investments in FY2018 as compared to FY2017's unrealised deficit of $0.8 million.

Share of results of associates recorded a gain of $124.9 million in FY2018 from $42.5 million in FY2017 mainly because in FY2018 the Group recorded a $159.2 million (net of tax) share of a gain arising from a very substantial disposal of eight property projects by Top Spring. This was offset by the Group share of Top Spring's provision for its doubtful debts and available-for-sale investments, and higher overheads.

Share of results of joint ventures recorded a loss of $0.3 million in FY2018 from $22.3 million in FY2017 mainly due to a one-off expense arising on the expiry of conditional remission of Additional Buyer's Stamp Duty ("**ABSD**") for The Crest at Prince Charles Crescent in Singapore, with the Group's share of $27.7 million fully accounted for in FY2018. This was partially mitigated by a reversal of a $9.5 million write down of amount due from a joint venture arising from an assessment of the carrying amount of a shareholder loan due from this joint venture. In FY2018, 5 Chancery Lane, London, recorded a fair value loss on investment property of $4.2 million mainly due to acquisition costs.

FY2017 vs FY2016

Turnover

Group turnover for FY2017 decreased to $131.2 million from $154.6 million in FY2016 due to lower turnover reported by the retail division as a result of the absence of contribution from Metro Sengkang and Metro City Square with their closures in 2QFY2016 and 3QFY2016 respectively.

This resulted in most of the decline in gross profit for FY2017 to $9.0 million as compared to $11.4 million in FY2016. However, containment of operating and overhead costs reduced the impact of the loss of contribution from the closed stores.

Profit Before Tax

The Group's profit before tax for the year declined from $122.3 million in FY2016 to $82.5 million in FY2017.

Other net income improved to $30.4 million in FY2017 from $12.6 million in FY2016 mainly due to foreign exchange gains of $5.7 million in FY2017 as compared to unrealised foreign exchange losses on bank balances of $8.3 million in FY2016. An unrealised fair value deficit of $0.8 million was recorded on changes in fair value of short term investments in FY2017 as compared to FY2016's unrealised deficit of $6.6 million.

Our associate in Nanchang contributed $12.1 million in FY2017 from $44.1 million in FY2016 as revenue recognised on properties completed declined by 66% over FY2016. Overall gross margins declined from around 40% to the mid-twenties.

Although Top Spring reported significantly lower revenue recognised due to the timing of completion and handover of properties, a write back of tax provisions on finalisation offset the impact as well as a decline in gains from fair value adjustments on Shama Century Park, Shanghai's investment properties. Our UK associate contributed $1.8 million from the sale of The Hat Box's 144 apartment units in FY2017.

In the prior FY2016, share of joint ventures results of $68.2 million included a one-off gain from the disposal of the Group's 50% interest in the joint ventures owning EC Mall, Beijing, of $41.7 million. It also included an impairment assessment deficit on carrying amount of shareholder loan due from a joint venture of $9.5 million.

5. REVIEW OF FINANCIAL POSITION

1QFY2019 vs FY2018

Associates (Non-current assets) and Amounts due from associates (Current assets) increased from $544.2 million as at 31 March 2018 to $628.7 million as at 30 June 2018 mainly due to loans of $25.2 million extended to the new 35% associate, Shanghai Yi Zhou Property Management Co., Ltd., as share of funding for the acquisition of Shanghai Plaza in Shanghai; the extension of a shareholder loan of $47.2 million to the recently incorporated associate, Jovial Paradise Limited ("Jovial Paradise"), as the Group's share of funding for a debt instrument made by Jovial Paradise and currency translation adjustments of foreign associates. These were partially offset by dividend distributions from associates of $13.5 million.

Joint ventures (Non-current assets) and Amounts due from joint ventures (Current assets) decreased from $419.9 million as at 31 March 2018 to $391.5 million as at 30 June 2018 mainly due to repayment of shareholder loans of $31.9 million from the proceeds of the disposal of Acero Works, Sheffield, in the UK. The repayment also had the effect of decreasing bank borrowings (Current liabilities) by $30.0 million in 1QFY2019. Consequently, pledged fixed bank deposits (Current assets) decreased by $32.9 million.

Development properties (Current assets) increased to $79.9 million as at 30 June 2018 from $50.6 million as at 31 March 2018. This relates to the residential development properties in Bekasi, Jakarta, Indonesia, held for sales.

Accounts and other receivables (Current assets) decreased from $135.4 million as at 31 March 2018 to $14.3 million as at 30 June 2018 mainly due to the receipt in April 2018 of $122.8 million proceeds from the disposal of the 30% equity interest in the associate in Nanchang.

Amount due to a joint venture (Current and Non-current liabilities) of $43.4 million relate to a loan from a joint venture in PRC as funding for the Group's investments.

Consequently, Cash and cash equivalents increased from $159.4 million as at 31 March 2018 to $268.4 million as at 30 June 2018.

FY2018 vs FY2017

Associates (Non-current assets) increased from $507.7 million as at 31 March 2017 to $544.2 million as at 31 March 2018 mainly due to share of associates' results for FY2018 of $124.9 million. This was partially offset by the disposal of the Group's 30% equity interest in the associate in Nanchang in FY2018. Accounts and other receivables (Current assets) increased from $7.8 million as at 31 March 2017 to $135.4 million as at 31 March 2018 mainly due to the $122.8 million proceeds from the disposal, which was received in April 2018.

In FY2018, loans of $78.2 million was extended to the new 30% associates, Shine Long Limited, Huge Source Limited and Progress Link Limited, as funding for the acquisition of three office buildings in Shanghai. Advances of $25.7 million were granted to a UK associate.

This was partially offset by dividend distributions from associates of $67.1 million, $16.0 million repayment of shareholder loans from proceeds of the disposal of properties at Shama Century Park, Shanghai, and currency translation adjustment of foreign associates. Capital distributions (net of capital contributions) from InfraRed NF China Real Estate Fund II (A), L.P. amounted to $10.6 million.

Joint Ventures (Non-current assets) increased from $382.7 million as at 31 March 2017 to $419.9 million as at 31 March 2018, mainly due to the joint venture investment in 5 Chancery Lane, London.

Development properties (Current assets) of $50.6 million as at 31 March 2018 relates to the residential development properties in Bekasi, Jakarta, Indonesia, held for sale.

Short term investments (Current assets) decreased to $30.3 million as at 31 March 2018 from $42.2 million as at 31 March 2017. The Group's portfolio of short term investments was reduced, through disposals.

Bank borrowings (Current liabilities) increased to $136.8 million as at 31 March 2018 from $65.9 million as at 31 March 2017 due to loans drawn on banking facilities for amounts advanced to an associate and a joint venture in the UK and funding of the joint venture investment in 5 Chancery Lane.

Amount due to an associate (Current liabilities) of $67.5 million as at 31 March 2017 was fully repaid in FY2018.

As a result of the above redeployment of funds and after taking into account a dividend of $41.4 million paid to shareholders, Cash and cash equivalents declined from $278.2 million as at 31 March 2017 to $159.4 million as at 31 March 2018.

FY2017 vs FY2016

Associates (Non-current assets) increased from $467.1 million as at 31 March 2016 to $507.7 million as at 31 March 2017 mainly due to a further capital contribution into InfraRed Fund II of $6.7 million (net of capital distributions) and share of associates' results for FY2017 of $42.5 million, partially offset by dividend distributions of $43.2 million and currency translation adjustment of foreign associates.

In FY2017, a shareholder loan of $40.5 million was extended to a newly incorporated associate, South Bright Investment Limited ("**South Bright**"), as the Group's share of funding for the real estate debt instrument investment made by South Bright. Advances of $27.9 million was made to a UK associate and a dividend of $28.7 million was receivable. These were partially offset by a $32.4 million repayment of shareholder loans from proceeds of the disposal of properties in Shama Century Park, Shanghai.

Joint Ventures (Non-current assets) increased from $345.2 million as at 31 March 2016 to $382.7 million as at 31 March 2017, mainly due to the Group's share of joint ventures' results for FY2017 of $22.3 million, partially offset by dividend distributions of $27.8 million. In FY2017, a shareholder loan of $28.3 million was granted to a joint venture and $21.3 million was advanced to a UK joint venture.

Long term investments (Non-current assets) increased to $94.9 million as at 31 March 2017 from $51.4 million as at 31 March 2016 with a $56.4 million investment in MGSA. This was partially offset by a decline in the fair value of available-for-sale investment, Shui On and distributions from an available-for-sale investment.

Short term investments (Current assets) increased to $42.2 million as at 31 March 2017 from $33.9 million as at 31 March 2016 mainly due to an investment of $20.0 million. The Group's portfolio of short term investments was reduced, through disposals, in order to lock in previously unrealised gains.

Bank borrowings (Current liabilities) increased to $65.9 million as at 31 March 2017 due to loans drawn on banking facilities for the investment in MGSA and amounts advanced to an associate and a joint venture in the UK. Pledged fixed bank deposits rose accordingly.

As a result of the above redeployment of funds and after taking into account a dividend of $58.0 million paid to shareholders, Cash and cash equivalents declined from $493.6 million as at 31 March 2016 to $278.2 million as at 31 March 2017.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Securities should carefully consider all the information set forth in this Information Memorandum and any documents incorporated by reference herein, including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected and investors may lose all or part of their investment in the Securities.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Securities but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Securities for their particular circumstances.

Headings and sub-headings are for convenience only and investment considerations and risk factors that appear under a particular hearing or sub-heading may also apply to one or more other headings or sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme.

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies (if any), the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside of the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section on "Forward-Looking Statements" on page 7 of this Information Memorandum.

RISKS RELATING TO THE SECURITIES GENERALLY

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities does develop, there can be no assurance as to the liquidity or sustainability of any such market. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This may particularly be the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally may have a more limited secondary market and more price volatility than conventional debt securities. If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Securities, general economic conditions and the financial condition of the Issuer. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances investors may not be able to sell their Securities at their fair market value or at all.

Liquidity may have a material and adverse effect on the market value of Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be materially and adversely affected by the issue in the market of such additional Securities.

Although an application will be made for the listing and quotation of any Securities to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

Fluctuation of the market value of the Securities issued under the Programme

Trading prices of the Securities may be influenced by numerous factors, including the operating results and/or financial condition of the Issuer, its subsidiaries and/or associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material and adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuer, its subsidiaries and/or its associated companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material and adverse effect on worldwide financial markets, which may also materially and adversely affect the market price of any Series or Tranche of Securities.

Interest rate risk

Investment in fixed rate Securities involves the risk that subsequent changes in interest rates may adversely affect the value of the fixed rate Securities and Securityholders may suffer unforeseen losses due to such fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in debt security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, debt security prices may rise. The Securityholders may enjoy capital gains but interest payments received may be reinvested at lower prevailing interest rates.

Currency risk associated with Securities denominated in foreign currencies

As the Securities can be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected

The Issuer will pay principal and interest or distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if the Securityholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less interest and/or distribution or principal than expected, or no interest and/or distribution or principal at all.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The Securities are not secured

The Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves. Accordingly, on a winding-up or dissolution of the Issuer at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Securities. While the Securities are represented by one or more Global Securities, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depositary, CDP or such other clearing system, as the case may be, for distribution to their accountholders or, to the Principal Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System, as the case may be. A holder of beneficial interest in the Global Securities or Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities and the Global Certificates will not have a direct right under the Global Securities and the Global Certificates to take enforcement action against the Issuer in the event of a default under the relevant Securities but will have to rely upon their rights under the Trust Deed.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact such investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Securities of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfill its obligations to the Securityholders and/or the Couponholders.

Securities may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case, a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should Definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including pursuant to Condition 11 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may (at its sole discretion) request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

Provisions in the Trust Deed and the terms and conditions of the Securities may be modified

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may, without the consent of the Securityholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant stock exchange, Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable.

A change in Singapore law which governs the Securities may materially and adversely affect Securityholders

The Securities are governed by Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities and any such change could materially and adversely impact the value of any Securities affected by it.

RISKS RELATING TO THE NOTES

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are, pursuant to the ITA and the MAS Circular FDD Cir 11/2018 entitled “Extension of Tax Concessions for Promoting the Debt Market” issued by MAS on 31 May 2018, intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Singapore Taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes containing such a feature. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risks in light of other investments available at that time.

RISKS RELATING TO THE PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Issuer's or the Group's financial condition.

If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase" in this Information Memorandum.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-up proceedings (as defined in Condition 9(b) of the Perpetual Securities) is limited to circumstances where payment under the Perpetual Securities has become due and the Issuer fails to make such payment (in the case of any principal or premium) when due and (in the case of any distribution or any other amount payable by the Issuer under any of the Perpetual Securities (other than principal or premium)) for a period of three business days after the date on which such payment is due. The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions of the Perpetual Securities) any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a non-payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-up of the Issuer and/or proving in such Winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have a material and adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the Winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a Winding-up of the Issuer, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as "debt securities" by the IRAS for the purposes of the ITA and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Singapore Taxation" of this Information Memorandum) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

GENERAL RISKS RELATING TO THE GROUP'S BUSINESSES

The Group is vulnerable to a number of risks applicable to the industry in which it operates and those specific to its business in general. Other risks relate principally to general economic, regulatory and political conditions in the countries in which the Group's properties are located.

If any of the following considerations and uncertainties develops into actual events, the business, operations, results of operations and financial position of the Group could be materially and adversely affected.

Risks Relating to the Group's General Business and Operations

<u>Real Estate Sector Risks</u>

The Group operates in a capital-intensive industry that relies on the availability of sizeable amounts of capital for the acquisition of or development of properties

The Group expects to have significant funding needs for their existing business operations, and new projects to grow their business. Such funding is expected to be primarily funded by debt, taken out at the asset level, subject to applicable financing regulations in the relevant jurisdiction, and by proceeds from strata sales.

There is no assurance that the Group will be able to obtain financing, whether on a short-term or a long-term basis, on terms that are commercially acceptable. In respect of funding from strata sales, there is no assurance that the Group will be able to realise a sufficient level of funding as the sales are subject to market conditions. Factors that could affect the Group's ability to procure financing include its financial position, results of operation or cash flow, the property market's cyclical nature, any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could materially and adversely affect the liquidity, interest rates and availability of credit.

In addition, in respect of availability of credit from banks, changes in the reserve requirement ratio will affect the amount of funds that banks must hold in reserve against deposits made by their customers. Any future increase in the reserve requirement ratio will further reduce the amount of bank credit available to businesses including the Group. Under certain circumstances (such as consolidation in the banking industry or banks being required to reduce their exposure to a particular company, sector or industry), lending banks may be forced to reduce their loan portfolio, in which case, there can be no assurance that the Group will be able to obtain new loans or refinance existing debt and the Group may be required to repay part of their loans.

Failure to obtain financing or refinancing on commercially acceptable terms when required, may result in the Group not having adequate funds to fund their operations, acquisitions or development of properties, or to service their financing obligations which would have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

Future credit facilities may contain covenants that require the creation of security interests over assets or limit the Group's flexibility in its operations or financing activities. Such covenants may include negative pledges, restrictions on indebtedness, maintenance of certain financial ratios and prohibition of amendments to material documents, amongst others. Breach of these covenants could result in defaults under the relevant financing instruments. If the Group defaults under its financing instruments and is unable to cure the default or obtain refinancing on favourable terms, it would have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

Additionally, a portion of the Group's expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. Such indebtedness may also restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be vulnerable in the event of a general economic downturn.

There can be no assurance that the Group will be able to obtain any refinancing or have sufficient financial resources to satisfy any payment and/or repayment obligations and this may materially and adversely affect the business, operations, results of operations and financial position of the Group.

The Group is exposed to operating risks and competitive pressures relating to the real estate industry, namely the office, retail and residential sectors

The real estate sectors of the jurisdictions in which the Group operates, primarily the PRC, the UK, Indonesia and Singapore, are highly competitive. The principal competitive factors include quality, design and location of the project, supply of comparable space and demand from prospective buyers, investors, tenants and shoppers, and accessibility of the project, including proximity to transport infrastructure. The Group also competes with other real estate developers, investment funds and other institutions in the countries in which it operates, for the acquisition of suitable development sites and available investment properties. Intensified competition between real estate developers, investment funds and other institutions may also result in increased costs for land acquisition due to aggressive competition in the bidding process and lower profit margins due to competitive pricing, both of which may materially and adversely affect the Group's property development business.

The Group is investing in real estate that is for office, retail, residential and mixed-use development purposes, some components of which will be put up for strata sales. As such, the Group will also be subject to the operating risks inherent in the property industry. In addition to the specific conditions discussed in more detail in this section, the risks that the Group faces include:

(i) cyclical downturns arising from changes in general and local economic conditions;

(ii) periodic local oversupply of office, retail, residential and mixed-use property, which may materially and adversely affect the results of operations of the Group;

(iii) the recurring need for renovation, refurbishment and improvement of its properties;

(iv) changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;

(v) availability of financing for operating or capital requirements;

(vi) increases in operating costs due to inflation which may not necessarily be offset by corresponding increases in rental income received by the Group's properties;

(vii) other factors, including acts of terrorism, natural disasters, extreme weather conditions, labour shortages and work stoppages or disputes;

(viii) delay in completion of the properties under development and asset enhancement;

(ix) the Group may be materially and adversely affected by the illiquidity of real estate investments; and

(x) income from the Group's properties may be lower than expected, which may materially and adversely affect the business, operations, results of operations and financial position of the Group.

The real estate industry is competitive and may become even more competitive in the future. Some of the Group's properties are located in areas that have other competing properties. The income from, and market value of, these properties will be largely dependent on the ability of the properties to compete against other properties in these markets in attracting and retaining tenants. An increase in the number of competitive properties in these markets, particularly in the areas where any of the Group's properties are located, could have a material and adverse effect on the revenue and/or occupancy rates of such properties, as such increased competition may materially and adversely impact the tenants and consequently affect their ability to make rental payments.

The Group's results of operations may vary significantly from period to period and such fluctuations, together with the Group's revenue recognition policy and adjustments to the fair value of its development and investment properties, may cause revenue and earnings volatility in its results of operations

The Group is exposed to revenue volatility which is characteristic of property development and investment companies. The Group derives a portion of its revenue and profit from the sale of properties that it develops or the divestment of properties that it invests in. The revenue and profit that the Group is able to generate are dependent on, among others, the demand for its property development projects by prospective purchasers, the number of property development projects in its portfolio, the value and the overall development schedules of its projects, the timing and amount of gross floor area ("**GFA**") for pre-sale or sale, the property conditions in the regions in which it operates, its revenue recognition policies and any changes in costs and expenses, such as land use rights acquisition and construction costs. In addition, the Group's property developments are often developed in multiple phases over the course of several years.

Typically, as the overall development approaches completion, the sale prices of the property comprised in such developments tend to increase because a more marketable piece of property is available to purchasers. Furthermore, according to the Group's accounting policy for revenue recognition, the Group recognises revenue from pre-sale and sale of its properties upon, among others, delivery or serving a notice of delivery in writing to purchasers. Generally, there is a timing difference of at least two to three years between the time the Group commences pre-sale of properties under development and the completion of the properties. As the timing of completion of the Group's property development projects varies according to its construction timetable, the Group's results of operations may vary significantly from period to period depending on the GFA sold or pre-sold and the timing of completion of the properties it sells. Periods during which the Group pre-sells a large amount of aggregate GFA, however, may not necessarily be the periods in which the Group generates a correspondingly high level of revenue, if the properties pre-sold are not completed and delivered within such period. The effect of timing of delivery on the Group's operational results is accentuated by the fact that during any particular period of time it can only undertake a limited number of projects due to substantial capital requirements for land acquisition and construction costs as well as the limited supply of land.

Furthermore, the Group will engage an independent valuer to reassess the fair value of its investment properties annually. This may result in the Group incurring unrealised gains or losses on the fair value of the investment properties. Any gain or loss resulting from either a change in fair value or the sale of investment properties is, under the Group's accounting policies, immediately recognised in the consolidated income statement in the relevant financial period. Accordingly, should there be any significant adverse change in fair value in the Group's investment properties or if the Group sells any of its investment properties at a value significantly lower than its carrying value in the statement of financial position, the Group's business, operations, results of operations and financial position for the relevant period will be materially and adversely affected.

In addition, the properties that the Group develops for sale, which it holds for income and which it acquires as a result of any default by its borrowers in its property financing business may be relatively illiquid in a market downturn. Such illiquidity may affect the Group's ability to adjust its property portfolio or liquidate part of its assets in response to changes in the economy, the property market or other conditions. For instance, the Group may be unable to liquidate such properties for a considerable period, or at all. Accordingly, the Group may be forced to accept a substantial reduction in the price that may otherwise be sought for such properties in order to ensure a quick sale. Such illiquidity may also have a negative effect on the prices of the Group's unsold property development units or properties that it acquires in connection with its property financing business from its borrowers, in the event the Group is required to sell such properties quickly, and limits its ability to adjust its property portfolio held for sale in response to changes in economic, political, social or regulatory conditions in a timely manner. The occurrence of any of the aforementioned factors may have a material and adverse effect on the Group's business, operations, results of operations and financial position.

The Group is subject to risks in relation to pre-sold properties

The Group faces risks relating to pre-sale of properties. For example, the Group may fail to complete a fully or partially pre-sold property development, in which case, the Group may be liable for potential losses that buyers may suffer as a result. There can be no assurance that these losses would not exceed the purchase price paid in respect of the pre-sold units. In addition, if a pre-sold property development is not completed on time, the buyers of pre-sold units may be entitled to compensation for late delivery. Failure to complete a property development on time may be attributed to factors such as longer time taken and higher costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, dispute with contractors, accidents and changes in government priorities and policies. If the delay extends beyond the contractually-specified period, these buyers may even be entitled to terminate the pre-sale agreements and claim damages. There is no assurance that the Group will not experience any significant delays in completion or delivery or that the Group will not be subject to any liabilities for any such delays. Further, a high default rate of the buyers under their respective sale agreements could have a material and adverse effect on the Group's business, operations, results of operations and financial position.

The due diligence exercise on the Group's properties, buildings and equipment may not have identified all defects, breaches of laws and regulations and other deficiencies

The Group believes that reasonable due diligence investigations with respect to the Group's properties were conducted prior to their acquisitions. However, there is no assurance that the Group's properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Group's properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material and adverse effect on the Group's business, operations, results of operations and financial position. Further, statutory or contractual representations, warranties and indemnities given by any seller of properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

The market values of the Group's properties may differ from the values provided by independent valuers

Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, competitive strengths and their physical conditions. The market values of the Group's properties when completed may therefore differ from the values of the Group's properties as determined by independent valuers. The values of the Group's properties (as determined by independent valuers) are not an indication of, and do not guarantee, a sale price at that value at present or in the future. The price at which the Group may sell any of the Group's properties may be lower than its value as determined by independent valuers.

Declines in property values may lead to downward revaluations of the properties in which the Group holds interests

The Group holds interests in various properties in various countries and there can be no assurance that property prices in any of these countries will not decrease such that a downward revaluation of the properties is required.

Real estate assets are inherently difficult to value. As a result, valuations are subject to substantial uncertainty and subjective judgements and are made on the basis of assumptions which may not be correct. Additionally, the inspections of the Group's properties and other work undertaken in connection with a valuation exercise, may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. There can be no assurance that the Group's property interests will retain the price at which it may be valued or that the Group's investment in such properties will be realised at the valuations or property values that the Group has recorded or reflected in the Group's financial statements or in this Information Memorandum.

The Group's properties are and will be valued with an independent valuation carried out at least once every year. The Group assesses the valuation of each property interest to ensure that the carrying amount of each investment property reflects the market conditions as at the relevant financial reporting date. The value of the Group's interest in properties may fluctuate from time to time due to market and other conditions, including prevailing interest rate conditions. Such adjustments to the Group's share of the fair value of the properties in its portfolio could have an adverse effect on its net asset value and its profitability. They may also affect the Group's ability to incur more borrowings, or result in it having to reduce debt, if the financial covenants in its financing and other agreements require it to maintain a level of debt relative to its asset value, and such covenants are triggered as a result of adjustments made to the fair value of its properties in its portfolio.

The Group's interest in its properties may be illiquid

Real estate investments, particularly investments in properties such as those in which the Group have invested, developed, or intend to invest or develop, are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, the Group may be unable to sell its assets (or interests therein) on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a divestment. Moreover, the Group may face difficulties in securing timely and commercially favourable financing due to the illiquid nature of real estate assets. These factors may materially and adversely affect the business, operations, results of operations and financial position of the Group.

In addition, as the Group holds a minority stake in one or more of its properties, such interests may be particularly illiquid.

The loss of anchor tenants or a significant number of tenants in any of the Group's properties or a downturn in the businesses of anchor tenants or a significant number of tenants could have an adverse impact on the financial performance, operating results and cash flows of the Group

The Group's properties include mixed-use developments (or assets being developed into mixed-use developments) which will be dependent on the availability of tenants. Accordingly, the business, operations, results of operations and financial position of the Group may be materially and adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of the anchor tenants or a significant number of tenants of any of the Group's properties, as well as the decision by one or more of these tenants not to renew its lease or to terminate its lease before it expires. If an anchor tenant terminates its lease or does not renew its lease at expiry, it may be difficult to secure replacement tenants at short notice. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than the current leases.

The loss of anchor tenants in any one of the Group's properties, completed developments or future acquisitions could result in periods of vacancy, which could materially and adversely affect the business, operations, results of operations and financial position of the Group.

Similarly, if a large number of tenants in the Group's properties do not renew their leases at the end of a lease cycle or a significant number of early terminations occur and replacement tenants cannot be found, this may in turn materially and adversely affect the Group's business, operations, results of operations and financial position.

The revenue earned from, and value of the Group's investment properties may be materially and adversely affected by a number of factors

The revenue earned from, and value of the Group's investment properties may be materially and adversely affected by a number of factors, including:

(a) the ability of the Group to collect rent from tenants on a timely basis or at all;

(b) the amount and extent to which the Group is required to grant rebates on rental rates to tenants due to market pressure;

(c) tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payments, inability to collect rentals at all or delays in the termination of the tenant's lease, or which could hinder or delay the sale of a property or the re-letting of the space in question;

(d) the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than current leases;

(e) the national and international economic climate and property market conditions (such as oversupply of, or reduced demand for, retail space, the release of land for retail development, changes in market rental rates and changes in operating expenses for the Group's properties);

(f) the Group's ability to procure adequate management and maintenance or to purchase adequate insurance; and

(g) competition for tenants from other similar properties which may affect rental levels or occupancy levels at the Group's properties or cause the Group to accept restrictive rental covenants.

Planned amenities and transportation infrastructure near the Group's properties may not be implemented as planned, or may be closed, relocated, terminated, delayed or not completed

There can be no assurance that amenities, transportation infrastructure and public transport services within the proximity of the Group's properties will be implemented or completed as planned or will not be closed, relocated, terminated or delayed. If such an event were to occur, it may materially and adversely impact the accessibility and attractiveness of the relevant property development projects. This may then have a material and adverse effect on the demand, the selling prices and/or the rental rates of the relevant properties and may materially and adversely affect the Group's business, operations, results of operations and financial position.

The retail component of the Group's developments may be affected by growth in online shopping

Online shopping for goods and services has been gaining popularity among shoppers. This may cause a decline in profits for brick-and-mortar businesses, causing a decrease in demand for retail space which may result in a decline in the rental rates, and have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

Development Risks

The Group faces risks associated with the development and major asset enhancements of its properties

Property developments and major asset enhancement projects typically require substantial capital outlay during the development and construction period and it may take an extended period of time to complete and to be occupied before a potential return can be generated. The time and costs required to complete a property development and major asset enhancement project may be subject to extensions and increases due to many factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labour, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, changes in government or regulatory policies, delays in obtaining the requisite approvals, permits, licences or certifications from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of, property development and major asset enhancement projects and result in costs substantially exceeding those originally budgeted for which the Group may not be adequately compensated by insurance proceeds (if any) and/or contractual indemnities (if any). This may materially and adversely affect the business, operations, results of operations and financial position of the Group.

The Group may also be affected by the delay in sales or poor sales of its property developments which may in turn result in delays in the development or launch of the subsequent phases of its property developments. The sales value of the Group's property development projects may be affected by a number of factors, including but not limited to weak international, regional and local economic conditions, depressed local property conditions, negative perceptions of purchasers, supply from other available properties, business owners and retailers with respect to the location and other attractiveness of the development, competition from other developments, changes in market rates for comparable sales and increased business and operating costs. Accordingly, the occurrence of any of these factors may have an impact on the sales of the Group's property developments and consequently limit its ability to realise cash from unsold properties, thereby materially and adversely affecting the Group's business, operations, results of operations and financial position.

It may be difficult to assess the future performance of the Group's property development projects. A number of the Group's properties have a limited track record because they are still under development

The absence of historical information in terms of performance means that it may be difficult to assess the future performance of such assets upon the completion of such property development, and in particular, the demand for such assets. There can be no assurance that the property development will yield the expected returns. Accordingly, the poor performance by such assets may have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

The Group may rely on partners or third parties to carry out its property development and major asset enhancement projects

The construction of projects under development and major asset enhancement is performed by partners, third party contractors or sub-contractors. Therefore, the Group may not have direct control over the day-to-day activities of such partners, contractors or sub-contractors and will be reliant on such partners, contractors or sub-contractors to perform these services in accordance with the development contracts. If the partners or contractors fail to perform their obligations in a manner consistent with their contracts, the property development may not be completed as or when envisaged, if at all, thus leading to delays and unexpected costs. Even if the Group were to take any legal action against any partners, third party contractors or sub-contractors for any breach of their respective obligations, they may not recover all or any losses incurred. In addition, if any partner, contractor or sub-contractor engaged to work becomes insolvent, it may not be possible to recover compensation for such defective work or materials and the Group may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work. The Group is also exposed to the risk that a contractor may require additional funds in excess of the fixed cost to which they committed contractually and the Group may have to bear such additional amounts. Furthermore, any contractor that experiences financial or other difficulties, including labour disputes with its employees, may be unable to carry out construction or related work, resulting in delay in the completion of the Group's development projects or resulting in additional costs. The Group believes that any problems with the Group's contractors, individually or in the aggregate, may materially and adversely affect the Group's business, operations, results of operations and financial position. There is no assurance that such problems with the Group's contractors will not occur in the future.

The estimated GFA and net lettable area ("NLA") of the Group's property development projects may differ from the actual GFA and NLA of the completed properties

The estimated GFA and NLA of each of Group's property development projects adopted by independent valuers are based on architectural plans, and may differ from the actual GFA and NLA of the completed properties. This is because the Group's property development projects are currently under development or asset enhancement initiatives and hence the final built-up area upon completion of construction may differ. The GFA will only be finalised when the relevant certificate is issued. Accordingly, the actual GFA of the completed properties may vary if the figures in the relevant certificate and the architectural plans differ.

Retail Sector Risks

The Group operates in a competitive environment

The Group operates in a competitive retail landscape and faces intense competition in Singapore and Indonesia. The Group's department stores compete not only with other department stores in Singapore and Indonesia but also with other forms of retail organisations such as general merchandise stores, outlet malls, speciality stores, the numerous small retail stores in Singapore and Indonesia, mail-order retailers and internet shopping websites. Whilst the Group strives to differentiate itself from its competitors by offering customers a wide variety of quality products at competitive prices, should any of its competitors have access to greater financial resources or to a wider customer base or range of products, or be able to offer more competitive pricing, the Group's business, operations, results of operations and financial position may be materially and adversely affected. The competitive pricing environment within which the Group operates may also limit its ability to pass on increases in supply costs and expenses to consumers, which may in turn materially and adversely affect its profitability and results of operations.

The Group is subject to the risks of changes in consumer sentiment, shopping habits and preferences towards the purchases of its products

Demand for the products that the Group retails and/or distributes in the jurisdictions in which the Group has retail operations, primarily Indonesia and Singapore, is significantly dependent on consumer preferences, shopping and spending trends, which are influenced by external factors including, among others, the state of the economy, consumers' income level and demographic profiles in its markets. Any changes can have a significant impact on product sales and the Group's marketing strategies. A weak economy may in general lead to poor market sentiment, resulting in lower consumer spending. This may in turn lead to a lower demand for the products of the Group, which would materially and adversely affect the Group's business, operations, results of operations and financial position.

The retail industry is also characterised by frequent changes in market trends, consumer preferences, frequent development and enhancement of existing products and introduction of new products. Further, it is a feature of the industry that retailers sometimes take the lead in creating new fashion or cultural trends. Thus, the success of the Group's department stores also depends on the Group's ability to anticipate such trends and cater to the tastes of their customers. The Group's department stores need to provide the right selection of merchandise at the correct time to satisfy consumer demand in a timely manner to be successful. Trends, fashions and consumer preferences are, to a large extent, subjective in nature, which may make it difficult for the Group to ascertain the correct balance of merchandise line-up that would appeal to the majority of its target customers. If the Group is unable to source for and offer new or enhanced products in a timely manner in response to changing market conditions or consumer requirements, or if new products which the Group promotes or sells does not achieve market acceptance, the Group's business, operations, results of operations and financial position may be materially and adversely affected.

Electronic commerce may change the competitive landscape of the Group's business

As an increasing number of consumers now browse for products online, consumers have more shopping options at their convenience and this may affect the Group's sales. The Group's consumers may also choose to shop for merchandise online instead of shopping at the Group's stores in person. It is therefore important that the Group is able to offer products which appeal to its target customers. If the Group cannot maintain the necessary expertise and capability to identify trends in consumer demand or preferences or suitable products that will appeal to the Group's customers, the business, operations, results of operations and financial position of the Group may be materially and adversely affected.

The Group's marketing and branding strategy may not be effective

The success and continued growth of the Group's business is dependent on the ability of the Group to establish and maintain an effective and versatile marketing and branding strategy, in order to identify and adapt quickly to changes in consumer needs, behaviour and preferences. This is to maintain and increase its customer base and to capture a bigger market share and thereby increasing its revenue. If the Group is unable to accurately assess or if it misjudges consumers' needs and changes in consumer behaviour and preferences, or attract negative publicity, its marketing and branding strategy, including advertising and promotional efforts, may be ineffective or may be jeopardised. This may result in a diminution in the Group's brand reputation or value, and in turn result in loss of sales. In such an event, the Group's business, operations, results of operations and financial position will be materially and adversely affected.

The Group may be exposed to product liability claims or official restrictions on sales of products

The Group sells various merchandise to its customers in its department store. Its success in the markets for its products depends in part on its brand name and value. While the Group takes careful measures to ensure the suitability and safety of the merchandise sold by it, if any of the Group's merchandise were found to be defective, such as faulty goods or products that cause food poisoning or other problems, the Group may incur costs resulting from official restrictions, product liability claims or liability for damages. As at the Latest Practicable Date, the Group has not experienced any significant claims or adverse publicity of this nature since its establishment. However, there can be no assurance that such adverse publicity will not occur or that such claims will not be made in the future or as to their impact on the Group. Any such claims may also have a negative effect on the reputation of the Group and may lead to a decline in sales resulting from the adverse publicity and uncertainty about the quality of the Group's merchandise. These factors could have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

The Group may not be able to maintain its relationships with its suppliers

The Group currently enjoys good relationships with its suppliers. However, the Group cannot assure investors that these relationships can be maintained in the long term. As a result, the Group may not be able to leverage on its relationships to maintain the existing terms from its suppliers, including rebates, joint marketing activities or exclusive dealership arrangements. If the Group is unable to maintain its supplier relationships, the business and profitability of the Group may be materially and adversely affected. Moreover, the range of products the Group is able to offer is dependent on its suppliers. In particular, certain suppliers may carry distinctive or unique products that may not be easily substituted with other products from alternative suppliers. If the Group is unable to secure supplies for its retail products, or if suppliers are unwilling to supply the Group with their products, it will reduce the range of products and brands which the Group can offer to its customers. In such an event, the business, operations, results of operations and financial position of the Group may be materially and adversely affected.

The Group may be affected by any adverse impact on its reputation and goodwill

The Group has built a reputation for the fair pricing of its goods and merchandise. Any negative publicity about the Group or its goods and merchandise, whether founded or unfounded may tarnish the Group's reputation and goodwill with its customers. Under these circumstances, the Group's customers may lose confidence in its goods and merchandise, and the Group will risk losing business from its customers. This may have a material and adverse effect on the Group's business, operations, results of operations and financial position.

The Group may face rising labour costs or increases in the costs of products or general merchandise

The Group's retail business is labour-intensive and its ability to meet its labour requirements, whilst controlling wage and labour-related costs, may be subject to numerous external factors, including the availability of a sufficient number of suitable persons in the relevant work force, government regulations, prevailing wage rates, demographics and health and insurance costs. The Group's growth plans may require it to hire, train and retain a significant number of new employees in the future. From time to time, the retail industry has experienced a shortage of skilled personnel, especially store managers and sales staff. The Group competes against other retailers for these skilled personnel, and may have to increase wages and benefits to attract and retain qualified personnel or risk considerable employee turnover. If the Group is unable to hire, train and retain qualified employees at a reasonable cost or if there is any significant inflation of wages, it may be unable to execute its growth strategy and its business, operations, results of operations and financial position may be materially and adversely affected. Further, as approximately 25% of the Group's retail employees are unionised in Singapore, the Group cannot provide any assurance that it will not be affected by union activities or other labour-related problems which may disrupt the Group's retail operations and materially and adversely affect its business, operations, results of operations and financial position.

Politic, economic and other risks which may materially and adversely affect the Group's business

The Group's retailing business involves the sale of products and general merchandise which it purchases from suppliers and manufacturers. The cost and availability of these products are subject to many economic and political factors and events occurring throughout the world which the Group can neither control nor accurately predict. The prices of certain products have been subject to high volatility. In the event that the Group is unable to pass on any significant increases in the costs of products or merchandise to its customers, its business, operations, results of operations and financial position may be materially and adversely affected.

The Group may not be able to implement its business strategies successfully or manage its growth and operations effectively

The Group believes its future growth and earnings largely depend on the successful implementation of its business strategies, which in turn depends on a number of external and factors specific to the Group. External factors include business, financial, and other factors beyond the Group's control, such as:

(a) changes in consumer preferences and access to suitable products;

(b) availability of manpower;

(c) domestic and international economic conditions (including but not limited to changes in the rate of inflation, interest rates and foreign currency exchange rates as well as changes in fiscal or monetary policy by governments or central banks); and

(d) governmental or other legal, regulatory or policy changes.

Factors specific to the Group, such as:

(i) the ability of the Group to increase retail store floor space;

(ii) the availability of suitable locations for the opening of new stores; and

(iii) the time taken and costs incurred in procuring such locations or additional retail floor space, or the Group's ability to do so in a timely manner,

will also affect the Group's ability to implement its business strategy.

The Group may also potentially enter into other markets in various other cities in Indonesia, as part of its expansion plans. In the event that the Group is unable to execute its business strategies or successfully establish its planned expansion, the Group's business, operations, results of operations and financial position could be materially and adversely affected. In addition, as these plans may require substantial capital outlay, even if the Group successfully implements its business strategy, this may not translate into successful results of operations. Furthermore, the Group may decide to alter or discontinue aspects of its business strategy and may adopt alternative or additional strategies in response to its operating environment, competitive situation or factors or events beyond the Group's control.

The Group cannot assure investors that it will be successful in implementing or continuing to implement any of its business strategies and operations which will in turn affect its ability to maximise the full potential of the Group's stores.

The Group may be subject to pilferage or misappropriation of cash or assets or vandalism

The Group has adopted various cash management systems and security measures for its operations but there can be no assurance that the Group will not be susceptible to pilferage or misappropriation of cash or assets or vandalism by third parties or the Group's own employees. In the event that such pilferage or misappropriation or vandalism occurs, the Group may be subject to financial losses and its reputation and branding may be materially and adversely affected. This may in turn materially and adversely affect the Group's business, operations, results of operations and financial position.

The Group's sales are subject to seasonal fluctuations

The Group generally sees higher seasonal sales revenue during certain festive seasons in Singapore and Indonesia, such as Hari Raya, Christmas and Chinese New Year. The Group may also incur significant additional expenses in the period leading up to these shopping seasons in anticipation of higher sales volume in those periods (including for additional inventory, advertising and employees). The Group's revenue and cash requirements are therefore affected by the seasonal nature of its business. However, the Group may not always be successful in making accurate seasonality assumptions with regard to its cash or merchandise requirements. Further, unanticipated events having an adverse effect on consumer spending during the periods in which the Group expects higher sales may have a particularly adverse effect on the Group's business. As such, there can be no assurance that these fluctuations will not materially and adversely affect the Group's business, operations, results of operations and financial position.

Business Operations Risks

The Group relies heavily on its senior management staff and the inability to retain or attract senior staff will materially and adversely affect its performance

The Group is highly dependent on its senior management staff. The loss of such personnel without adequate replacements could materially and adversely affect the Group's business and prospects. In addition, the Group's success also depends upon its ability to attract, retain and motivate its senior management. The Group's inability to do so may materially and adversely affect its business, operations, results of operations and financial position.

The Group may be affected by the conduct of its employees, business partners and counterparties

The Group's existing policies prohibit its employees from offering, making improper payments or providing benefits to third parties. However, there can be no assurance that the Group's employees, business partners and counter-parties will not conduct their business dealings in a manner which would violate such policies. If the Group or any of its business partners or counter-parties are not in compliance with relevant laws giving effect to or enforcing such policies, the Group may be subject to criminal and civil penalties and other remedial measures, which may materially and adversely affect the Group's reputation, business, operations, results of operations and financial position.

The Group's business may be materially and adversely affected by natural disasters, the occurrence of epidemics and other acts of God

Natural disasters, epidemics and other acts of God which are beyond the Group's control may materially and adversely affect the economy, infrastructure and livelihood of the people in the parts of the world in which the Group operates. Regions in which the Group operates may, from time to time, be affected by flood, earthquake, rainstorm or drought. Although the Group has not previously suffered any material damage or significant liabilities arising from floods, earthquakes or other calamities, there can be no assurance that this will continue to be the case. The occurrence of such natural calamities in the regions where the Group's properties are located could materially and adversely affect its businesses in such regions. In addition, such events could also delay the Group's property completion schedule or result in damage to its properties under development and the properties it holds for income. Any significant disruption in the supply of public utilities or the occurrence of fire, flood or other calamities could also result in an interruption to, delay in, or require the Group to cease its operations. It is possible that this could result in additional expenditure which may materially and adversely affect the Group's business, operations, results of operations and financial position.

In addition, past occurrences of epidemics, depending on their scale, have had varying degrees of impact on the national and local economies in the regions in which the Group operates. A recurrence of Severe Acute Respiratory Syndrome (SARS) or Middle East Respiratory Syndrome (MERS) or an outbreak of any other epidemics, including the spread of viruses such as Ebola, H7N9 avian influenza virus and H1N1 swine influenza virus, especially in the regions in which the Group operates, may materially and adversely affect its business, operations, results of operations and financial position.

The Group may suffer material losses in excess of insurance proceeds

The Group maintains different insurance policies covering damages or loss to its inventories but in the event that such damage or loss exceeds the insurance coverage procured by the Group, or is not covered by the insurance policies that the Group has taken up, the Group may be exposed to financial losses. While the Group maintains public and product liability insurance policies, any defects in the products sold by the Group may also result in a material and adverse customer reaction, thereby resulting in negative publicity for the Group, incurring additional time, effort and expenditure to rectify the problems and settle claims against the Group, consequentially resulting in a material and adverse effect on its business, operations, results of operations and financial position.

The Group's properties face the risks of suffering physical damage caused by fire, earthquakes or other acts of God or other causes, as well as face potential public liability claims, including claims arising from the operations of the properties, all of which may result in losses (including loss of rent) and the Group may not be fully compensated by insurance proceeds. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss occur, the Group could be required to pay compensation to claimants and/or lose capital invested in the affected properties as well as anticipated future revenue from such properties. The Group may also remain liable for any debt or other financial obligation related to those properties.

The Group may from time to time be involved in legal and other proceedings

In general, the Group is exposed to the risk of litigation by various parties such as suppliers, customers, employees and other parties involved in its business, including the risk of being joined as third parties to litigation actions or involvement in frivolous claims. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and time wastages. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that may result in financial losses. There can be no assurance that these disputes will be settled, or settled on terms which are favourable to the Group. In the event such disputes are not settled on terms which are favourable to the Group, or at all, the Group's business, operations, results of operations and financial position may be materially and adversely affected.

The Group is subject to government regulation and government policies in the countries where it operates

The real estate industry in the countries in which the Group operates may be impacted significantly by government regulations, which may result in a reduction in the Group's income or an increase in the Group's costs (including, for example, changes in tenancy laws that limit the Group's recovery of certain property operating expenses or changes in environmental laws that require significant capital expenditure). In addition, regulatory approvals may be required for, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing. Such approvals may stipulate, among other things, maximum periods for the commencement of development of the land. Some of these countries may also restrict the level, percentage and manner of foreign ownership and investment in real estate or may impose additional costs on foreigners seeking to invest in or own properties. Such regulations are at times ambiguous and their interpretations and applications can be inconsistent and can affect demand for the Group's properties and may be potentially detrimental to the Group. If the Group fails to obtain the relevant approvals or comply with applicable laws and regulations, it may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties and its businesses, among other things, any or all of which could have a material and adverse effect on its business, operations, results of operations and financial position.

The Group could incur significant costs or liability related to environmental matters

The Group's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, the Group may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate contamination, air pollution, noise pollution or dangerous goods may expose the Group to liability or materially and adversely affect its ability to sell or lease real property or to borrow using the real property as collateral. Accordingly, if the Group's properties are affected by contamination or other environmental effects not previously identified and/or rectified, the Group risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditure to remedy such issue and the financial position of tenants may be materially and adversely impacted, affecting their ability to trade and to meet their tenancy obligations.

The Group is subject to risks as a result of labour strikes and protests

There have been several occasions of labour strikes across the PRC and Indonesia, in which the Group operates in. Although the Group's business has never been affected by such labour strikes or protests, there can be no assurance this would not occur in the future. In the event of any occurrence of labour strikes, protests or disputes against the Group, the time taken to complete its projects, the cost of its property developments as well as the operational costs of the Group's property investment business may be delayed or increased (as the case may be), thereby materially and adversely affecting its business, operations, results of operations and financial position.

Joint Venture Risks

The Group invests in entities which it does not control and which involve other partners and/or investors

The Group conducts some of its businesses through non-wholly-owned subsidiaries, associated companies and joint ventures in which it shares control (in whole or in part) with strategic or business partners. There can be no assurance that the Group will be able to control or exercise any influence over the assets of such non-wholly-owned subsidiaries, associated companies and joint ventures.

There can be no assurance that any of these strategic or business partners will wish to continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associated companies and joint ventures. Furthermore, other investors in the Group's non-wholly-owned subsidiaries, associated companies and joint ventures may undergo a change of control or financial difficulties which may affect the relevant non-wholly-owned subsidiaries, associated companies and joint ventures, and which may in turn materially and adversely affect the business, operations, results of operations and financial position of the Group.

General Risks Relating to Countries in which the Group Operates

The conditions of the global financial markets and the macro economy may materially and adversely affect the business, financial performance, operating results and prospects of the Group

Although the Group's properties and retail outlets are located primarily in Singapore, Indonesia, the PRC and the UK, an economic decline in Singapore, Indonesia, the PRC, the UK, other Asian markets and the global economy, could materially and adversely affect the results of operations and future growth of the Group. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. The global financial markets have also recently experienced volatility as a result of concerns over the debt crisis in the Eurozone. Uncertainty over the outcome of the Eurozone governments' financial support programmes and worries about sovereign finances generally are ongoing. These and other related events have had a significant impact not only on the global capital markets associated with asset-backed securities but also on the global credit and financial markets as a whole. These events could materially and adversely affect the Group insofar as they result in:

(i) an increase in counterparty risk (being the risk of monetary loss which the Group may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction);

(ii) an increased likelihood that one or more of (a) the Group's banking syndicates (if any), (b) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Group or Group's operations or (c) the Group's insurers, may be unable to honour their commitments to the Group;

(iii) decreases in valuations of the Group's properties resulting from deteriorating operating cash flow and/or widening capitalisation rates;

(iv) decreases in rental or occupancy rates;

(v) a negative impact on the ability of the tenants to pay their rents in a timely manner or continuing their leases, thus reducing the Group's cash flow;

(vi) the insolvency of contractors resulting in construction delays in the Group's properties; and/or

(vii) an adverse effect on the cost of funding the Group's business.

There is also uncertainty as to the strength of the U.S. and the global economy, the decrease in consumer demand and the impact of the global downturn on the economy of Singapore and the PRC. Furthermore, the U.S. and the PRC have recently been involved in controversy over trade barriers that have threatened a trade war between the countries. Both countries have implemented and are proposing to implement further tariffs on certain imported products from the other. Sustained tension between the U.S. and the PRC over trade policies could significantly undermine the stability of the global and the PRC's economy. Any severe or prolonged slowdown or instability in the global or the PRC's economy may materially and adversely affect the business, operations, results of operations and financial position of the Group.

The Group's operations are subject to country-specific risks, including political, regulatory, economic and currency risks

The Group is subject to all the risks inherent in doing business in the jurisdictions in which it operates. Its business, earnings and prospects may be materially and adversely affected by a variety of conditions and developments, including:

(i) inflation, interest rates, and general economic conditions;

(ii) governmental policies, laws and regulations, particularly those relating to real estate and retail, and changes to such policies, laws and regulations;

(iii) difficulties and costs of staffing and managing international operations;

(iv) price controls;

(v) the ability of its management to deal with multiple, diverse regulatory regimes;

(vi) potentially adverse tax consequences;

(vii) the risk of nationalisation and expropriation of its properties;

(viii) currency fluctuation and regulation risks;

(ix) social unrest or political instability; and

(x) adverse economic, political and other conditions,

in each case in the countries in which the Group currently, or in the future, conducts business.

Changes in laws and governmental regulations in relation to property, including those governing usage, zoning, taxes and government charges may have an adverse impact on the Group's business. Such revisions may lead to unforeseen capital expenditure to ensure compliance. Rights related to the Group's properties may also be restricted by legislative actions, such as revisions to the building standards laws or the town planning laws, or the enactment of new laws related to condemnation and redevelopment. Such conditions and developments and other risks associated with conducting business in multiple jurisdictions, many of which are outside the Group's control, may have a material and adverse effect on its business, operations, results of operations and financial position. It is expected that exposure to these risks will increase as the Group continues to expand its operations into other countries.

The Group's properties are subject to property taxes that may increase, or capital gain taxes that may be imposed or increased, and thereby materially and adversely affect the business, operations, results of operations and financial position of the Group

Some of the Group's properties are subject to various property taxes in the PRC, the UK, Indonesia and Singapore that may increase as tax rates increase or as these properties are assessed or reassessed by relevant authorities. In addition, with regard to the PRC, certain property taxes such as the real estate tax are subject to the discretion or practice of local tax bureaus in the PRC and thus the amount of taxes payable may vary.

Historically, non-resident investors in UK real estate have not been subject to capital gains tax on gains realised on the sale of UK real estate. However, with effect from April 2019 most non-residents will be subject to UK tax on gains realised on the sale of UK real estate.

Further, in Indonesia, property tax is generally subject to 0.5% of the tax base. The tax base for property tax is determined by the local government, and tends to increase every year. The sale of properties in Indonesia is subject to a 2.5% final income tax of the selling price. However, if the sale is conducted by the related parties, the tax authority may adjust the tax base according to the market price. In the case of purchasers, the acquisition cost of rights on land and building, in general, is subject to 5% of the transaction price and will be payable upon the signing of the deed of sale. If the transaction price is lower than the average price obtained from such sale and purchase transactions that occurs fairly (with such average price determined by the local government and used as a basis for property tax calculation) (the "**Sale Value of the Taxable Object**"), then the acquisition cost of rights on land and building will be calculated based on the Sale Value of the Taxable Object. In line with the tax imposition for sellers, there will be a risk should the acquisition of land and building be conducted by the related parties that the local government may adjust the transaction price to the market price.

If tax liabilities of the Group in respect of these properties increase, the property taxes may increase and the business and operations, results of operations and financial position of the Group may be materially and adversely affected.

The Group's properties, or parts of the Group's properties, may be subject to compulsory acquisition by the authorities

The Group's properties, or parts of the Group's properties, may be subject to compulsory acquisition by the relevant authorities of the jurisdiction in which they are located.

With regard to the Group's properties in Singapore, the Land Acquisition Act, Chapter 152 of Singapore, gives the Government of Singapore the power to, among other things, acquire any land in Singapore: (i) for any public purpose; (ii) where the acquisition is of public benefit or of public utility or in the public interest; or (iii) for any residential, commercial or industrial purpose.

In the event that such property is acquired compulsorily, the relevant authority will take into consideration, amongst others, the following, in determining the amount of compensation to be awarded:

(a) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Government Gazette); or

(b) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

With regard to the Group's properties in Indonesia, pursuant to Law No. 2 of 2012 on Land Procurement for Public Interest, any land title granted to the Group may be revoked by the Government of Indonesia for the public interest including, among others, for the purpose of national defence and security, power plants, telecommunication and information networks of the Government, waste treatment sites, the Government's hospitals, offices, education infrastructure and schools, with certain compensation.

However, there can be no assurance that such compensation received will be sufficient to recover the land acquisition cost or any other investments, or whether the Group will be able to acquire a similar plot of land or at a similar or commercially acceptable price and this could materially and adversely affect the Group's business, operations, results of operations and financial position.

The Group may suffer losses as a result of foreign currency fluctuations

The Group is exposed to volatility in the currencies in which it operates, borrows, holds capital and earns revenue, including Renminbi, US dollar, Rupiah and GBP. For instance, any depreciation in the RMB against the Singapore dollar will materially and adversely affect the Group's earnings and net assets or require the Group to use more RMB funds to service the same amount of any Singapore dollar debt. Fluctuations in RMB exchange rates are affected by, amongst others, changes in political and economic conditions and the PRC's foreign exchange regime and policy.

Although the Group uses term loans in foreign currencies in some instances to partially hedge its exposure to foreign exchange risk, there is no assurance that any fluctuations in the exchange rates of currencies in which the Group deals in would not result in it incurring foreign exchange losses. Further, the Group has not adopted any formal hedging policy with respect to its exposure to foreign currency fluctuations, and, with the exception of the Group's investment in Midtown London Property, Middlewood Locks, Sheffield Digital Campus and 5 Chancery Lane, has not entered into any significant hedging arrangements with respect to its foreign currency exposure. Accordingly, depreciation of foreign currencies underlying the Group's foreign property investments may materially and adversely affect its business, operations, results of operations and financial position.

The Group is subject to interest rate fluctuations

The Group faces risks in relation to interest rate fluctuations. Although the Group has a relatively low level of borrowing and maintains a policy of ensuring that most of its significant borrowings at the joint venture level or project level have fixed interest rates rather than floating interest rates, there is no assurance that increases in interest rates will not affect its ability to service the interests under the bank loans. Further, the Group has not adopted any formal hedging policy with respect to its exposure to interest rate volatility, and has not entered into any significant hedging arrangements with respect to such exposure. Accordingly, increases in the market reference rates underlying the Group's financial indebtedness may materially and adversely affect its business, operations, results of operations and financial position.

The accounting standards which the Group is subject to may change

The Group may be affected by the introduction of new or revised accounting standards. Accounting standards in the countries the Group operates in are subject to change as they are further aligned with international accounting standards. The financial statements of the Group may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities.

The Group has not quantified the effects of these proposed changes and there can be no assurance that these changes will not:

(i) have a significant impact on the presentation of the Group's financial statements;

(ii) have a significant impact on the Group's results of operations;

(iii) have an adverse effect on the ability of the Group to carry out its investment strategy; or

(iv) have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

Risks Relating to the Group's Business Activities in the PRC

As a sizeable part of the Group's property operations are conducted in the PRC, any adverse change in the PRC's political, economic or social condition may have a material and adverse effect on us

The economy of the PRC differs from the economies of most developed countries in many respects, including but not limited to:

(i) economic structure;

(ii) level of governmental involvement;

(iii) level of development;

(iv) growth rate;

(v) control of foreign exchange; and

(vi) allocation of resources.

While the PRC economy has grown significantly in the past 30 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect the Group's operations. For example, the Group's business, operations, results of operations and financial position may be materially and adversely affected by the PRC government's control over capital investment or any changes in tax regulations or foreign exchange controls that are applicable to the Group.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. For the past three decades, the PRC government has implemented economic reform measures emphasising the utilisation of market forces in the development of the PRC economy. Many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. The PRC economy has grown significantly in recent decades, but there can be no assurance that this growth will continue or continue at the same pace. In addition, demand for the Group's services and its business, operations, results of operations and financial position may be materially and adversely affected by (i) political instability or changes in social conditions in the PRC, (ii) changes in laws, regulations or policies or the interpretation of laws, regulations or policies, (iii) measures which may be introduced to control inflation or deflation, (iv) changes in the rate or method of taxation, and (v) imposition of additional restrictions on currency conversion and remittances abroad.

The Group is dependent on the economic conditions in the PRC and the performance of the PRC property market

Private ownership of property in the PRC is still in a relatively early stage of development. Demand for private residential property in the PRC has been growing rapidly in recent years, which has often been coupled with volatile market conditions and fluctuations in prices. Numerous factors, such as local, regional, national and global factors, including economic and financial developments, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and the availability of capital may affect the development of the market and, accordingly, it is extremely difficult to predict when and how significantly demand will develop. The level of uncertainty is increased by the limited availability of accurate financial and market information, as well as the overall low level of transparency in the PRC property market. In addition, the limited amount and types of property mortgage financing available to PRC individuals, compounded by the lack of security of legal title and enforceability of property rights, may further inhibit demand for residential developments. The risk of oversupply is also increasing in parts of China where property investment, trading and speculation have become more active.

Due to an increase in demand for residential properties in the PRC in the last few years, the PRC government has adopted measures to limit the price level of properties in order to prevent the market from becoming overheated. Such austerity measures may affect property price level, market demand and supply and the business performance of the Group.

In addition, the property market in the PRC is rapidly changing due to factors such as fluctuations in regional economy, availability of competitive property developments, product quality and changes in customer preferences, which may have a direct impact upon the Group's sales. As property development projects take a long time and property market changes quickly, if the Group fails to respond in time to changes in the property market, the Group's developments may not meet the market demand and may lead to poor sales. Further, if the Group positions its developments incorrectly or if its competitors supply a large number of properties in a very short period of time, this will also affect the Group's sales. If the Group cannot respond to changes in market conditions or to changes in customer preferences as swiftly or as effectively as its competitors, the Group's business, operations, results of operations and financial position may be materially and adversely affected.

Interpretation of the PRC laws and regulations involves uncertainty

The PRC legal system is based on written statutes. Prior court decisions are not legally binding and can only be cited as reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies in applying and enforcing such laws. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation and enforcement of PRC laws and regulations may not be definitive. The PRC may not accord equivalent rights (or protection for such rights) to those rights investors might expect in countries with more sophisticated real estate laws and regulations. In addition, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect.

In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention. The outcome of litigation and dispute resolutions may not be consistent or predictable as in other more developed jurisdictions and it may be difficult to obtain swift or equitable enforcement of the law in the PRC, or to obtain enforcement of a judgment by a court of another jurisdiction. All these uncertainties may cause difficulties in the enforcement of the Group's entitlements under its licences, and other statutory and contractual rights and interests.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities. As such, different PRC laws, rules, regulations and policies apply in different provinces and they may have different and varying applications and interpretations in different parts of the PRC. Legislation or regulations, particularly for local applications, may be enacted without prior notice or announcement to the public. Accordingly, the Group may not be aware of the existence of new legislation or regulations. There is at present also no integrated system in the PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions except that from 13 November 2014, the Supreme People's Court of PRC started a PRC Litigation Progress Information Network (中國審判流程信息公開網) from which the information of any ongoing litigations in Supreme People's Court and certain provincial and local courts of the PRC were made available to the general public but the information may not be updated timely and completely. Even if an individual court-by-court search were performed, each court may refuse to make the documentation which it holds available for inspection.

It may be more difficult to enforce agreements which are governed under PRC laws by legal or arbitral proceedings in the PRC than in countries with more mature legal systems. Even if the agreements generally provide for arbitral proceedings for disputes arising out of the agreements to be in another jurisdiction, it may be difficult for the Group to obtain effective enforcement in the PRC of an arbitral award obtained in that jurisdiction.

The underlying land use rights of the Group's PRC properties are of limited duration and, unless such duration is extended, such properties would revert back to the PRC government

The Group's PRC properties are held under land use rights granted by the PRC government. According to PRC laws, the underlying land use right in the PRC typically expires within 40 years for commercial development, 50 years for integrated development and 70 years for residential development. Upon expiration, the land use rights will revert to the PRC government unless the holder of the land use rights applies for and is granted an extension of the term of the land use rights. In the event that an extension to the land use right is sought and obtained (and there can be no assurance that such extension will be obtained as there are currently no precedent of such extension), there is uncertainty about the quantum of land grant fees which the Group will have to pay and additional conditions which may be imposed.

These land use rights do not have automatic rights of renewal and the grantee of the land use right may apply for extensions of the land at least 12 months prior to the expiry of the land use right, otherwise the land use right shall revert to the State upon expiry. If an application for extension is granted (and such grant shall be given by the PRC government unless the land in issue is to be taken back for the purpose of public interests), the land user will be required to, among other things, pay a land grant fee for the renewed land use right. If no application is made, or such application for extension is not granted, the property shall be disposed of in accordance with the land use right grant contract. As none of the land use rights granted by the PRC government has, at the Latest Practicable Date, run its full term, there is no precedent of such extension to provide an indication of the quantum of land grant fee which the Group will have to pay and additional conditions which may be imposed in the event that an extension to the land use rights is sought and obtained. There is also no assurance that the Group will be able to obtain an extension to the land use right. In the event that the extension is not granted, the property would revert to the PRC government and the Group would no longer own or derive income therefrom and this, along with other factors, may materially and adversely affect the business, operations, results of operations and financial position of the Group.

In certain circumstances, the PRC government may, where it considers it to be in the public interest, terminate land use rights before the expiration of the term. In addition, the PRC government has the right to terminate long-term land use rights and expropriate the land in the event the grantee fails to observe or perform certain terms and conditions pursuant to the land use rights grant contracts. If the PRC government charges a high land grant premium, imposes additional conditions, or does not grant an extension of the term of the land use rights of any of the Group's PRC properties, the Group's operations could be disrupted, and its business, operations, results of operations and financial position could be materially and adversely affected.

The Group may be subject to fines due to the lack of registration of its leases

Pursuant to the Administration of the Measures for Commodity House Leasing in Urban Areas (商品房屋租賃管理辦法) promulgated on 1 December 2010 and which became effective on 1 February 2011, parties to a lease agreement are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. The failure to register the lease agreements does not affect the validity of the lease agreements under the relevant PRC laws and regulations. However, such failure may result in third parties challenging the Group's interests in the respective leased properties.

The Group cannot guarantee that legal disputes or conflicts concerning such leases and tenancies will not arise in the future. In addition, the Group may be required by relevant government authorities to file the lease agreements for registration and may be subject to a fine for non-registration within the prescribed time limit, which may range from RMB1,000 to RMB10,000 per lease agreement. The occurrence of any of the above conflicts or disputes or the imposition of the above fines could require the Group to make additional efforts and/or incur additional expenses, any of which could materially and adversely impact the Group's business, operations, results of operations and financial position. The registration of these lease agreements to which the Group is a party requires additional steps to be taken by the respective other parties to the lease agreement which are beyond the Group's control. The Group cannot guarantee that the other parties to the lease agreements will be cooperative and that the Group will be able to complete the registration of these lease agreements and any other lease agreements that the Group may enter into in the future.

There are PRC regulatory limitations on the money supply and the availability of credit to the property sector

The PRC government has implemented a number of measures to manage the growth of the money supply and the availability of credit, especially with respect to the property sector. For example:

- the Peoples' Bank of China (中國人民銀行) ("**PBOC**") has adjusted the Renminbi deposit reserve ratio for major banks several times since 2010, first upward (to a peak of 21.5%) and more recently downward (to its present level of 15.5% as of September 2018);

- the PBOC has adjusted the benchmark one-year bank lending rate many times since 2008. In particular, in 2015 the PBOC lowered the benchmark one-year bank lending rate to 5.35% on 1 March 2015, to 5.00% on 11 May 2015, to 4.85% on 27 June 2015, to 4.6% on 26 August 2015, and further lowered it to 4.35% since 24 October 2015;

- requiring that at least (i) 20% of the total investment in property projects for affordable housing or ordinary residential properties is funded by the developer's own capital; and (ii) 25% of the total investment for all other types of property projects is funded by the developer's own capital, and the highest percentage had been at 30% for a long period before 9 September 2015;

- restricting commercial banks from granting loans to property developers which will be used to pay land premium;

- restricting trust companies from providing financing to property developers that have not obtained the relevant land use right certificates, construction land planning permits, construction work planning permit or construction work commencement permits, or to projects that fail to meet project capital ratio requirements;

- restricting trust companies from funding projects developed by property developers which, or whose controlling shareholders, do not have second-level or above qualification;

- prohibiting PRC commercial banks from extending any existing loans or granting any new or revolving credit facilities in any form to property developers with non-compliance records in relation to, among other things, holding and speculating idle lands, using the land outside the scope of the designated purpose, postponing construction commencement or completion, hoarding properties and rigging price for properties;

- prohibiting PRC commercial banks from taking commodity properties that have been vacant for more than two years as security for loans to property developers; and

- prohibiting property developers from using borrowings obtained from local banks to fund property developments outside the regions in which the lending banks reside.

In addition, on 13 March 2018, the PRC State Council submitted the Reform Plan on State Council Agencies for review of the First Session of the thirteenth National People's Congress of the PRC, proposing to merge the China Insurance Regulatory Commission (中國保險監督管理委員會) and the China Banking Regulatory Commission (中國銀行業監督管理委員會) to strengthen the regulation over financial institutions, and thereafter report to the newly established Financial Stability and Development Committee. This reform will lead to uncertainties in the regulatory environment of the finance market, which may indirectly affect the real property industry. The above measures and other similar government actions and policy initiatives have limited the Group's flexibility and ability to use bank loans, trust and other financing arrangements to finance its property projects and therefore may require the Group to maintain a relatively high level of internally sourced cash. Should the PRC government introduce similar additional initiatives, we may not be able to secure adequate financing or renew our existing credit facilities prior to their expiration on commercially reasonable terms or at all.

The Group is subject to extensive PRC regulatory control on foreign investment in the real estate sector

The PRC government has promulgated a number of regulations and rules regulating foreign investment in the real estate sector. Pursuant to the "Circular on Strengthening Administration of Approval and Filing of Foreign Investment in Real Estate Industry" (Shang Ban Zi Han [2010] No. 1542) (《商務部辦公廳關於加強外商投資房地產業審批備案管理的通知》(商辦資函[2010]1542號)) issued by the General Office of Ministry of Commerce of the PRC ("**MOFCOM**") on 22 November 2010, real estate enterprises funded by foreign capital are not permitted to make profit by purchasing and reselling real properties in the PRC that are either completed or under construction. In addition, pursuant to PRC laws and regulations, if a non-PRC entity invests in a PRC real estate company, the PRC real estate company is required to apply to the relevant local counterparts of MOFCOM for it to be established as a foreign investment enterprise and, typically, the relevant local counterparts of MOFCOM then reports to the provincial commerce authority for the subsequent file recording formality of foreign invested real estate enterprises with the General Office of MOFCOM ("**Real Estate File Recording Formality**").

According to the Notice on Improving Administration of Approval and Filing of Foreign Investment in Real Estate Industry (關於改進外商投資房地產備案工作的通知) jointly issued by the MOFCOM and State Administration of Foreign Exchange ("**SAFE**") on 24 June 2014, the MOFCOM has, effective from 1 August 2014, simplified the Real Estate File Recording Formality by authorising the provincial commerce authority to directly verify the filing materials and handle the filing. However, the MOFCOM will still conduct random inspections of foreign invested real estate enterprises that have been filed. The Real Estate File Recording Formality has been further simplified by the MOFCOM pursuant to the Notice on Further Improving Administration of Approval and Filing of Foreign Investment in Real Estate Industry (關於進一步改進外商投資房地產備案工作的通知) jointly issued by the MOFCOM and the SAFE on 6 November 2015.

While the Group has obtained all necessary approvals and consents from the PRC authorities for the acquisition of the Properties and will endeavour to obtain all necessary approvals and consents from the PRC authorities in the future for the acquisition of properties, and notwithstanding the recent relaxation of policy measures towards foreign investment in the real estate industry, there can be no assurance that the PRC government will not implement additional restrictions on foreign investment in the real estate industry and purchases and sales of real estate properties by foreign investors, as well as the incorporation of real estate foreign investment enterprises within the PRC which are funded by foreign capital. There can be no assurance that the PRC government will not deem any transaction of real properties or any transfer of equity in real estate companies as making profits through transaction of real estate. If the MOFCOM adopts further restrictive measures, it may materially and adversely affect the Group's investments as it might be difficult for the Group to obtain approval from MOFCOM or its local counterparts with respect to matters concerning its PRC subsidiaries, and the Group may experience difficulty in remitting profits generated from its PRC subsidiaries or residual income from liquidation of PRC subsidiaries to overseas.

The PRC Labour Contract Law may cause the Group's labour costs to increase and it may be liable for fines and penalties for any material breach of this law

On 29 June 2007, the Standing Committee of the NPC adopted the PRC Labour Contract Law (中華人民共和國勞動合同法) (the "Labour Contract Law"), which became effective on 1 January 2008. The Labour Contract Law imposes requirements relating to, among others things, minimum wages, severance payments and non-fixed term employment contracts, and establishes time limits for probation periods and the circumstances in which an employee can be placed on a fixed-term employment contract. It also provides that social insurance is required to be paid on behalf of employees, and employees are entitled to unilaterally terminate the labour contract if this requirement is not being satisfied.

Pursuant to this law, the Group's PRC subsidiaries are required to enter into non-fixed term employment contracts with employees who have consecutively worked for them for more than 10 years or, unless otherwise provided under the Labour Contract Law, for whom a fixed-term employment contract has been concluded for two consecutive terms since 1 January 2008. Consequently, the Group may not be able to efficiently terminate the employment contracts with its employees under this law without demonstrating the cause. In addition, the Group is required to make severance payments to employees upon early termination of their employment contracts, unless the contract is terminated due to (i) the employee's misconduct, (ii) the employee voluntarily terminates the contract or (iii) the employee voluntarily rejects an offer to renew the contract in circumstances where the conditions offered by the employer are the same as or better than those stipulated in the current contract. The amount of severance payment is calculated based on monthly wage of the employee multiplied by the number of full years that the employee was employed by the employer, capped at 12 years. If the employee has been employed for more than six months but less than a year, it is deemed one year. If the employee has been employed for less than six months, the employer shall pay a half-month salary as severance payment. If the employee's monthly wage is three times greater than the average monthly wage of the preceding year in the relevant district or locality, the calculation of the severance payment will be based on a monthly wage equal to three times the average monthly wage.

On 28 December 2012, the Labour Contract Law was amended and passed by the 30th session of the Standing Committee of the 11th National People's Congress, which was implemented from 1 July 2013. This amendment is relating to the labour dispatch section in the Labour Contract Law, which clearly expresses the criteria for the dispatch service providers, the administrative licence for dispatch service, the "equal pay for equal work" principle for the dispatched employees and the positions for which the dispatch service applies.

The amended Labour Contract Law mainly has the following requirements regarding the qualifications of the dispatch service providers: (1) increasing the registered capital requirement of the dispatch service providers from RMB500,000 to RMB2,000,000; (2) requiring the dispatch service providers to legally apply for and obtain the prerequisite administrative licence from the competent labour administrative bureau. The enterprises that were operating the dispatch service before the effectiveness of the amended Labour Law Contract shall obtain the administrative licence and apply for the change of registration before 1 July 2014.

Compliance with the relevant laws and regulations may substantially increase the Group's operating costs and may have a material impact on the Group's results of operations. In particular, an increase in labour costs in the PRC will increase the Group's service costs, and it may not be able to pass these extra costs onto its customers due to competitive pricing pressures. There is no guarantee that any employment disputes or strikes will not happen in the future. Increase in the Group's labour costs and any future disputes with the Group's employees can materially and adversely affect the Group's business, operations, results of operations and financial position.

Risks Relating to the Group's Business Activities in the UK

The Group's business may be materially and adversely affected by regulations promulgated by the UK authorities

The real estate business in the UK is affected by the planning policies and guidelines of the authorities both at the central as well as at the local government level. Such planning guidelines in the UK are unpredictable because of two main factors:

(i) Planning guidelines issued by the Central Government provide room for varying interpretation by the local authorities. For example, although "affordable housing" is required to be provided for private housing developments exceeding 25 units, the formula for "commuted" payments in lieu of affordable housing provision varies from local authority to local authority. In some cases, local authorities will insist on affordable housing to be integrated on site with the private housing scheme instead of accepting "commuted" payments in lieu of provision on site.

(ii) Public consultation is a statutory requirement under the laws governing the UK planning system and the public needs to be consulted for all planning applications. This invariably slows down the planning process. Applications for major schemes which are opposed strongly by residents and other pressure groups may be subject to the strict scrutiny and approval of the Central Government. This will result in extensive delays and very often reduction in the height and density of the proposed development following the public inquiry process organised by the Central Government.

The Group's business may be materially and adversely affected by economic and political factors in the UK

The current Conservative minority Government has largely adopted the stance of the former Conservative majority Government in its management of the UK economy. The markets have generally reacted favourably to the government's approach to the economy so far. However, there is no assurance that such policy decisions over the last two years could be sustained due to changes in economic conditions or changes in the ruling party. The real estate industry in the UK, like any other business, is closely linked to the general economic and business climates. The proper functioning of businesses is carried out within the framework of a stable and effective political regime. The performance of the Group is very much dependent on the strength of the economy and the continued growth of the residential market in particular, within a favourable political environment.

Slowdown in general UK economic conditions, especially in certain business sectors or geographical regions, may adversely affect the Group's business

The Group's properties in the UK serve a broad range of occupiers. Therefore, the success of the business is indirectly dependent on the financial performance of a wide range of industries. Any prolonged economic downturn in the UK and continental Europe (or indeed in the sectors in which the Group's tenants operate or a localised downturn in an area of the UK in which the Group has properties) could have a material and adverse effect on the Group's business, operations, results of operations and financial position.

For the Group's current properties and long term focus in London, UK, any developments which may damage or diminish London's international status as a global financial and business centre (such as changes to regulation, taxation or otherwise, an increase in costs or other adverse changes in the regulatory environment for financial services, acts of terrorism, economic recession or otherwise) could reduce London's attractiveness to international firms as a strategic centre of operations. If London's reputation and status were so damaged or diminished, occupier demand for commercial office space in London could therefore decrease.

The Group's business is exposed to risks related to the UK's decision to terminate its membership in the EU on 23 June 2016 and the exercise of its right under Article 50 of the Treaty of Lisbon on 29 March 2017 to leave the EU

The UK Government held a referendum on whether the UK will stay in the EU on 23 June 2016. The results of the referendum, where the UK eventually voted in favour of leaving the EU, and the subsequent exercise of the UK's right under Article 50 of the Treaty of Lisbon on 29 March 2017 to begin the process for withdrawal from the EU, may impinge upon the health of the global economic and/or financial system, could lead to instability in the foreign exchange markets, including volatility in the value of the pound sterling, and may affect investor sentiment. This could materially and adversely affect the operational, regulatory, currency, insurance and tax regime to which the Group is currently subject to. It could also result in prolonged uncertainty regarding aspects of the UK economy. The effect of these risks, were they to materialise, could be to increase compliance and operating costs for the Group and may also materially affect the Group's tax position or business, results of operation and financial position more generally.

For example, because a significant proportion of the regulatory regime in the UK and forthcoming regulatory reform is derived from EU directives and regulations, the referendum could materially change the regulatory regime that would be applicable to the Group's operations in the future. This could increase compliance and operating costs for the Group and have a material and adverse effect on the Group's business, operations, results of operations and financial position, as well as creating disruption and/or uncertainty in the market.

The Group's business may be materially and adversely affected by stamp duty regulations in the UK

In the UK, stamp duty is payable on the purchase of real estate. The rates applicable to residential real estate are markedly higher than the rates for commercial real estate, following various increases in recent years. The top rate of stamp duty payable on residential property is now 15.0%, payable on consideration exceeding £1.5 million in certain circumstances. The top rate payable for commercial property is 5.0%. There is the possibility that stamp duty could be raised again in the future and this could potentially discourage property activity, reduce liquidity in the market and deter investors.

The Group's business may be materially and adversely affected by property prices in the UK and is subject to the performance of the property industry in the UK in general

There may be a downturn in the UK property market in terms of capital value or a weakening of rental yields. Commercial property values are affected by factors such as the level of interest rates, economic growth, fluctuations in property yields and tenant default. In the event of a default by an occupational tenant, there will be a rental shortfall and additional costs, including legal expenses are likely to be incurred in maintaining, insuring and re-letting properties.

Immovable property and immovable property-related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

These points are compounded by the fact that businesses related to the property industry in the UK and in general are cyclical in nature. Cyclical downturns may arise from changes in global and local economic conditions, periodic local oversupply of properties for sale or lease, competition from other developers, changes in wages, energy costs, construction and maintenance costs, government regulations or changes in interest rates, and availability of financing for operating and/or capital requirements. Should the property market experience a downturn, demand for the Group's property development projects may slow down significantly. On the other hand, cyclical upturns may prompt the authorities to implement cooling measures. These factors may materially and adversely affect the Group's business, operations, results of operations and financial position.

Environmental risks

Various UK laws may require current or previous owners or occupiers of property to investigate and/or clean-up hazardous or toxic substances. Owners or occupiers may also be obliged to pay for property damage and for investigation and clean-up costs incurred by others in connection with such substances. Such UK laws typically impose clean-up responsibility and liability having regard to whether such owners or occupiers knew of, or caused, the presence or escape of the substances. Even if more than one person may have been responsible or liable for the contamination, each person caught by the relevant environmental laws may be held responsible for all of the clean-up costs incurred.

In addition, third parties may bring legal proceedings against a current or previous owner, occupier or other party in control of property for damages and costs resulting from substances emanating from that property. These damages and costs may be substantial. The presence of substances on a property could also result in personal injury or similar claims by private claimants.

Failure to future-proof the Group's UK properties against extreme weather occurrences or the impact of current and emerging legislation may result in reduced interest in the Group's UK properties, disruption to income streams for the Group and its occupiers and additional costs for the Group and its occupiers to adapt buildings or meet new legislative requirements.

Risks Relating to the Group's Business Activities in Indonesia

The Group's business may be materially and adversely affected by political or social instability factors in Indonesia

Despite Indonesia having successfully conducted its first free elections for parliament and president in 1999, as a new democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest.

Since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against the Government and Government officials, as well as in response to specific issues, including fuel subsidy reductions, privatisation of state assets, anti-corruption measures, decentralisation and provincial autonomy and the American-led military campaigns in the middle-east. Although these demonstrations were generally peaceful, some have turned violent.

In 2004, Indonesians directly elected the President, Vice-President and representatives in the Indonesian Parliament for the first time. Indonesians have also begun directly electing heads and representatives of local and regional governments. It is likely that increased electoral activity will be accompanied by increased political activity in Indonesia. The next general elections are scheduled for April 2019. Nominations of candidates for national and regional legislatures as well as candidates for president and vice president were completed in September 2018 President Joko Widodo and Mr. Prabowo will compete once more for the presidency, repeating the previous election back in 2014. The final results of the general elections are expected to be announced in September 2019.

Although the 2004, 2009 and 2014 elections were conducted in a peaceful manner, challenges from losing candidates and political campaigns in Indonesia may bring about a degree of political and social uncertainty to Indonesia. Political and related social developments in Indonesia have been unpredictable in the past. There can be no assurance that this situation or future sources of discontent will not lead to further political and social instability. Social and civil disturbances could directly or indirectly, materially and adversely affect the Group's business, operations, results of operations and financial position.

The Group's business in Indonesia is subject to significant geological risk that could lead to natural disasters and economic loss

Because of its location in a geologically active part of the world, Indonesia is subject to various forms of natural disasters. These include earthquakes, tsunamis, volcanic eruptions, floods and landslides that can result in major losses of life and property, such as the 2004 Indian Ocean Tsunami that devastated the province of Aceh and therefore have significant economic and developmental effects.

While these events have not had a significant impact on Indonesian capital markets, the Government has had to expend significant amounts of resources on emergency aid and resettlement efforts. If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result.

In addition, future geological or meteorological occurrences may significantly harm the Indonesian economy. A significant earthquake or other geological disturbance or weather-related natural disasters in any of Indonesia's more populated cities and financial centres could severely disrupt the Indonesian economy and thereby materially and adversely affecting the Group's business, operations, results of operations and financial position.

Terrorist attacks and terrorist activities and certain destabilising events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect the Group's business

Terrorist attacks and associated military responses have resulted in substantial and continuing economic volatility and social unrest in the world. In Indonesia, in 2017 and during the last several years, there have been various terrorist attacks directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, which have killed and injured a number of people.

There can be no assurance that further terrorist acts will not occur in the future. Any of the foregoing events including damage to our infrastructure or that of our suppliers and customers, could materially and adversely affect the Indonesian economy, interrupt parts of the Group's business and materially and adversely affect the Group's business, operations, results of operations and financial position.

Regional autonomy may materially and adversely affect the Group's business through imposition of local restrictions, taxes and levies

In 1999, the Indonesian Parliament passed Law No. 22 of 1999 regarding Regional Autonomy ("**Law No. 22/1999**") and Law No. 25 of 1999 regarding Fiscal Balance between the Central and the Regional Governments ("**Law No. 25/1999**"). Law No. 22/1999 has been revoked by Law No 32 of 2004, which was further amended by Law No. 23 of 2014, and lastly amended by Law No. 2 of 2015 and Law No. 9 of 2015 on Regional Autonomy. Law No. 25/1999 has been revoked and replaced by Law No. 33 of 2004 regarding the Fiscal Balance between the Central and the Regional Governments. Under these regional autonomy laws, regional autonomy was expected to give the regional governments greater powers and responsibilities over the use of "national assets and resources" and to create a balanced and equitable financial relationship between central and regional governments.

However, under the pretext of regional autonomy and with the presence of the Law No. 28 of 2009 on Local Taxes and Levies, Law No. 23 of 2014 on Regional Autonomy and Constitution Court Decision No. 46/PUU-XII/2014, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in by other regional governments or are in addition to restrictions, taxes and levies stipulated by the central Government. The Group's business and operations are located in various locations in Indonesia and may be materially and adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities

Labour laws and regulations in Indonesia and labour unrest may materially and adversely affect the Group's results or operations

Laws and regulations which facilitate the forming of labour unions, combined with weak economic conditions, have resulted and may continue to result in labour unrest and activism in Indonesia. In 2000, the Government issued Law No. 21 of 2000 regarding Labour Union (the "**Labour Union Law**"). The Labour Union Law permits employees to form unions without intervention from an employer, the government, a political party or any other party. On 25 March 2003, President Megawati enacted Law No. 13 of 2003 regarding Employment (the "**Labour Law**") which, among other things, increased the amount of severance, pension, medical coverage, life insurance, service and compensation payments payable to employees upon termination of employment. The Labour Law requires further implementation of regulations that may substantively affect labour relations in Indonesia. The Labour Law requires companies with 50 or more employees establish bipartite forums with participation from employers and employees. The Labour Law also requires a labour union to have participation of more than half of the employees of a company in order for a collective labour agreement to be negotiated and creates procedures that are more permissive to the staging of strikes. Following the enactment, several labour unions urged the Indonesian Constitutional Court to declare certain provisions of the Labour Law unconstitutional and order the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labour Law valid except for certain provisions, including relating to the right of an employer to terminate its employee who committed a serious violation and criminal sanctions against an employee who instigates or participates in an illegal labour strikes.

Labour unrest and activism in Indonesia could disrupt our operations, our suppliers or contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Jakarta or other stock exchanges and the value of the Rupiah relative to other currencies. Such events could materially and adversely affect the Group's business, operations, results of operations and financial position.

In addition, the Labor Law prohibits an employer from paying an employee below the minimum wage stipulated annually by the provincial or regional/city government. The minimum wage is generally determined according to the need for a decent standard of living and taking into consideration the productivity and growth of economy. However, there are no specific provisions as to how to determine the amount of a minimum wage increase. For example, in January 2015, the provincial government of DKI Jakarta, through the Governor of DKI Jakarta Province Regulation No. 176 of 2014, increased the minimum wage of DKI Jakarta province for 2015 from Rp2,441,000 per month to Rp2,700,000 per month, which was increased to Rp3,100,000 per month starting from 1 January 2016 as regulated under the Governor of DKI Jakarta Province Regulation No. 230 of 2015. The minimum wage in Jakarta was further increased to Rp3,335,000 per month in 2017 and Rp3,648,000 per month in 2018. Any increase in minimum wage in Indonesia could have a material and adverse effect on the Company's business, operations, results of operations and financial position.

Currency fluctuations could materially and adversely affect the Group's business, operations, results of operations and financial position

The Group is exposed to fluctuations in the value of Rupiah against other foreign currencies. Gains or losses on foreign exchange have affected and will continue to affect the Group's net income. For purposes of preparing the Group's consolidated financial statements, the accounts of foreign subsidiaries are translated into Singapore dollars (our reporting currency) at each balance sheet date. The differences resulting from such foreign exchange translations of financial statements of subsidiaries which we consider to be an integral part of us are debited or credited as gain or losses on foreign exchange in our consolidated financial statements. The Rupiah continues to experience significant volatility which could materially and adversely affect the Group's business, operations, results of operations and financial position.

The Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to persons outside of Indonesia and may not conduct certain transactions with non-residents). However, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. The Group cannot guarantee that the Rupiah will not be subject to depreciation and continued volatility, that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies will not occur, or that the Government will take additional action to stabilize, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful.

Modification of the current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by our customers, and as a result, the Group may also face difficulties in funding its capital expenditure and in implementing its business strategy. Any of the foregoing consequences could have a material and adverse effect on the Group's business, operations, results of operations and financial position.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes of the Group, including without limitation, financing investments, acquisitions and capital expenditure, refinancing of existing borrowings and general working capital requirements of the Issuer or its subsidiaries, joint ventures and associates or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders or prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be, pursuant to the ITA and the MAS Circular FDD Cir 11/2018 entitled "Extension of Tax Concessions for Promoting the Debt Market" issued by MAS on 31 May 2018 (the "**MAS Circular**"), qualifying debt securities (**"QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as MAS may specify and such other particulars in connection with the QDS as MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where –

   (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and

   (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Securities derived by:

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Pursuant to the Singapore Budget Statement 2018 and the MAS Circular, the QDS Plus Scheme will be allowed to lapse after 31 December 2018, but debt securities with tenures of at least 10 years which are issued on or before 31 December 2018 can continue to enjoy the tax concessions under the QDS Plus Scheme if the conditions of such scheme as set out above are satisfied.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply the Financial Reporting Standard ("**FRS**") 39 or FRS 109 may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes".

3. Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

In connection with each Tranche of Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Securities and be allocated Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Securities for their own account (without a view to distributing such Securities) and such orders and/or allocations of the Securities may be material. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Arranger, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions not subject to the registration requirements of Regulation S of the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meanings given to them by Regulation S.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Securities within the United States by any dealer that is not participating in the offering of such tranche of Securities may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

European Union

Unless the Pricing Supplement in respect of any Securities specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

   (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

   (b) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   (c) not a qualified investor as defined in the Prospectus Directive (as defined below); and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

If the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), and each Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(i) if the Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by an means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

(ii) (it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the UK.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

The selling restrictions herein contained may be modified, varied or amended by agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification or supplement to the selling restrictions will be set out in the Pricing Supplement to be issued in respect of the issue of the Securities to which it relates or in a supplement to this Information Memorandum.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities or possession or distribution of this Information Memorandum or any offer document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes, this Information Memorandum, any other document or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

Name	Position
Lt-Gen (Retd) Winston Choo Wee Leong	Non-executive and Independent Chairman
Mr Phua Bah Lee	Non-executive and Independent Director
Mr Gerald Ong Chong Keng	Non-executive Director
Mrs Fang Ai Lian	Non-executive and Independent Director
Mr Tan Soo Khoon	Non-executive and Independent Director
Mr Lawrence Chiang Kok Sung	Group CEO and Executive Director
Ms Deborah Lee Siew Yin	Non-executive and Independent Director

2. The Directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer.

3. No Director is or was involved in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

4. The interests of the substantial shareholders and the Directors of the Issuer in the Shares as at the LPD are as follows:

Substantial Shareholders

Substantial Shareholders	No. of Shares Direct Interest	%[9]	No. of Shares Deemed Interest	%[9]
Eng Kuan Company Private Limited	188,995,635	22.824	–	–
Dynamic Holdings Pte Ltd	48,293,203[1]	5.832	–	–
Leroy Singapore Pte Ltd	–	–	47,758,905[2]	5.768
Ong Jen Yaw	70,540	0.009	215,503,049[3]	26.026
Ong Ling Ling	75,360	0.009	237,288,838[4]	28.657
Ong Ching Ping	63,360	0.008	237,288,838[4]	28.657
Ong Jenn (Wang Zhen)	63,360	0.008	285,047,743[5]	34.425
Ong Sek Hian (Wang ShiXian)	–	–	285,111,103[6]	34.433
Ngee Ann Development Pte Ltd	85,515,056	10.3275	–	–
Ngee Ann Kongsi	–	–	85,515,056[7]	10.3275
Takashimaya Company Limited	–	–	85,515,056[8]	10.3275

Notes:

(1) Dynamic Holdings Pte Ltd ("**Dynamic**")'s deemed interest of 48,293,203 shares which were held through Citibank Nominees Singapore Pte Ltd have been transferred to its own name.

(2) Leroy Singapore Pte Ltd ("**Leroy**")'s deemed interest is held through Raffles Nominees (Pte.) Limited.

(3) Mr Ong Jen Yaw's deemed interest is held through Eng Kuan Company Private Limited ("**Eng Kuan**") (188,995,635 shares) and Citibank Nominees Singapore Pte Ltd (26,507,414 shares). Mr Ong Jen Yaw is deemed to be interested in the shares through his interest in Eng Kuan.

(4) Ms Ong Ling Ling's and Ms Ong Ching Ping's deemed interests are each held through their respective interests in Dynamic and Eng Kuan.

(5) Mr Ong Jenn (Wang Zhen)'s deemed interest is held through his interests in Dynamic, Eng Kuan and Leroy.

(6) Mr Ong Sek Hian (Wang ShiXian)'s deemed interest is held through Raffles Nominees (Pte.) Limited (63,360 shares) and his interests in Dynamic, Eng Kuan and Leroy.

(7) Ngee Ann Kongsi is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.

(8) Takashimaya Company Limited is deemed to be interested in the shares through its interest in Ngee Ann Development Pte Ltd.

(9) "%" is based on 828,035,874 issued shares (excluding treasury shares).

Directors

	Direct interest		Deemed interest	
	Number of shares	% of total issued Shares	Number of shares	% of total issued Shares
Phua Bah Lee	–	–%	72,576	0.009

SHARE CAPITAL

5. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

6. The issued share capital of the Issuer as at LPD is as follows:

Share Designation	Issued Share Capital (Number of Shares)	Amount
Ordinary Shares	828,035,874	S$165,464,900

BORROWINGS

7. Save as disclosed in Appendix III, the Group had as at 31 March 2018 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

8. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, the Issuer will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

9. There has been no significant change in the accounting policies of the Issuer since its audited consolidated financial statements for FY2018.

LITIGATION

10. There are no legal or arbitration proceedings pending or, to the best of the Issuer's knowledge after making all reasonable enquiries, threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group, taken as a whole.

MATERIAL ADVERSE CHANGE

11. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 30 June 2018.

CONSENTS

12. Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

13. Copies of the following documents may be inspected at the registered office of the Issuer at 391A Orchard Road, #19-00, Tower A, Ngee Ann City, Singapore 238873 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed;

    (c) the letter of consent referred to in paragraph 12 above; and

    (d) the audited consolidated financial statements of the Group for FY2017 and FY2018.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

14. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF METRO HOLDINGS LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The information in this Appendix II has been reproduced from the auditor's report on the consolidated financial statements of Metro Holdings Ltd and its subsidiaries for the financial year ended 31 March 2017 and has not been specifically prepared for inclusion in this Information Memorandum.

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

For the financial year ended 31 March 2017

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

1. Valuation of investment properties

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

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

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

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

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

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

2. Impairment assessment of interest in associates and joint ventures

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

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

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

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

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

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

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

Other Information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

21 June 2017

Consolidated Income Statement

For the financial year ended 31 March 2017

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

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2017

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

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

Balance Sheets

As at 31 March 2017

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

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

Statements of Changes in Equity

For the financial year ended 31 March 2017

(In Singapore dollars)

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

Statements of Changes in Equity

For the financial year ended 31 March 2017

(In Singapore dollars)

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

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

Statements of Changes in Equity

For the financial year ended 31 March 2017

(In Singapore dollars)

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

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

(In Singapore dollars)

Notes to the consolidated statement of cash flows

(a) Operating cash flows before changes in working capital

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

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

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

1. CORPORATE INFORMATION

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

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

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

2.3 Standards issued but not yet effective

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

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

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

FRS 115 *Revenue from Contracts with Customers*

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

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

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

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

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

FRS 109 *Financial Instruments*

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

(a) Classification and measurement

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

(b) Impairment

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

Transition

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

FRS 116 *Leases*

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

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

2.4 Basis of consolidation and business combinations

(a) *Basis of consolidation*

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

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

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

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

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

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

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

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

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

(b) *Business combinations and goodwill*

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

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

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

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

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

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

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

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

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

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

2.7 Plant and equipment

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

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

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

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

2.7 *Plant and equipment (cont'd)*

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

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

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

2.8 *Investment properties*

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

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

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

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

2.9 *Impairment of non-financial assets*

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

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

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

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

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

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

2.10 Subsidiaries

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

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

2.11 Joint arrangements

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

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

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

Joint ventures

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

2.12 Joint ventures and associates

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

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

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

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

2.12 Joint ventures and associates (cont'd)

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

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

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

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

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

2.13 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

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

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

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

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

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

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

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

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

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

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

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

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

2.13 *Financial instruments (cont'd)*

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

Subsequent measurement (cont'd)

(ii) Financial liabilities at amortised cost

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

De-recognition

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

2.14 *Impairment of financial assets*

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

(a) *Financial assets carried at amortised cost*

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

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

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

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

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

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

2.14 Impairment of financial assets (cont'd)

(b) *Financial assets carried at cost*

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

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

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

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

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

2.15 Cash and cash equivalents

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

2.16 Inventories

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

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

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

2.16 Inventories (cont'd)

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

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

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

2.17 Provisions

General

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

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

2.18 Government grants

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

2.19 Financial guarantees

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

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

2.20 Borrowing costs

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

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

2.21 Employee benefits

(a) *Defined contribution plans*

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

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

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

(b) *Employee leave entitlements*

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

(c) *Long-service benefits*

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

(d) *Profit-sharing bonuses*

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

2.22 Leases

(a) *As lessee*

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

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

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

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

2.22 Leases (cont'd)

(b) As lessor

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

2.23 Revenue

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

(a) Sale of goods

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

(b) Rental income

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

(c) Fee and service income

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

(d) Dividend income

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

(e) Interest income

Interest income is recognised using the effective interest method.

2.24 Taxes

(a) *Current income tax*

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

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

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

2.24 Taxes (cont'd)

(b) *Deferred tax*

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

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

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

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

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

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

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

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

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

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

(c) Sales tax

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

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

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

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

2.25 *Segment reporting*

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

2.26 *Share capital and share issue expenses*

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

2.27 *Treasury shares*

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

2.28 *Contingencies*

A contingent liability is:

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

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

3.2 Key sources of estimation uncertainty

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

(a) *Revaluation of investment property*

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

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

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

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

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

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

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

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

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

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

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

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

4. REVENUE

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

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

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

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

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

5. COST OF REVENUE

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

6. OTHER INCOME, INCLUDING INTEREST INCOME

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

7. FINANCE COSTS

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

8. PROFIT FROM OPERATIONS BEFORE TAXATION

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

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

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

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

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

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

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

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

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

9. TAXATION

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

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

Consolidated income statement

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

9. TAXATION (CONT'D)

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

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

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

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

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

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

9. TAXATION (CONT'D)

(c) *Deferred taxation*

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

Deferred taxation as at 31 March relates to the following:

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

9. TAXATION (CONT'D)

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

Unrecognised tax losses

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

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

Tax consequences of proposed dividends

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

10. EARNINGS PER SHARE

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

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

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

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

11. PLANT AND EQUIPMENT

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

11. PLANT AND EQUIPMENT (CONT'D)

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

12. INVESTMENT PROPERTIES

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

12. INVESTMENT PROPERTIES (CONT'D)

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

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

Valuation of investment properties

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

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

13. SUBSIDIARIES

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

Details of subsidiaries are shown in Note 35.

14. AMOUNTS DUE FROM SUBSIDIARIES

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

Movement in impairment loss is as follows:

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

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

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

15. ASSOCIATES

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

Details of the associates are shown in Note 35.

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

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

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

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

15. ASSOCIATES (CONT'D)

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

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

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

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

15. ASSOCIATES (CONT'D)

Top Spring International Holdings Limited ("TSI")

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

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

16. AMOUNTS DUE FROM/(TO) ASSOCIATES

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

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

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

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

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

17. JOINT VENTURES

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

Details of the joint ventures are shown in Note 35.

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

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

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

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

17. JOINT VENTURES (CONT'D)

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

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

18. AMOUNTS DUE FROM JOINT VENTURES

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

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

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

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

Sterling pound	21,380	–
United States dollar	4,284	4,124
Chinese renminbi	65	20

19. INVESTMENTS

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

20. INVENTORIES

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

21. ACCOUNTS AND OTHER RECEIVABLES

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

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

21. ACCOUNTS AND OTHER RECEIVABLES (CONT'D)

(a) *Receivables that are impaired*

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

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

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

Movement in allowance for doubtful debts is as follows:

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

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

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

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

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

22. CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

23. BANK BORROWINGS

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

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

24. ACCOUNTS AND OTHER PAYABLES

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

Trade payables

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

Other payables

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

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

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

25. SHARE CAPITAL AND TREASURY SHARES

(a) *Share capital*

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

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

(b) *Treasury shares*

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

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

26. RESERVES

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

(a) *Foreign currency translation reserve*

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

26. RESERVES (CONT'D)

(b) ***Statutory reserve***

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

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

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

(d) ***Other reserve***

Other reserve comprises the share of other reserves of associates.

27. DIVIDENDS

	Group and Company	
	2017	2016
	$'000	$'000
Dividends paid during the financial year:		
Final exempt (one-tier) dividend of 2.0 cents per ordinary share for 2016 (2015: 2.0 cents)	16,561	16,561
Final special exempt (one-tier) dividend of 5.0 cents per ordinary share for 2016 (2015: 4.0 cents)	41,402	33,121
	57,963	49,682
Dividends proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final exempt (one-tier) dividend of 2.0 cents (2016: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend of 3.0 cents (2016: 5.0 cents) per ordinary share	24,841	41,402
	41,402	57,963

28. COMMITMENTS

(i) ***Capital commitments***

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

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

28. COMMITMENTS (CONT'D)

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

(a) *As lessee*

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

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

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

(b) *As lessor*

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

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

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

29. CONTINGENT LIABILITIES

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

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

30. RELATED PARTY DISCLOSURES

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

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

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

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

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

31. SEGMENT INFORMATION

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

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

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

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

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

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

31. SEGMENT INFORMATION (CONT'D)

Business segments

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

31. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

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

31. SEGMENT INFORMATION (CONT'D)

Business segments (cont'd)

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

31. SEGMENT INFORMATION (CONT'D)

Geographical information

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

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) *Interest rate risk*

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

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

Sensitivity analysis for interest rate risk

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

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

(b) *Foreign currency risk*

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

Sensitivity analysis for foreign currency risk

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

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

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

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

(c) ***Credit risk***

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

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

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

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

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

Credit risk concentration profile

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

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

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

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

(d) ***Liquidity risk***

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

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

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

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2017				
Financial assets:				
Accounts and other receivables	7,819	–	–	7,819
Amounts due from associates	10,117	135,545	10,422	156,084
Amounts due from joint ventures	1,365	181,860	–	183,225
Held-for-trading financial assets	42,208	–	–	42,208
Pledged fixed bank deposits	111,531	–	–	111,531
Cash and cash equivalents	278,476	–	–	278,476
Total undiscounted financial assets	451,516	317,405	10,422	779,343
Financial liabilities:				
Bank borrowings	65,994	–	–	65,994
Accounts and other payables	39,641	–	–	39,641
Amount due to an associate	67,457	–	–	67,457
Total undiscounted financial liabilities	173,092	–	–	173,092
Total net undiscounted financial assets	278,424	317,405	10,422	606,251
2016				
Financial assets:				
Accounts and other receivables	10,492	–	–	10,492
Amounts due from associates	738	68,534	11,671	80,943
Amounts due from joint ventures	128	129,484	–	129,612
Held-for-trading financial assets	33,919	–	–	33,919
Cash and cash equivalents	494,490	–	–	494,490
Total undiscounted financial assets	539,767	198,018	11,671	749,456
Financial liabilities:				
Accounts and other payables	52,683	–	–	52,683
Amount due to an associate	69,050	–	–	69,050
Total undiscounted financial liabilities	121,733	–	–	121,733
Total net undiscounted financial assets	418,034	198,018	11,671	627,723

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

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

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less $'000	Over 5 years $'000	Total $'000
Company			
2017			
Financial assets:			
Accounts and other receivables	212	–	212
Amounts due from subsidiaries	–	493,239	493,239
Cash and cash equivalents	9,198	–	9,198
Total undiscounted financial assets	9,410	493,239	502,649
Financial liabilities:			
Trade and other payables	5,680	–	5,680
Amounts due to subsidiaries	–	244,226	244,226
Total undiscounted financial liabilities	5,680	244,226	249,906
Total net undiscounted financial assets	3,730	249,013	252,743
2016			
Financial assets:			
Accounts and other receivables	172	–	172
Amounts due from subsidiaries	128	319,484	319,612
Cash and cash equivalents	18,805	–	18,805
Total undiscounted financial assets	19,105	319,484	338,589
Financial liabilities:			
Trade and other payables	15,943	–	15,943
Amounts due to subsidiaries	–	46,065	46,065
Total undiscounted financial liabilities	15,943	46,065	62,008
Total net undiscounted financial assets	3,162	273,419	276,581

(e) ***Market price risk***

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

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

(e) ***Market price risk (cont'd)***

Sensitivity analysis for equity price risk

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

	2017		2016	
	Profit before tax $'000	**Equity** $'000	**Profit before tax** $'000	**Equity** $'000
HSI				
- 10% higher	–	2,340	–	2,716
- 10% lower	–	(2,340)	–	(2,716)
STI				
- 10% higher	4,221	–	3,392	–
- 10% lower	(4,221)	–	(3,392)	–

33. FAIR VALUE OF ASSETS AND LIABILITIES

(a) ***Fair value hierarchies***

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) ***Assets measured at fair value***

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	2017 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Group				
Recurring fair value measurements				
Financial assets:				
Held-for-trading financial assets (Note 19)				
- Quoted equity instruments	42,208	–	–	42,208
Available-for-sale financial assets (Note 19)				
Equity instruments				
- Quoted equity instruments	23,395	–	–	23,395
- Unquoted equity instruments	–	–	71,526	71,526
Total available-for-sale financial assets	23,395	–	71,526	94,921
Financial assets as at 31 March 2017	65,603	–	71,526	137,129
Non-financial asset:				
Investment properties (Note 12)	–	–	104,423	104,423
Non-financial asset as at 31 March 2017	–	–	104,423	104,423

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) ***Assets measured at fair value (cont'd)***

	2016 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$'000	$'000	$'000	$'000
Group				
Recurring fair value measurements				
Financial assets:				
Held-for-trading financial assets (Note 19)				
- Quoted equity instruments	33,919	–	–	33,919
Available-for-sale financial assets (Note 19)				
Equity instruments				
- Quoted equity instruments	27,164	–	–	27,164
- Unquoted equity instruments	–	–	24,265	24,265
Total available-for-sale financial assets	27,164	–	24,265	51,429
Financial assets as at 31 March 2016	61,083	–	24,265	85,348
Non-financial asset:				
Investment properties (Note 12)	–	–	106,653	106,653
Non-financial asset as at 31 March 2016	–	–	106,653	106,653

There have been no transfers between Level 1, Level 2 and Level 3 during 2017 and 2016.

(c) ***Level 1 fair value measurements***

The fair value of quoted equity instruments are determined directly by reference to their published market bid price at the end of the reporting date.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) ***Level 3 fair value measurements***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair Value at 31 March 2017 $'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
- Unquoted equity instruments	71,526	Net asset value(1)	Not applicable	Not applicable
Investment properties	104,423	Average of direct capitalisation method and direct comparison method(2)	- Capitalisation rate(3)	1.75% to 7.50%
			- Rental rate(4)	RMB 110 to RMB 271 per square meter per month
			- Comparable price(5)	RMB 16,726 to RMB 300,000 per square meter

Description	Fair Value at 31 March 2016 $'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
- Unquoted equity instruments	24,265	Net asset value(1)	Not applicable	Not applicable
Investment properties	106,653	Average of direct capitalisation method and direct comparison method(2)	- Capitalisation rate(3)	1.75% to 9.00%
			- Rental rate(4)	RMB 114 to RMB 240 per square meter per month
			- Comparable price(5)	RMB 17,651 to RMB 300,000 per square meter

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) ***Level 3 fair value measurements (cont'd)***

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

[(1)] The fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee company.

[(2)] The yield adjustments are made for any difference in the nature, location or condition of the specific property.

[(3)] An increase/(decrease) in the capitalisation rate would result in a (decrease)/increase in the fair value of the investment properties.

[(4)] An increase/(decrease) in the rental rate would result in an increase/(decrease) in the fair value of the investment properties.

[(5)] An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the investment properties.

The valuations of the investment properties are generally sensitive to changes in yield and rental rates. A significant increase/decrease in yield and rental adjustments based on management's assumptions would result in a significantly higher/lower fair value measurement.

(ii) *Movements in Level 3 assets measured at fair value*

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	2017		
	Available-for-sale financial assets (Unquoted equity instruments) $'000	**Investment properties** $'000	**Total** $'000
Group			
Opening balance	24,265	106,653	130,918
Total gains or losses for the period			
- Fair value loss recognised in profit or loss	–	832	832
- Fair value gain recognised in other comprehensive income	(5,170)	–	(5,170)
Additions	56,393	–	56,393
Redemptions	(4,485)	–	(4,485)
Foreign exchange differences	523	(3,062)	(2,539)
Closing balance	71,526	104,423	175,949

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) ***Level 3 fair value measurements***

(ii) *Movements in Level 3 assets measured at fair value (cont'd)*

	2016		
	Available-for-sale financial assets (Unquoted equity instruments) $'000	Investment properties $'000	Total $'000
Group			
Opening balance	21,951	168,948	190,899
Total gains or losses for the period			
- Fair value loss recognised in profit or loss	–	(813)	(813)
- Fair value gain recognised in other comprehensive income	3,082	–	3,082
Disposals	–	(55,803)	(55,803)
Redemptions	(457)	–	(457)
Foreign exchange differences	(311)	(5,679)	(5,990)
Closing balance	24,265	106,653	130,918

(iii) Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(e) ***Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

		Group				Company			
		Carrying amount		Fair value		Carrying amount		Fair value	
	Note	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Financial assets:									
Amounts due from subsidiaries (non-current) [1]									
- Non interest-bearing	14	–	–	–	–	489,099	314,974	(i)	(i)
Amounts due from associates (non-current)									
- Fixed rate [2]		79,147	9,679	110,953	15,930	–	–	–	–
- Non interest-bearing	16	45,400	50,213	(i)	(i)	–	–	–	–
Amounts due from joint ventures (non-current)									
- Fixed rate [2]		21,380	–	23,133	–	–	–	–	–
- Non interest-bearing	18	153,354	124,974	(i)	(i)	–	–	–	–
Financial liability:									
Amounts due to subsidiaries (non-current) [1]									
- Non interest-bearing	24	–	–	–	–	244,226	46,065	(i)	(i)

(1) The interest-bearing amounts due from/(to) subsidiaries have been excluded as they are charged at floating interest rates and their carrying amounts approximate their fair values.

(2) The fixed rate amounts due from an associate/a joint venture are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(e) ***Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd)***

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

34. CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2016 and 31 March 2017.

As disclosed in Note 26(b), a subsidiary, joint ventures and an associate of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary, joint ventures and the associate for the financial years ended 31 March 2016 and 31 March 2017.

The Group monitors capital using a debt-equity ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and bank balances. Capital includes equity attributable to the owners of the Company less the above-mentioned restricted statutory reserve fund and the fair value reserve.

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

	Group	
	2017	**2016**
	$'000	$'000
Name of company		
Metro (Private) Limited	8,914	8,914
Orchard Square Development Corporation Pte Ltd	7,576	7,576
Metrobilt Pte Ltd	4,038	4,038
Metro Australia Holdings Pte Ltd	1,000	1,000
Meren Pte Ltd	300	300
Metro China Holdings Pte Ltd	*	*
Sun Capital Assets Pte Ltd	*	*
Metro Holdings (Japan) Pte Ltd	*	*
Metro Development Holdings (S) Pte Ltd	*	*
	21,828	21,828

* Cost is less than $1,000

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

Details of subsidiaries, associates and joint ventures at 31 March are:

Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
Held by the Company			
Retailers and department store operators			
Metro (Private) Limited (Singapore)	Singapore	100.0	100.0
Property			
Orchard Square Development Corporation Pte Ltd (Singapore)	Singapore	100.0	100.0
Investment holding			
Metrobilt Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro China Holdings Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
Metro Australia Holdings Pte Ltd (Singapore)	Singapore	100.0	100.0
Sun Capital Assets Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro Holdings (Japan) Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro Development Holdings (S) Pte Ltd (Singapore)	Singapore	100.0	100.0
Investment trading			
Meren Pte Ltd (Singapore)	Singapore	100.0	100.0
Held by subsidiaries			
Retailers and department store operators			
The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	100.0
Property			
+ Guangzhou International Electronics Building Co Ltd (People's Republic of China)	People's Republic of China	100.0	100.0
Zensei Tokutei Mokuteki Kaisha (Japan)	Japan	–	100.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Held by subsidiaries (cont'd)			
	Investment holding			
	Metro Xinjiang Investments Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Properties (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Leisure (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
	Metro Shanghai (HQ) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+	Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0
+	Metrobilt Enterprise Ltd (Hong Kong)	People's Republic of China	100.0	100.0
+	MetroProp (China) (Mauritius)	People's Republic of China	94.0	94.0
	Metro City (Beijing) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+	Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0
Ω	Firewave Management Limited (British Virgin Islands)	People's Republic of China	100.0	100.0
(2)	Metro Prop Japan Pte Ltd (Singapore)	Singapore	100.0	100.0
(1)	Kowa Property Pte Ltd (Singapore)	Singapore	100.0	100.0
(1)	Bunkyo Property Pte Ltd (Singapore)	Japan	100.0	100.0
	Metro Prop Singapore Pte Ltd (Singapore)	Singapore	100.0	100.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Held by subsidiaries (cont'd)			
	Management service consultants			
	Metrobilt Construction Pte Ltd (Singapore)	Singapore	100.0	100.0
	Zensei Leasing GK (Japan)	Japan	–	100.0
	Dormant companies			
	Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0
	Metro Factory Outlet (Malaysia) Sdn Bhd (Malaysia)	Malaysia	–	100.0

	Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Retailers and department store operators			
+^	PT Metropolitan Retailmart (Indonesia)	Indonesia	50.0	50.0
	Property			
&	Etika Cekap Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
&	Gurney Plaza Sdn Bhd (Malaysia)	Malaysia	49.0	49.0
*	Nanchang Top Spring Real Estate Co., Ltd (People's Republic of China)	People's Republic of China	30.0	30.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

	Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Investment holding			
^	Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0
Ω	Diamond Wind Company Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
Ω	Choice Bright Holdings Limited (British Virgin Islands)	People's Republic of China	21.4	21.4
	Barlo Development Company Limited (British Virgin Islands)	People's Republic of China	–	33.3
&	Shine Rise International Limited (British Virgin Islands)	People's Republic of China	30.0	30.0
#	Top Spring International Holdings Limited (Cayman Islands)	People's Republic of China	16.1	16.1
&	Fairbriar Real Estate Limited (England and Wales)	United Kingdom	25.0	25.0
&	InfraRed NF China Real Estate Fund II (A), L.P. (Guernsey)	People's Republic of China	23.7	23.7
& (3)	South Bright Investments Limited (British Virgin Islands)	People's Republic of China	48.0	–

	Joint ventures (Country of incorporation)	Place of business	Percentage of equity held by the Group 2017 %	2016 %
	Property			
&	Wingcrown Investment Pte. Ltd. (Singapore)	Singapore	40.0	40.0
*@	Shanghai Metro City Commercial Management Co. Ltd (formerly known as Shanghai Metro City Cultural and Entertainment Co Ltd) (People's Republic of China)	People's Republic of China	60.0	60.0
*@	Shanghai Huimei Property Co Ltd (People's Republic of China)	People's Republic of China	60.0	60.0
&	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	50.0	50.0
&	Scarborough DC Limited (England and Wales)	United Kingdom	50.0	50.0

35. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONT'D)

@ The Group has not accounted for its interests in Shanghai Metro City Commercial Management Co. Ltd. and Shanghai Huimei Property Co Ltd as subsidiaries although its interests is in excess of 50% because under the joint venture agreements, the joint venture parties are entitled to a share of the profits of the joint ventures in proportion to their respective capital contributions but have contractual joint control of the joint ventures and require unanimous consent for all major decisions over the relevant activities.

^ The Group has equity accounted for its interest in PT Metropolitan Retailmart and Gurney Investments Pte Ltd as associates in view of the fact that the Group does not have control of the entities but only significant influence over the entities.

(1) Commenced liquidation during the financial year.

(2) Commenced liquidation after the financial year.

(3) Incorporated during the financial year.

Ω Not required to be audited in the country of incorporation. These foreign subsidiaries are not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

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

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

* Audited for purpose of Group consolidation by member firms of Ernst & Young Global.

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

This significant foreign incorporated associate is audited by other firm which is considered a suitable auditing firm as it is one of the big four audit firms.

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 21 June 2017.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF METRO HOLDINGS LTD AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The information in this Appendix III has been reproduced from the auditor's report on the consolidated financial statements of Metro Holdings Ltd and its subsidiaries for the financial year ended 31 March 2018 and has not been specifically prepared for inclusion in this Information Memorandum.

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

For the financial year ended 31 March 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Metro Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2018, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Key audit matters (cont'd)

1. **Valuation of investment property**

As at 31 March 2018, the carrying value of the Group's investment property amounted to S$100.2 million.

The Group records its investment property at its fair value. Management engages an independent professional valuer ("External Appraiser") in the country in which the investment property is located to determine the fair value of the property. The External Appraiser determines the fair value of the investment property based on the average of the direct capitalisation method and the direct comparison method. Management reviews the valuation carried out by the External Appraiser and adopts the fair value.

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

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

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

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

We also assessed the adequacy of the disclosures included in Notes 12 and 32(d) to the financial statements.

2. **Accounting of interests in associates and joint ventures**

The Group has significant interests in associates and joint ventures which comprise the investments in and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property investment and development. As at 31 March 2018, the carrying value of the interests in associates and joint ventures amounted to S$964.1 million, representing 83.9% of non-current assets and 56.6% of total assets of the Group. For the financial year ended 31 March 2018, the Group's share of associates and joint ventures results was S$124.6 million representing 74.2% of the Group's profit before taxation.

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

We identified this as a key audit matter because the interests in associates and joint ventures and the share of the results are material to the Group's balance sheet and profit and loss, and the impairment assessment involve significant management judgement and are based on assumptions that are affected by expected future market and economic conditions.

Key audit matters (cont'd)

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

Amongst other audit procedures, we discussed with management and auditors of the associates and joint ventures future market conditions and the status of projects under construction. We performed a review of the auditors' working papers of the significant associates and joint ventures of the Group and had discussions with them to assess the reasonableness of revenue recognised during the year and profitability of the projects. In addition, we assessed the reasonableness of the estimated selling prices of the development properties and properties under construction by comparing to recently transacted prices and prices of comparable projects located in the vicinity as the development projects. We focused our assessment on development projects with slower-than-expected sales. We also reviewed the valuation of investment properties held by certain associates and joint ventures.

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

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

We also assessed the adequacy of the disclosure on the accounting for interests in associates and joint ventures in Notes 15 and 16 to the financial statements.

Other Information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
18 June 2018

Consolidated Income Statement

For the financial year ended 31 March 2018

(In Singapore dollars)	Note	2018 $'000	2017 $'000
Revenue	4	136,326	131,224
Cost of revenue	5	(128,550)	(122,240)
Gross profit		7,776	8,984
Other net income	6	52,476	31,168
Changes in fair value of short term investments		1,883	(771)
Fair value gain on investment properties	12	416	832
General and administrative expenses		(25,290)	(21,967)
Finance costs	7	(2,029)	(277)
Associates			
– Share of results, net of tax	15	124,913	42,514
– Dilution loss		(1,319)	(217)
		123,594	42,297
Joint ventures			
– Share of results, net of tax	16	(317)	22,275
– Reversal of write down of amount due from a joint venture	16	9,472	–
		9,155	22,275
Profit from operations before taxation	8	167,981	82,541
Taxation	9	(11,007)	(1,522)
Profit net of taxation		156,974	81,019
Attributable to:			
Owners of the Company		156,474	80,682
Non-controlling interests		500	337
		156,974	81,019
		Cents	**Cents**
Earnings per share			
Basic	10	18.9	9.7
Diluted	10	18.9	9.7

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2018

(In Singapore dollars)	2018 $'000	2017 $'000
Profit net of taxation	156,974	81,019
Other comprehensive income:		
Item that will not be reclassified to profit or loss		
Share of other comprehensive income of an associate	–	290
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	(12,953)	(11,713)
Net fair value changes on available-for-sale financial assets	7,991	(4,273)
Net fair value changes on available-for-sale financial assets reclassified to profit or loss	(5,782)	(5,482)
Translation of subsidiary, associates and joint venture transferred to profit or loss upon disposal/liquidation	(3,663)	(2,392)
Share of other comprehensive income/(expense) of associates and joint ventures	24,514	(28,279)
Other comprehensive income/(expense) for the financial year	10,107	(51,849)
Total comprehensive income for the financial year	167,081	29,170
Total comprehensive income attributable to:		
Owners of the Company	166,733	30,542
Non-controlling interests	348	(1,372)
	167,081	29,170

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

Balance Sheets
As at 31 March 2018

(In Singapore dollars)	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
ASSETS					
Non-current assets					
Plant and equipment	11	4,466	5,062	42	73
Investment properties	12	100,214	104,423	–	–
Subsidiaries	13	–	–	17,790	17,790
Amounts due from subsidiaries	14	–	–	535,448	493,239
Associates	15	544,174	507,650	500	500
Joint ventures	16	419,917	382,674	–	–
Investments	17	80,336	94,921	–	–
Deferred tax assets	9	–	1,102	–	–
		1,149,107	1,095,832	553,780	511,602
Current assets					
Development properties	18	50,556	–	–	–
Inventories	19	16,950	19,433	–	–
Prepayments		1,922	1,073	–	–
Accounts and other receivables	20	135,350	7,819	192	212
Tax recoverable		–	250	–	–
Short term investments	17	30,262	42,208	–	–
Pledged fixed bank deposits	21	158,409	111,278	–	–
Cash and cash equivalents	21	159,364	278,164	9,588	9,192
		552,813	460,225	9,780	9,404
Total assets		1,701,920	1,556,057	563,560	521,006
EQUITY AND LIABILITIES					
Current liabilities					
Bank borrowings	22	136,752	65,915	–	–
Accounts and other payables	23	53,876	39,641	7,954	5,680
Amount due to an associate	15	–	67,457	–	–
Provision for taxation		1,448	2,234	15	69
		192,076	175,247	7,969	5,749
Net current assets		360,737	284,978	1,811	3,655
Non-current liabilities					
Amounts due to subsidiaries	23	–	–	255,192	244,226
Deferred income	23	11,325	13,352	–	–
Deferred tax liabilities	9	16,377	16,759	12	11
		27,702	30,111	255,204	244,237
Total liabilities		219,778	205,358	263,173	249,986
Net assets		1,482,142	1,350,699	300,387	271,020
Equity attributable to owners of the Company					
Share capital	24	169,717	169,717	169,717	169,717
Treasury shares	24	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	25	1,305,608	1,180,277	132,438	103,071
		1,473,557	1,348,226	300,387	271,020
Non-controlling interests		8,585	2,473	–	–
Total equity		1,482,142	1,350,699	300,387	271,020
Total equity and liabilities		1,701,920	1,556,057	563,560	521,006

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 2018

(In Singapore dollars)

Group	Share capital $'000	Treasury shares $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Other reserve $'000	Revenue reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2017	169,717	(1,768)	3,366	(50,177)	3,880	1,474	1,221,734	1,348,226	2,473	1,350,699
Profit for the year	–	–	–	–	–	–	156,474	156,474	500	156,974
Other comprehensive income										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	–	–	–	(12,556)	–	–	–	(12,556)	(397)	(12,953)
Net fair value changes on available-for-sale financial assets	–	–	7,399	–	–	–	–	7,399	592	7,991
Net fair value changes on available-for-sale financial assets reclassified to profit or loss	–	–	(5,435)	–	–	–	–	(5,435)	(347)	(5,782)
Translation of associates and joint venture transferred to profit or loss upon disposal/liquidation	–	–	–	(3,663)	–	–	–	(3,663)	–	(3,663)
Share of other comprehensive income of associates and joint ventures	–	–	–	24,177	–	337	–	24,514	–	24,514
Other comprehensive income/(expense) for the financial year, net of tax	–	–	1,964	7,958	–	337	–	10,259	(152)	10,107
Total comprehensive income for the financial year	–	–	1,964	7,958	–	337	156,474	166,733	348	167,081
Contributions by and distributions to owners										
Dividends paid (Note 26)	–	–	–	–	–	–	(41,402)	(41,402)	–	(41,402)
Total contributions by and distributions to owners	–	–	–	–	–	–	(41,402)	(41,402)	–	(41,402)
Changes in ownership interests in a subsidiary										
Interest in a subsidiary	–	–	–	–	–	–	–	–	5,764	5,764
Total changes in ownership interests in a subsidiary	–	–	–	–	–	–	–	–	5,764	5,764
Others										
Transfer to statutory reserve fund	–	–	–	–	201	–	(201)	–	–	–
Total others	–	–	–	–	201	–	(201)	–	–	–
At 31 March 2018	169,717	(1,768)	5,330	(42,219)	4,081	1,811	1,336,605	1,473,557	8,585	1,482,142

Statements of Changes in Equity
For the financial year ended 31 March 2018

(In Singapore dollars)

Group	Share capital $'000	Treasury shares $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Other reserve $'000	Revenue reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2016	169,717	(1,768)	12,555	(8,144)	10,144	682	1,192,461	1,375,647	3,845	1,379,492
Profit for the year	–	–	–	–	–	–	80,682	80,682	337	81,019
Other comprehensive income										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	–	–	–	(10,570)	–	–	–	(10,570)	(1,143)	(11,713)
Net fair value changes on available-for-sale financial assets	–	–	(4,036)	–	–	–	–	(4,036)	(237)	(4,273)
Net fair value changes on available-for-sale financial assets reclassified to profit or loss	–	–	(5,153)	–	–	–	–	(5,153)	(329)	(5,482)
Translation of associates and a subsidiary transferred to profit or loss upon liquidation	–	–	–	(2,392)	–	–	–	(2,392)	–	(2,392)
Share of other comprehensive (expense)/income of associates and joint ventures	–	–	–	(29,071)	–	792	290	(27,989)	–	(27,989)
Other comprehensive (expense)/income for the financial year, net of tax	–	–	(9,189)	(42,033)	–	792	290	(50,140)	(1,709)	(51,849)
Total comprehensive (expense)/income for the financial year	–	–	(9,189)	(42,033)	–	792	80,972	30,542	(1,372)	29,170
Contributions by and distributions to owners										
Dividends paid (Note 26)	–	–	–	–	–	–	(57,963)	(57,963)	–	(57,963)
Total contributions by and distributions to owners	–	–	–	–	–	–	(57,963)	(57,963)	–	(57,963)
Others										
Transfer from statutory reserve fund	–	–	–	–	(6,264)	–	6,264	–	–	–
Total others	–	–	–	–	(6,264)	–	6,264	–	–	–
At 31 March 2017	169,717	(1,768)	3,366	(50,177)	3,880	1,474	1,221,734	1,348,226	2,473	1,350,699

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 2018

(In Singapore dollars)

Company	Share capital $'000	Treasury shares $'000	Revenue reserve $'000	Total equity $'000
At 1 April 2017	169,717	(1,768)	103,071	271,020
Profit for the year, representing total comprehensive income for the financial year	–	–	70,769	70,769
Contributions by and distributions to owners				
Dividends paid (Note 26)	–	–	(41,402)	(41,402)
At 31 March 2018	169,717	(1,768)	132,438	300,387
At 1 April 2016	169,717	(1,768)	126,264	294,213
Profit for the year, representing total comprehensive income for the financial year	–	–	34,770	34,770
Contributions by and distributions to owners				
Dividends paid (Note 26)	–	–	(57,963)	(57,963)
At 31 March 2017	169,717	(1,768)	103,071	271,020

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 2018

(In Singapore dollars)	Note	2018 $'000	2017 $'000
Cash flows from operating activities:			
Operating cash flows before changes in working capital			
Operating loss before reinvestment in working capital	(a)	(5,223)	(5,100)
Increase in development properties		(50,556)	–
Decrease/(increase) in inventories		756	(1,249)
(Increase)/decrease in accounts and other receivables		(5,363)	2,336
Increase/(decrease) in accounts and other payables		13,962	(13,042)
Cash flows used in operations		(46,424)	(17,055)
Interest expense paid		(2,029)	(277)
Interest income received		9,120	8,949
Income taxes paid		(3,329)	(3,619)
Net cash flows used in operating activities		(42,662)	(12,002)
Cash flows from investing activities:			
Purchase of plant and equipment	11	(1,514)	(1,973)
Decrease/(increase) in investments		2,256	(51,908)
Purchase of short term investments		–	(19,999)
Proceeds from liquidation of associates		–	128
Proceeds from disposal of available-for-sale investments		18,425	–
Distribution from available-for-sale investments		4,230	5,482
Proceeds from disposal of an investment property	12	7,833	–
Proceeds from disposal of plant and equipment		3	44
Proceeds from disposal of short term investments		15,352	12,578
Investment in associates		9,414	(6,746)
Investment in a joint venture		(18,786)	–
(Decrease)/increase in amount due to an associate		(68,043)	389
Increase in amounts due from associates		(84,372)	(35,878)
Increase in amounts due from joint ventures		(27,528)	(49,703)
Dividends received from associates		67,118	14,507
Dividends received from joint ventures		22,360	27,804
Dividends received from quoted investments		3,534	3,123
Changes in pledged fixed bank deposits		(48,133)	(108,902)
Net cash flows used in investing activities		(97,851)	(211,054)
Cash flows from financing activities:			
Drawdown of bank borrowings		66,153	66,554
Dividends paid	26	(41,402)	(57,963)
Net cash flows from financing activities		24,751	8,591
Net decrease in cash and cash equivalents		(115,762)	(214,465)
Effect of exchange rate changes in cash and cash equivalents		(3,038)	(977)
Cash and cash equivalents at 1 April		278,164	493,606
Cash and cash equivalents at 31 March	21	159,364	278,164

(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	2018 $'000	2017 $'000
Profit from operations before taxation		167,981	82,541
Adjustments for:			
Fair value gain on investment properties	12	(416)	(832)
Finance costs	7	2,029	277
Depreciation of plant and equipment	11	2,111	1,727
Share of associates' results, net of tax		(124,913)	(42,514)
Share of joint ventures' results, net of tax		317	(22,275)
Reversal of write down of amount due from a joint venture	16	(9,472)	–
Interest and investment income	6	(19,497)	(14,252)
Gain on disposal of plant and equipment	8	(3)	(41)
Inventories written down	8	2,178	471
Allowance for doubtful debts	8	3	2
Plant and equipment written off	8	–	53
(Write-back of)/allowance for obsolete inventories	8	(451)	641
Changes in fair value of short term investments		(1,883)	771
Gain on disposal of an associate	6	(15,843)	–
Gain on disposal of an investment property	6	(809)	–
Gain on disposal of short term investments	6	(1,523)	(1,639)
Gain on disposal of available-for-sale investments	6	(4,761)	–
Distribution from available-for-sale investments	6	(4,230)	(5,482)
Foreign exchange adjustments		3,959	(4,548)
Operating cash flows before changes in working capital		(5,223)	(5,100)

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

1. CORPORATE INFORMATION

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

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

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

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

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 April 2018.

On transition to the new financial reporting framework, the Group has chosen to elect the option to deem cumulative translation differences for foreign operations to be zero on 1 April 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 April 2017. An amount of $50,177,000 of foreign currency translation reserve will be reclassified to the opening retained earnings as at 1 April 2017.

Other than the effects of the matter as described above and in Note 2.3, the Group expects that the adoption of the new financial reporting framework will have no material impact on the financial statements in the year of initial application.

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 2017, including the Amendments to FRS 7 Disclosure Initiative. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Improvements to FRSs (December 2016)	
– Amendments to FRS 28: Measuring an Associate or Joint Venture at fair value	1 January 2018
Amendments to FRS 40 Transfers of Investment Property	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019
INT FRS 122 Foreign Currency Transactions and Advance Considerations	1 January 2018
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Improvements to FRSs (March 2018)	
– Amendments to FRS 103 Business Combinations	1 January 2019
– Amendments to FRS 111 Joint Arrangements	1 January 2019
– Amendments to FRS 12 Income Taxes	1 January 2019
– Amendments to FRS 23 Borrowing Costs	1 January 2019
Amendments to FRS 110 & FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 April 2018. Upon adoption of SFRS(I) on 1 April 2018, the SFRS(I) equivalent of the above standards that are effective for periods beginning on or after 1 January 2018 will be adopted at the same time.

The Directors expect that the adoption of the SFRS(I) equivalent of the above standards will have no material impact on the financial statements in the period of initial application except as discussed below:

<u>FRS 115 *Revenue from Contracts with Customers*</u>

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

The Group will be applying the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach.

The Group has performed a preliminary assessment of the impact of FRS 115.

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

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

FRS 115 *Revenue from Contracts with Customers* (cont'd)

In the process of assessment of FRS 115 impact on the revenue recognition, the Group takes into account the contract terms, their business practice and the legal and regulatory environment of their respective countries of operations. Currently the Group's revenue recognition policies are disclosed in Note 2.24, which is taken to be the point in time when the risks and rewards of ownership of the property have been transferred to the customer. Under the transfer-of-control approach in FRS 115, the revenue from property sales will generally be recognised when the customers obtain control of the properties for those property development activities which do not meet the criteria for recognising revenue over time, which may not result in revenue being recognised substantially later than at present.

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

FRS 109 *Financial Instruments*

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

(a) Classification and measurement

The Group will continue to measure its currently held-for-trading equity securities at fair value though profit or loss ("FVTPL"). The Group is expected to measure its currently available-for-sale quoted and unquoted equity securities of $80,336,000 at FVTPL. The fair value reserve of $5,330,000 previously recognised in other comprehensive income will be adjusted against retained earnings when the Group applies FRS 109.

Amounts due from subsidiaries, associates and joint ventures

The Group's and the Company's debt instruments, which mainly consist of amounts due from subsidiaries, associates and joint ventures, are expected to give rise to cash flows representing solely payments of principal and interest. The Group and the Company intend to hold its debt instruments assets to collect contractual cash flows, and accordingly measured at amortised cost when it applies FRS 109. The Group and the Company are currently assessing the impact and plans to adopt the standard on the required effective date.

(b) Impairment

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

(c) Transition

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

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

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

FRS 116 *Leases*

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

The Group has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee, in particular, on its rented office premises and department stores.

Based on the preliminary assessment, the Group expects these operating leases to be recognised as right of use assets with corresponding lease liabilities under the new standard. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, earnings before interest, taxes, depreciation and amortisation (EBITDA) and gearing ratio.

2.4 ***Basis of consolidation and business combinations***

(a) *Basis of consolidation*

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

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

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

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

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

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

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

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

(b) *Business combinations and goodwill*

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

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

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

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

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

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

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

2.5 *Transactions with non-controlling interests*

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

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

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

2.6 *Foreign currency*

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

(a) *Transactions and balances*

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

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

Net investment in foreign operations

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

(b) *Consolidated financial statements*

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

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

2.7 *Plant and equipment*

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

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

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

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

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

2.7 *Plant and equipment* (cont'd)

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

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

2.8 *Investment properties*

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

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

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

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

2.9 *Development properties*

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

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

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

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.

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

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

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.

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

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

2.12 *Joint arrangements*

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

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

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

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.13.

2.13 *Joint ventures and associates*

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

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

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

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

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

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

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

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

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

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

2.14 ***Financial instruments***

(a) *Financial assets*

Initial recognition and measurement

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

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

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

2.14 ***Financial instruments*** (cont'd)

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

Subsequent measurement

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

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

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

2.14 ***Financial instruments*** (cont'd)

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

Subsequent measurement (cont'd)

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

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

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

De-recognition

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

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

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

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

2.14 *Financial instruments* (cont'd)

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

Subsequent measurement (cont'd)

(ii) Financial liabilities at amortised cost

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

De-recognition

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

2.15 *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.

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

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

(b) *Financial assets carried at cost*

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

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

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

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

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

2.16 *Cash and cash equivalents*

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

2.17 *Inventories*

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

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

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

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

2.17 *Inventories* (cont'd)

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

2.18 *Provisions*

General

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

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

2.19 *Government grants*

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

2.20 *Financial guarantees*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due 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.

2.21 *Borrowing costs*

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

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

2.22 *Employee benefits*

(a) *Defined contribution plans*

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

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

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

(b) *Employee leave entitlements*

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

(c) *Long-service benefits*

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

(d) *Profit-sharing bonuses*

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

2.23 *Leases*

(a) *As lessee*

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

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

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

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

2.23 *Leases* (cont'd)

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy of rental income is set out in Note 2.24(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.24 *Revenue*

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

(a) *Sale of goods – retail*

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

Revenue from sale of property rights for properties under development that were purchased from the property developer, completed development properties and development properties under construction is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer.

(c) *Rental income*

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

(d) *Commissions from concessionaire sales*

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

(e) *Fee and service income*

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

(f) *Dividend income*

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

(g) *Interest income*

Interest income is recognised using the effective interest method.

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

2.25 *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.

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

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

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

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

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

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

2.25 *Taxes* (cont'd)

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

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

(c) *Sales tax*

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

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

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

2.26 *Segment reporting*

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

2.27 *Share capital and share issue expenses*

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

2.28 *Treasury shares*

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

2.29 *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.

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

2.29 *Contingencies* (cont'd)

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 *Judgements made in applying accounting policies*

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

(i) *Investments in associates and joint ventures*

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

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

(ii) *Income tax*

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 March 2018 are $1,448,000 (2017: $2,234,000) and $16,377,000 (2017: $16,759,000) respectively.

3.2 *Key sources of estimation uncertainty*

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

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

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

(i) *Revaluation of investment property*

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

Management engages an independent professional valuer ("External Appraiser") in the country in which the investment property is located to determine the fair value of the property. The External Appraiser determines the fair value of the investment property based on the average of the direct capitalisation method and the direct comparison method. Management reviews the valuation carried out by the External Appraiser and adopts the fair value.

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

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

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

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

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

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

4. REVENUE

	Note	Group 2018 $'000	Group 2017 $'000
Retail			
– Sale of goods		98,613	91,951
– Net commission from concessionaires		31,105	32,760
Property – Rental income and related service income	12	6,608	6,513
		136,326	131,224

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

The gross revenue from concessionaire sales is analysed as follows:

	2018 $'000	2017 $'000
Gross revenue from concessionaire sales	106,647	108,416

5. COST OF REVENUE

	Group 2018 $'000	Group 2017 $'000
Retail	127,392	121,187
Property	1,158	1,053
	128,550	122,240

6. OTHER NET INCOME

	Note	Group 2018 $'000	Group 2017 $'000
Interest income from:			
– Loans and receivables		15,963	11,129
Dividends, gross from:			
– Available-for-sale financial assets		901	505
– Held-for-trading financial assets		2,633	2,618
		3,534	3,123
Net gain on financial instruments:			
– Available-for-sale financial assets		8,991	5,482
– Held-for-trading financial assets		1,523	1,639
		10,514	7,121
Management fee income from associates		772	910
Foreign exchange (loss)/gain		(2,018)	3,328
Gain (mainly foreign exchange differences) on liquidation of subsidiary, associates and joint venture		5,099	2,392
Other rental income		817	955
Gain on disposal of an associate	15	15,843	–
Gain on disposal of an investment property	12	809	–
Sundry income		1,143	2,210
		52,476	31,168

7. FINANCE COSTS

	Group 2018 $'000	Group 2017 $'000
Interest expense on:		
– Bank loans	2,029	277

8. PROFIT FROM OPERATIONS BEFORE TAXATION

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

	Note	Group 2018 $'000	Group 2017 $'000
Staff costs, including Directors' emoluments, are as follows:			
Salaries, bonuses and other related costs		25,867	22,279
Contributions to CPF and other defined contribution schemes		2,434	2,346
Provision for long-service benefits		636	445
		28,937	25,070
Directors' emoluments included in staff costs are as follows:			
Directors of the Company			
– Other emoluments		4,660	2,947
– Fees payable		843	777
– Professional fees paid and payable to a company in which a Director has an interest		60	120
		5,563	3,844
Rental expense	27	23,773	23,375
Depreciation of plant and equipment	11	2,111	1,727
Inventories written down	19	2,178	471
(Write-back of)/allowance for obsolete inventories	19	(451)	641
Audit fees:			
– Auditors of the Company		460	455
– Other auditors		181	193
Non-audit fees:			
– Auditors of the Company		96	95
– Other auditors		78	123
Allowance for doubtful debts	20	3	2
Plant and equipment written off		–	53
Gain on disposal of plant and equipment		(3)	(41)

Rental expense includes total contingent rents recognised as an expense for the financial year ended 31 March 2018 amounting to $3,377,000 (2017: $3,223,000).

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

	Note	Group 2018 $'000	Group 2017 $'000
Revenue	4	136,326	131,224
Cost of revenue	5	(128,550)	(122,240)
Gross profit		7,776	8,984
Other net income		62,928	31,012
General and administrative expenses		(25,290)	(21,967)
Finance costs	7	(2,029)	(277)
Share of associates' results, net of tax	15	124,913	42,514
Share of joint ventures' results, net of tax	16	(317)	22,275
Profit before income tax		167,981	82,541
Taxation	9	(11,007)	(1,522)
Profit for the financial year		156,974	81,019

9. TAXATION

(a) *Major components of income tax expense*

The major components of income tax expense for the financial years ended 31 March 2018 and 2017 are:

Consolidated income statement

	Group	
	2018 $'000	2017 $'000
Current taxation		
– Current income taxation	11,702	3,997
– Over provision in respect of prior financial years	(1,094)	(3,053)
	10,608	944
Deferred taxation		
– Origination and reversal of temporary differences	70	283
– Under provision in respect of prior financial years	325	292
	395	575
Withholding tax	4	3
Income tax expense recognised in the consolidated income statement	11,007	1,522

(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	
	2018 $'000	2017 $'000
Profit from operations before taxation	167,981	82,541
Less: Share of results of equity-accounted associates*	(124,913)	(42,514)
Less: Share of results of equity-accounted joint ventures*	317	(22,275)
	43,385	17,752
Taxation calculated at Singapore statutory income tax rate of 17% (2017: 17%)	7,375	3,018
Expenses not deductible for tax purposes	3,576	3,501
Difference arising from tax rates applicable to foreign entities	1,834	589
Income not subject to tax	(2,774)	(4,021)
Unremitted foreign sourced income	1,753	1,681
Deferred tax not recognised	(82)	(582)
Over provision in respect of prior financial years	(769)	(2,761)
Withholding tax	4	3
Others	90	94
Taxation expense recognised in the consolidated income statement	11,007	1,522

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

9. TAXATION (cont'd)

(b) ***Relationship between tax expense and accounting profit*** (cont'd)

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

	Group	
	2018	**2017**
China	25%	25%
Hong Kong	16.5%	16.5%
Indonesia	25%	N.A.
Mauritius	15%	15%

(c) ***Deferred taxation***

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Balance at beginning of financial year	15,657	15,479	11	9
Foreign exchange adjustments	325	(397)	–	–
Charged to income statement	395	575	1	2
Balance at end of financial year	16,377	15,657	12	11
Deferred tax assets	–	(1,102)	–	–
Deferred tax liabilities	16,377	16,759	12	11
Balance at end of financial year	16,377	15,657	12	11

Deferred taxation as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated income statement		Company balance sheet	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**
Deferred tax liabilities						
Differences in depreciation	14,372	13,431	567	603	–	–
Fair value changes	1,320	1,398	25	382	–	–
Undistributed profits of subsidiaries, associates and joint ventures	4,865	6,205	(2,225)	(1,048)	–	–
Unremitted foreign sourced interest income	1,807	611	1,196	513	12	11
	22,364	21,645			12	11
Deferred tax assets						
Differences in depreciation	–	(1,365)	1,365	–	–	–
Fair value loss on investment properties	(4,507)	(3,519)	–	171	–	–
Deferred income and other deferred tax assets	(1,480)	(1,104)	(533)	(46)	–	–
	16,377	15,657			12	11
Deferred income tax expense			395	575		

9. TAXATION (cont'd)

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

Unrecognised tax losses

Singapore tax law allows for Group relief where a Singapore company belonging to a group may transfer its current year unabsorbed capital allowances, current year unutilised trade losses and current year unabsorbed donations (loss items) to other Singapore companies belonging to the same group, to be deducted against the assessable income in the year of income.

There are estimated tax losses and unabsorbed capital allowances amounting to $17,220,000 and $27,000 (2017: $16,774,000 and $27,000) respectively, available for offset against future taxable profits of certain subsidiaries of which $15,424,000 (2017: $15,908,000) has not been recognised as deferred tax asset due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no further Singapore income tax consequences (2017: 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 financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2018 $'000	2017 $'000
Profit for the financial year attributable to owners of the Company, used in the computation of basic and diluted earnings per share	156,474	80,682
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	828,036	828,036

As at 31 March 2018, there are no dilutive potential ordinary shares (2017: Nil).

11. PLANT AND EQUIPMENT

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
Group			
Cost			
At 1 April 2016	33,133	96	33,229
Additions	1,973	–	1,973
Disposals	(2,400)	(96)	(2,496)
Write-offs	(539)	–	(539)
At 31 March 2017 and 1 April 2017	32,167	–	32,167
Additions	1,514	–	1,514
Disposals	(83)	–	(83)
Write-offs	(370)	–	(370)
At 31 March 2018	33,228	–	33,228
Accumulated depreciation and impairment loss			
At 1 April 2016	28,261	96	28,357
Charge for 2017	1,727	–	1,727
Disposals	(2,397)	(96)	(2,493)
Write-offs	(486)	–	(486)
At 31 March 2017 and 1 April 2017	27,105	–	27,105
Charge for 2018	2,111	–	2,111
Disposals	(83)	–	(83)
Write-offs	(370)	–	(370)
Exchange adjustment	(1)	–	(1)
At 31 March 2018	28,762	–	28,762
Net book value			
At 31 March 2017	5,062	–	5,062
At 31 March 2018	4,466	–	4,466

11. PLANT AND EQUIPMENT (cont'd)

	Plant, equipment, furniture and fittings $'000
Company	
Cost	
At 1 April 2016	1,836
Additions	49
Disposals	(61)
At 31 March 2017 and 1 April 2017	1,824
Additions	4
Disposals	(23)
At 31 March 2018	1,805
Accumulated depreciation	
At 1 April 2016	1,778
Charge for 2017	34
Disposals	(61)
At 31 March 2017 and 1 April 2017	1,751
Charge for 2018	35
Disposals	(23)
At 31 March 2018	1,763
Net book value	
At 31 March 2017	73
At 31 March 2018	42

12. INVESTMENT PROPERTIES

	Note	Group 2018 $'000	2017 $'000
Balance sheet:			
Balance at 1 April		104,423	106,653
Disposal		(7,024)	–
Adjustments to fair value		416	832
Foreign exchange adjustments		2,399	(3,062)
Balance at 31 March		100,214	104,423
Consolidated income statement:			
Rental and related service income from investment properties	4	6,608	6,513
Direct operating expenses (including repairs, maintenance and refurbishment) arising from rental generating properties		(1,158)	(1,062)

12. INVESTMENT PROPERTIES (cont'd)

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

Name of building	Description	Tenure of land	Name of valuer	Valuation method	Fair value 2018 $'000	Fair value 2017 $'000
GIE Tower, Guangzhou	Part of a 7-storey shopping podium & 35-storey office tower along Huan Shi Dong Road, Guangzhou, People's Republic of China	50 years' lease from 18 October 1994 (26 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	100,214	97,399
Lakeville Regency, Shanghai	Flat No. 2702, No. 5 The Lakeville Regency, Lane 168, Shun Chang Road, Luwan District, Shanghai, People's Republic of China	64 years' lease from 20 April 2007 (53 years remaining)	DTZ Debenham Tie Leung Limited	Direct capitalisation and direct comparison method	–	7,024
					100,214	104,423

During the year, the Group disposed of the flat at Lakeville Regency for a consideration of $7,833,000 which resulted in a gain of $809,000 (Note 6).

Valuation of investment properties

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

Details of valuation techniques and inputs used are disclosed in Note 32.

13. SUBSIDIARIES

	Company 2018 $'000	Company 2017 $'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 34.

14. AMOUNTS DUE FROM SUBSIDIARIES

	Company 2018 $'000	Company 2017 $'000
Amounts due from subsidiaries	538,375	496,166
Impairment losses	(2,927)	(2,927)
	535,448	493,239

14. AMOUNTS DUE FROM SUBSIDIARIES (cont'd)

Movement in impairment loss is as follows:

	Company 2018 $'000	Company 2017 $'000
Balance at beginning of financial year	2,927	9,220
Write-back for the year	–	(768)
Write-off for the year	–	(5,525)
Balance at end of financial year	2,927	2,927

Amounts due from subsidiaries are unsecured, have no fixed terms of repayment and are interest-free, except for $4,005,000 (2017: $4,140,000) which bears interest ranging from 3.7% to 4.2% (2017: 3.1% to 3.5%) per annum. These amounts due from subsidiaries are considered quasi-equity in nature.

In the previous financial year, a reversal of impairment loss of $768,000 was recognised in the Company's income statement subsequent to a debt recovery assessment performed on amounts due from subsidiaries as at 31 March 2018. There was no such reversal this year.

15. ASSOCIATES

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Investment in associates	(a)	346,573	373,542	500	500
Add:					
Amounts due from associates					
– Non-current	(b)	197,601	134,108	–	–
		544,174	507,650	500	500
Amount due to an associate	(c)	–	(67,457)	–	–

(a) ***Investment in associates***

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Quoted equity shares, at cost	117,700	117,700	–	–
Share of post-acquisition reserves	188,590	85,546	–	–
Share of changes recognised directly in associates' equity	(17,806)	(39,371)	–	–
Foreign currency translation reserve	544	16,171	–	–
	289,028	180,046	–	–
Unquoted equity shares, at cost	55,764	114,730	500	500
Share of post-acquisition reserves	18,245	102,061	–	–
Share of changes recognised directly in associates' equity	(7,104)	(10,054)	–	–
Foreign currency translation reserve	(9,360)	(13,241)	–	–
	57,545	193,496	500	500
	346,573	373,542	500	500
Market value of quoted shares	124,722	101,131	–	–

15. ASSOCIATES (cont'd)

(b) *Amounts due from associates – Non-current*

The non-current amounts due from associates are interest-free, except for $117,850,000 (2017: $88,708,000) which bears interest ranging from 2.3% to 16.8% (2017: 2.3% to 16.8%) per annum, unsecured and are not expected to be repaid within the next financial year. Except for the amount of $107,695,000, the amounts due from associates are considered quasi-equity in nature.

(c) *Amount due to an associate*

The amount due to an associate bore interest at 3.0% per annum, was unsecured and repaid during the financial year.

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

	Group 2018 $'000	Group 2017 $'000
Amounts due from associates:		
– Sterling Pound	83,512	47,948
– Chinese Renminbi	79,751	44,764
– United States Dollar	34,338	40,760
Amount due to an associate:		
– Chinese Renminbi	–	(67,457)

Details of the associates are shown in Note 34.

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

		Group 2018 $'000	Group 2017 $'000
Operating results		(34,768)	22,506
Fair value adjustments on investment properties		5,585	29,657
Non-operating results	(i)	196,607	–
Taxation		(42,797)	(9,564)
Others		286	(85)
		124,913	42,514

(i) The non-operating results of associates of $196,607,000 included the Group's share of a divestment gain of $187,435,000 from Top Spring International Holdings Limited's very substantial disposal of eight property projects. The taxation charge included a tax expense in respect of this divestment gain of $28,228,000.

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

	Group 2018 $'000	Group 2017 $'000
Profit after tax	10,305	11,346
Other comprehensive income	3,153	(2,811)
Total comprehensive income	13,458	8,535

15. ASSOCIATES (cont'd)

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

	Top Spring International Holdings Limited		Nanchang Top Spring Real Estate Co., Ltd
	2018 $'000	2017 $'000	2017 $'000
Summarised balance sheet			
Current assets	3,034,448	3,364,069	446,559
Non-current assets	1,471,527	1,320,797	215,598
Total assets	4,505,975	4,684,866	662,157
Current bank and other borrowings	(487,945)	(542,471)	–
Other current liabilities	(1,261,085)	(1,647,363)	(188,740)
Non-current bank and other borrowings (excluding bonds/notes)	(444,808)	(387,408)	(60,900)
Other non-current liabilities	(372,781)	(877,298)	(52,017)
Total liabilities	(2,566,619)	(3,454,540)	(301,657)
Net assets	1,939,356	1,230,326	360,500
Non-controlling interests	(27,115)	(168,525)	–
Net assets excluding non-controlling interests	1,912,241	1,061,801	360,500
Net assets excluding non-controlling interests	1,912,241	1,061,801	360,500
Proportion of the Group's ownership	15.0%	16.1%	30.0%
Group's share of net assets	285,881	170,525	108,150
Other adjustments (1)	3,147	9,521	–
Carrying amount of the investment	289,028	180,046	108,150

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

During the year, the Group disposed of its associate, Nanchang Top Spring Real Estate Co., Ltd for a consideration of $130,852,000 which resulted in a gain on disposal of $15,843,000 (Note 6).

15. ASSOCIATES (cont'd)

	Top Spring International Holdings Limited		Nanchang Top Spring Real Estate Co., Ltd	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Summarised statement of comprehensive income				
Revenue	306,730	1,000,572	33,748	252,642
Profit after tax	769,796	162,645	8,552	47,245
Other comprehensive income	147,253	(178,058)	–	–
Total comprehensive income	917,049	(15,413)	8,552	47,245
Other summarised information				
Dividends received/receivable	8,938	8,759	–	28,723

Top Spring International Holdings Limited ("TSI")

The Group has a nominated representative on TSI's board. The Group has assessed that it has the ability to exercise significant influence in TSI and accordingly, reclassified TSI from available-for-sale investments to associate, and to equity account TSI's results. As at 31 March 2018, the Group has an effective indirect equity stake of approximately 16.5% voting rights and 15.0% ownership interest in TSI.

The financial statements of TSI are prepared as of 31 December 2017. TSI is a public company listed on the Main Board of The Stock Exchange of Hong Kong Limited. Adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

16. JOINT VENTURES

	Note	Group 2018 $'000	Group 2017 $'000
Investment in joint ventures	(a)	200,996	203,800
Add:			
Amounts due from joint ventures			
– Non-current	(b)	218,921	178,874
		419,917	382,674

(a) ***Investment in joint ventures***

	Group 2018 $'000	Group 2017 $'000
Unquoted equity shares, at cost	55,554	36,768
Share of post-acquisition reserves	134,337	155,325
Foreign currency translation reserve	11,105	11,707
	200,996	203,800

16. JOINT VENTURES (cont'd)

(b) *Amounts due from joint ventures – Non-current*

The non-current amounts due from joint ventures are interest-free, except for $53,627,000 (2017: $25,520,000) which bear interest ranging from 3.7% to 10.5% (2017: 3.1% to 10.5%) per annum, unsecured and are not expected to be repaid within the next financial year. Except for the amount of $35,656,000, the amounts due from joint ventures are considered quasi-equity in nature.

During the financial year, an impairment loss of $9,472,000 was reversed in the consolidated income statement following a re-assessment of the carrying amount of the non-current amount due from a joint venture.

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

	Group	
	2018 $'000	2017 $'000
Sterling Pound	49,622	21,380
United States Dollar	4,005	4,284
Chinese Renminbi	46	65

Details of the joint ventures are shown in Note 34.

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

	Group	
	2018 $'000	2017 $'000
Operating results	44,396	36,263
Additional buyer's stamp duty expenses	(27,747)	–
Fair value adjustments on investment properties	(6,754)	(6,611)
Taxation	(10,212)	(7,377)
	(317)	22,275

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

	Group	
	2018 $'000	2017 $'000
Loss after tax	(30,566)	(90)
Other comprehensive income	–	–
Total comprehensive income	(30,566)	(90)

16. JOINT VENTURES (cont'd)

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

	Shanghai Metro City Commercial Management Co. Ltd		Shanghai Huimei Property Co Ltd	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Summarised balance sheet				
Current assets	99,795	77,466	31,310	27,351
Non-current assets	207,564	209,860	202,691	194,798
Total assets	307,359	287,326	234,001	222,149
Current liabilities	(82,535)	(75,622)	(24,897)	(22,928)
Non-current liabilities	(33,512)	(34,220)	(45,361)	(43,382)
Total liabilities	(116,047)	(109,842)	(70,258)	(66,310)
Net assets	191,312	177,484	163,743	155,839
Net assets	191,312	177,484	163,743	155,839
Proportion of the Group's ownership	60.0%	60.0%	60.0%	60.0%
Carrying amount of the investment	114,787	106,490	98,246	93,503
Summarised statement of comprehensive income				
Revenue	70,577	61,619	20,814	21,080
Depreciation	(79)	(90)	(53)	(43)
Finance costs	–	–	(158)	(139)
Profit before tax	49,437	34,729	17,707	14,702
Taxation	(12,364)	(8,686)	(4,524)	(3,609)
Profit after tax	37,073	26,043	13,183	11,093
– Lease income	42,469	34,459	10,921	10,941
– Fair value adjustments	(5,396)	(8,416)	2,262	152
Other comprehensive income	–	–	–	–
Total comprehensive income	37,073	26,043	13,183	11,093
Other summarised information				
Dividends received	16,695	18,967	5,665	5,357

17. INVESTMENTS

	Group 2018 $'000	Group 2017 $'000
Current:		
Financial assets at fair value through profit or loss		
Held-for-trading investments		
Shares (quoted)	30,262	42,208
Non-current:		
Available-for-sale investments		
Shares (unquoted), at fair value	70,530	71,526
Shares (quoted)	9,806	23,395
	80,336	94,921

18. DEVELOPMENT PROPERTIES

	Group 2018 $'000	Group 2017 $'000
Development properties (at cost or net realisable value)	50,556	–

Development properties are property rights of certain properties under development purchased from a property developer where such rights will be sold to end-buyers.

19. INVENTORIES

	Note	Group 2018 $'000	Group 2017 $'000
Consolidated Balance Sheet:			
Inventories held for resale (at cost or net realisable value)		16,824	19,298
Raw materials (at cost)		126	135
Total inventories at lower of cost and net realisable value		16,950	19,433
Inventories are stated after deducting allowance for obsolete inventories of		1,267	1,718
Balance at 1 April		1,718	1,077
(Write-back)/charged to the consolidated income statement	8	(451)	641
Balance at 31 March		1,267	1,718
Consolidated Income Statement:			
Inventories recognised as an expense in cost of sales		81,246	74,849
Inventories recognised as an expense in cost of sales is inclusive of the following charge:			
– Inventories written down	8	2,178	471
– (Write-back of)/allowance for obsolete inventories	8	(451)	641

20. ACCOUNTS AND OTHER RECEIVABLES

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Current					
Trade receivables		2,642	2,467	–	–
Deposits		4,619	4,802	180	180
Other receivables					
– Recoverables and sundry debtors		5,318	550	12	32
– Proceeds from disposal of an associate	(i)	122,771	–	–	–
		135,350	7,819	192	212
Non-current					
Amounts due from subsidiaries	14	–	–	535,448	493,239
Amounts due from associates	15	197,601	134,108	–	–
Amounts due from joint ventures	16	218,921	178,874	–	–
Total receivables (current and non-current)		551,872	320,801	535,640	493,451
Add: Pledged fixed and bank deposits	21	158,409	111,278	–	–
Cash and cash equivalents	21	159,364	278,164	9,588	9,192
Total loans and receivables		869,645	710,243	545,228	502,643

(i) The proceeds from disposal of an associate was received subsequent to the end of the financial year (Note 15).

Trade receivables are non-interest bearing and are generally on 2 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(a) *Receivables that are impaired*

As at 31 March 2018, the Group has trade receivables amounting to $341,000 (2017: $231,000) 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:

	Note	Group 2018 $'000	Group 2017 $'000
Individually impaired			
Trade receivables – nominal amounts		2,013	1,445
Less: Allowance for impairment		(36)	(33)
		1,977	1,412

Movement in allowance for doubtful debts is as follows:

	Note	Group 2018 $'000	Group 2017 $'000
Balance at 1 April		33	31
Charged to the consolidated income statement	8	3	2
Balance at 31 March		36	33

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.

20. ACCOUNTS AND OTHER RECEIVABLES (cont'd)

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

	Group	
	2018 $'000	2017 $'000
Chinese Renminbi	123,448	964
Indonesian Rupiah	4,894	–
Sterling Pound	7	37

21. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Fixed deposits	279,830	323,110	8,700	5,540
Cash on hand and at bank	37,943	66,332	888	3,652
Total cash and bank balances	317,773	389,442	9,588	9,192
Less: Fixed bank deposits pledged as security	(158,409)	(111,278)	–	–
Cash and cash equivalents	159,364	278,164	9,588	9,192

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 0.3% to 5.0% (2017: 0.3% to 6.4%) per annum. Cash on hand and at bank earn interest at floating rates based on daily bank deposit rates at 0.1% to 2.0% (2017: 0.4%) per annum.

Fixed deposits of $158,409,000 (2017: $111,278,000) had been pledged to financial institutions as security for bank loans (Note 22).

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
United States Dollar	79,289	92,632	3	7
Chinese Renminbi	33,948	137,159	–	–
Indonesian Rupiah	2,592	–	–	–
Sterling Pound	652	951	–	3

22. BANK BORROWINGS

	Group 2018 $'000	Group 2017 $'000
Current		
Bank revolving credit facilities, denominated in Sterling pound, secured	136,752	65,915
Maturity of bank borrowings		
Repayable:		
Within 1 year	136,752	65,915

The revolving credit loans are denominated in Sterling pound and bear interest at rates ranging from 1.7% to 2.4% (2017: 1.3% to 1.8%) per annum. These bank loans are secured by charges over fixed deposits of $158,409,000 (2017: $111,278,000) (Note 21).

A reconciliation of liabilities arising from financing activities is as follows:

	2017 $'000	Cash flows $'000	Non-cash changes: Foreign exchange movement $'000	2018 $'000
Bank borrowings	65,915	66,153	4,684	136,752

23. ACCOUNTS AND OTHER PAYABLES

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Financial liabilities					
Current					
Trade payables		19,269	18,654	–	–
Other payables					
– Sundry creditors		18,807	7,538	911	920
– Accruals		13,896	11,623	7,043	4,760
– Refundable deposits		1,904	1,826	–	–
		53,876	39,641	7,954	5,680
Amount due to an associate	15	–	67,457	–	–
Non-current					
Amounts due to subsidiaries		–	–	255,192	244,226
Total accounts and other payables (current and non-current)		53,876	107,098	263,146	249,906
Add: Total bank borrowings	22	136,752	65,915	–	–
Total financial liabilities carried at amortised cost		190,628	173,013	263,146	249,906
Non-financial liability					
Non-current					
Deferred income		11,325	13,352	–	–

23. 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.

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

	Group	
	2018 $'000	2017 $'000
Indonesian Rupiah	11,171	–
Chinese Renminbi	2,591	2,400
Sterling Pound	345	87
United States Dollar	76	47

24. SHARE CAPITAL AND TREASURY SHARES

(a) ***Share capital***

	Group and Company			
	2018		2017	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid:				
Ordinary shares				
Balance at beginning and end of the financial year	831,549	169,717	831,549	169,717

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

(b) ***Treasury shares***

	Group and Company			
	2018		2017	
	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.

25. RESERVES

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Revenue reserve		1,336,605	1,221,734	132,438	103,071
Foreign currency translation reserve	(a)	(42,219)	(50,177)	–	–
Statutory reserve	(b)	4,081	3,880	–	–
Fair value reserve	(c)	5,330	3,366	–	–
Other reserve	(d)	1,811	1,474	–	–
		1,305,608	1,180,277	132,438	103,071

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

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

(b) ***Statutory reserve***

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

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

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

(d) ***Other reserve***

Other reserve comprises the share of other reserves of associates.

26. DIVIDENDS

	Group and Company 2018 $'000	Group and Company 2017 $'000
Dividends paid during the financial year:		
Final exempt (one-tier) dividend of 2.0 cents per ordinary share for 2017 (2016: 2.0 cents)	16,561	16,561
Final special exempt (one-tier) dividend of 3.0 cents per ordinary share for 2017 (2016: 5.0 cents)	24,841	41,402
	41,402	57,963
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 (2017: 2.0 cents) per ordinary share	16,561	16,561
Final special exempt (one-tier) dividend of 3.0 cents (2017: 3.0 cents) per ordinary share	24,841	24,841
	41,402	41,402

27. 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 2018 $'000	Group 2017 $'000
Capital commitments in respect of investment in:		
– Available-for-sale investments	534	435

(ii) *Operating lease commitments*

(a) *As lessee*

Operating lease expenses for the Group during the financial year ended 31 March 2018 amounted to $23,773,000 (2017: $23,375,000).

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

	Group 2018 $'000	Group 2017 $'000
Not later than one year	19,668	18,596
Later than one year but not later than five years	24,249	42,393
	43,917	60,989

(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 7 years. Certain leases include a clause to enable upward revision of the rental charge on a periodic basis based on prevailing market conditions.

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

	Group 2018 $'000	Group 2017 $'000
Not later than one year	6,322	6,038
Later than one year but not later than five years	8,447	10,968
Later than five years	1,215	1,917
	15,984	18,923

28. CONTINGENT LIABILITIES

	Company 2018 $'000	Company 2017 $'000
Financial support given to certain subsidiaries having:		
– deficiencies in shareholders' funds	82,886	88,322
– current liabilities in excess of current assets	7,049	39,820

The Company has provided corporate guarantees to a bank for loans of $136,752,000 (2017: $65,915,000) taken by its subsidiaries.

The Group is subject to certain standard warranty clauses in the sale and purchase agreements relating to the disposal of certain investments. At 31 March 2018, the Group has assessed that the probability of these contingent liabilities is remote.

29. RELATED PARTY DISCLOSURES

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

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

	Group 2018 $'000	Group 2017 $'000
Interest income from associates	(9,680)	(3,537)
Interest income from joint venture	(1,555)	(496)
Management fee received from an associate	(772)	(910)
Corporate advisory fee paid to a company that is controlled by a Director	60	120

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

	Group 2018 $'000	Group 2017 $'000
Salary, bonus and other benefits	9,156	6,050
Contributions to CPF	73	63
Total compensation paid to key management personnel	9,229	6,113
Comprise amounts paid to:		
Directors of the Company	4,738	3,011
Other key management personnel	4,491	3,102
	9,229	6,113

30. SEGMENT INFORMATION

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

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

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

30. SEGMENT INFORMATION (cont'd)

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 $'000	Retail $'000	Total $'000
2018			
Segment revenue	6,608	129,718	136,326
Segment results	38,878	(3,916)	34,962
Changes in fair value of short term investments	1,883	–	1,883
Fair value gain on investment properties	416	–	416
Finance costs	(2,029)	–	(2,029)
Associates			
– Share of results, net of tax	123,169	1,744	124,913
– Dilution loss	(1,319)	–	(1,319)
	121,850	1,744	123,594
Joint ventures			
– Share of results, net of tax	(317)	–	(317)
– Reversal of write down of amount due from a joint venture	9,472	–	9,472
	9,155	–	9,155
Segment profit/(loss) before taxation	170,153	(2,172)	167,981
Taxation	(10,985)	(22)	(11,007)
Profit/(loss) for the year	159,168	(2,194)	156,974
2017			
Segment revenue	6,513	124,711	131,224
Segment results	20,207	(2,022)	18,185
Changes in fair value of short term investments	(771)	–	(771)
Fair value loss on investment properties	832	–	832
Finance costs	(277)	–	(277)
Associates			
– Share of results, net of tax	39,192	3,322	42,514
– Dilution loss	(217)	–	(217)
	38,975	3,322	42,297
Joint ventures			
– Share of results, net of tax	22,275	–	22,275
Segment profit before taxation	81,241	1,300	82,541
Taxation	(1,522)	–	(1,522)
Profit for the year	79,719	1,300	81,019

30. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

	Property $'000	Retail $'000	Total $'000
2018			
Assets and liabilities			
Segment assets	687,026	50,803	737,829
Associates	531,035	13,139	544,174
Joint ventures	419,917	–	419,917
Total assets	1,637,978	63,942	1,701,920
Segment liabilities	170,720	31,233	201,953
Provision for taxation	1,171	277	1,448
Deferred tax liabilities	16,377	–	16,377
Total liabilities	188,268	31,510	219,778
Other segment information			
Additions to non-current assets			
– Plant and equipment	7	1,507	1,514
Interest expense	2,029	–	2,029
Interest income	(15,822)	(141)	(15,963)
Depreciation of plant and equipment	39	2,072	2,111
Other material non-cash items			
Inventories written down	–	2,178	2,178
Fair value gain on held-for-trading investments (unrealised)	(1,883)	–	(1,883)
Fair value gain on investment properties	(416)	–	(416)
Write-back of obsolete inventories	–	(451)	(451)

30. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

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

30. SEGMENT INFORMATION (cont'd)

Geographical information

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

	Asean $'000	People's Republic of China $'000	Others $'000	Group $'000
2018				
Segment revenue from external customers	129,718	6,608	–	136,326
(Loss)/profit from operations before taxation	(28,797)	188,092	8,686	167,981
Non-current assets				
– Plant and equipment	4,457	9	–	4,466
– Investment property	–	100,214	–	100,214
– Associates	13,886	429,756	100,532	544,174
– Joint ventures	135,969	217,084	66,864	419,917
– Available-for-sale investments	–	9,806	70,530	80,336
	154,312	756,869	237,926	1,149,107
2017				
Segment revenue from external customers	124,711	6,513	–	131,224
Profit from operations before taxation	6,460	66,567	9,514	82,541
Non-current assets				
– Plant and equipment	5,053	9	–	5,062
– Investment properties	–	104,423	–	104,423
– Associates	13,822	429,827	64,001	507,650
– Joint ventures	153,164	204,459	25,051	382,674
– Available-for-sale investments	–	23,395	71,526	94,921
	172,039	762,113	160,578	1,094,730

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) *Interest rate risk*

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

All of the Group's and Company's financial assets and liabilities at floating rates are contractually repriced at intervals of 1 to 3 months (2017: 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	2018 $'000	2017 $'000
Group			
– Sterling pound (GBP)	+100	(1,368)	(659)
– Sterling pound (GBP)	-100	1,368	659

(b) *Foreign currency risk*

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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

Sensitivity analysis for foreign currency risk

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

		2018		2017	
		Profit before tax $'000	**Equity $'000**	**Profit before tax $'000**	**Equity $'000**
RMB	– strengthened 5% (2017: 5%)	7,740	4,000	3,413	2,241
	– weakened 5% (2017: 5%)	(7,740)	(4,000)	(3,413)	(2,241)
USD	– strengthened 5% (2017: 5%)	3,972	4,094	4,640	4,552
	– weakened 5% (2017: 5%)	(3,972)	(4,094)	(4,640)	(4,552)
HKD	– strengthened 5% (2017: 5%)	–	490	–	1,170
	– weakened 5% (2017: 5%)	–	(490)	–	(1,170)
GBP	– strengthened 5% (2017: 5%)	1,594	522	1,014	478
	– weakened 5% (2017: 5%)	(1,594)	(522)	(1,014)	(478)
IDR	– strengthened 5% (2017: Nil)	(184)	–	–	–
	– weakened 5% (2017: Nil)	184	–	–	–

(c) ***Credit risk***

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

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

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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

Credit risk concentration profile

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

	Singapore $'000	People's Republic of China $'000	Others $'000	Total $'000
By country:				
At 31 March 2018				
Loans and receivables				
Amounts due from associates (Note 15)	–	114,283	83,318	197,601
Amounts due from joint ventures (Note 16)	165,248	4,051	49,622	218,921
Accounts and other receivables (Note 20)	7,814	127,536	–	135,350
Total	173,062	245,870	132,940	551,872
At 31 March 2017				
Loans and receivables				
Amounts due from associates (Note 15)	–	85,524	48,584	134,108
Amounts due from joint ventures (Note 16)	153,145	4,349	21,380	178,874
Accounts and other receivables (Note 20)	6,784	1,035	–	7,819
Total	159,929	90,908	69,964	320,801

Of the total financial assets of $551,872,000 (2017: $320,801,000) disclosed above, 98.8% (2017: 97.8%) is invested in the property sector.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

(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.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2018				
Financial assets:				
Accounts and other receivables	135,350	–	–	135,350
Amounts due from associates	12,271	228,505	–	240,776
Amounts due from joint ventures	2,323	222,975	–	225,298
Held-for-trading financial assets	30,262	–	–	30,262
Pledged fixed bank deposits	159,073	–	–	159,073
Cash and cash equivalents	159,479	–	–	159,479
Total undiscounted financial assets	498,758	451,480	–	950,238
Financial liabilities:				
Bank borrowings	137,070	–	–	137,070
Accounts and other payables	53,876	–	–	53,876
Total undiscounted financial liabilities	190,946	–	–	190,946
Total net undiscounted financial assets	307,812	451,480	–	759,292
2017				
Financial assets:				
Accounts and other receivables	7,819	–	–	7,819
Amounts due from associates	10,117	135,545	10,422	156,084
Amounts due from joint ventures	1,365	181,860	–	183,225
Held-for-trading financial assets	42,208	–	–	42,208
Pledged fixed bank deposits	111,531	–	–	111,531
Cash and cash equivalents	278,476	–	–	278,476
Total undiscounted financial assets	451,516	317,405	10,422	779,343
Financial liabilities:				
Bank borrowings	65,994	–	–	65,994
Accounts and other payables	39,641	–	–	39,641
Amount due to an associate	67,457	–	–	67,457
Total undiscounted financial liabilities	173,092	–	–	173,092
Total net undiscounted financial assets	278,424	317,405	10,422	606,251

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less $'000	Over 5 years $'000	Total $'000
Company			
2018			
Financial assets:			
Accounts and other receivables	192	–	192
Amounts due from subsidiaries	–	535,448	535,448
Cash and cash equivalents	9,592	–	9,592
Total undiscounted financial assets	9,784	535,448	545,232
Financial liabilities:			
Trade and other payables	7,954	–	7,954
Amounts due to subsidiaries	–	255,192	255,192
Total undiscounted financial liabilities	7,954	255,192	263,146
Total net undiscounted financial assets	1,830	280,256	282,086
2017			
Financial assets:			
Accounts and other receivables	212	–	212
Amounts due from subsidiaries	–	493,239	493,239
Cash and cash equivalents	9,198	–	9,198
Total undiscounted financial assets	9,410	493,239	502,649
Financial liabilities:			
Trade and other payables	5,680	–	5,680
Amounts due to subsidiaries	–	244,226	244,226
Total undiscounted financial liabilities	5,680	244,226	249,906
Total net undiscounted financial assets	3,730	249,013	252,743

(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.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) ***Market price risk*** (cont'd)

Sensitivity analysis for equity price risk

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

	2018		2017	
	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
HSI				
– 10% higher	–	981	–	2,340
– 10% lower	–	(981)	–	(2,340)
STI				
– 10% higher	3,026	–	4,221	–
– 10% lower	(3,026)	–	(4,221)	–

32. FAIR VALUE OF ASSETS AND LIABILITIES

(a) ***Fair value hierarchies***

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(b) *Assets measured at fair value*

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	2018 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Group				
Recurring fair value measurements				
Financial assets:				
Held-for-trading financial assets (Note 17)				
– Quoted equity instruments	30,262	–	–	30,262
Available-for-sale financial assets (Note 17)				
Equity instruments				
– Quoted equity instruments	9,806	–	–	9,806
– Unquoted equity instruments	–	–	70,530	70,530
Total available-for-sale financial assets	9,806	–	70,530	80,336
Financial assets as at 31 March 2018	40,068	–	70,530	110,598
Non-financial asset:				
Investment property (Note 12)	–	–	100,214	100,214
Non-financial asset as at 31 March 2018	–	–	100,214	100,214

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(b) ***Assets measured at fair value*** (cont'd)

	2017 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) $'000	**Significant observable inputs other than quoted prices (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**	**Total $'000**
Group				
Recurring fair value measurements				
Financial assets:				
Held-for-trading financial assets (Note 17)				
– Quoted equity instruments	42,208	–	–	42,208
Available-for-sale financial assets (Note 17)				
Equity instruments				
– Quoted equity instruments	23,395	–	–	23,395
– Unquoted equity instruments	–	–	71,526	71,526
Total available-for-sale financial assets	23,395	–	71,526	94,921
Financial assets as at 31 March 2017	65,603	–	71,526	137,129
Non-financial asset:				
Investment properties (Note 12)	–	–	104,423	104,423
Non-financial asset as at 31 March 2017	–	–	104,423	104,423

There have been no transfers between Level 1, Level 2 and Level 3 during 2018 and 2017.

(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.

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(d) *Level 3 fair value measurements*

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair Value at 31 March 2018 $'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
– Unquoted equity instruments	70,530	Net asset value(1)	Not applicable	Not applicable
Investment property	100,214	Average of direct capitalisation method and direct comparison method(2)	- Capitalisation rate(3)	7.50%
			- Rental rate(4)	RMB 113 to RMB 140 per square meter per month
			- Comparable price(5)	Retail and office: RMB 16,854 to RMB 17,955 per square meter Carpark space: RMB 300,000 per square meter

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(d) *Level 3 fair value measurements* (cont'd)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements* (cont'd)

Description	Fair Value at 31 March 2017 $'000	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
Available-for-sale financial assets:				
– Unquoted equity instruments	71,526	Net asset value[1]	Not applicable	Not applicable
Investment properties	104,423	Average of direct capitalisation method and direct comparison method[2]	- Capitalisation rate[3]	1.75% to 7.50%
			- Rental rate[4]	RMB 110 to RMB 271 per square meter per month
			- Comparable price[5]	Retail and office: RMB 16,726 to RMB 17,756 per square meter Residential: RMB 123,099 per square meter Carpark space: RMB 300,000 per square meter

[1] The fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee company.

[2] The yield adjustments are made for any difference in the nature, location or condition of the specific property.

[3] An increase/(decrease) in the capitalisation rate would result in a (decrease)/increase in the fair value of the investment properties.

[4] An increase/(decrease) in the rental rate would result in an increase/(decrease) in the fair value of the investment properties.

[5] An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the investment properties.

The valuations of the investment properties are generally sensitive to changes in yield and rental rates. A significant increase/decrease in yield and rental adjustments based on management's assumptions would result in a significantly higher/lower fair value measurement.

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(d) *Level 3 fair value measurements* (cont'd)

(ii) *Movements in Level 3 assets measured at fair value*

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	2018		
	Available-for-sale financial assets (Unquoted equity instruments) $'000	Investment properties $'000	Total $'000
Group			
Opening balance	71,526	104,423	175,949
Total gains or losses for the period			
– Fair value gain recognised in profit or loss	–	416	416
– Fair value gain recognised in other comprehensive income	2,196	–	2,196
Additions	273	–	273
Disposals	–	(7,024)	(7,024)
Redemptions	(2,529)	–	(2,529)
Foreign exchange differences	(936)	2,399	1,463
Closing balance	70,530	100,214	170,744

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(d) *Level 3 fair value measurements* (cont'd)

(ii) *Movements in Level 3 assets measured at fair value* (cont'd)

	2017		
	Available-for-sale financial assets (Unquoted equity instruments) $'000	**Investment properties $'000**	**Total $'000**
Group			
Opening balance	24,265	106,653	130,918
Total gains or losses for the period			
– Fair value gain recognised in profit or loss	–	832	832
– Fair value gain recognised in other comprehensive income	(5,170)	–	(5,170)
Additions	56,393	–	56,393
Redemptions	(4,485)	–	(4,485)
Foreign exchange differences	523	(3,062)	(2,539)
Closing balance	71,526	104,423	175,949

(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.

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(e) ***Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

		Group				Company			
		Carrying amount		Fair value		Carrying amount		Fair value	
	Note	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Financial assets:									
Amounts due from subsidiaries (non-current) [1]									
– Non interest-bearing	14	–	–	–	–	531,443	489,099	(i)	(i)
Amounts due from associates (non-current)									
– Fixed rate [2]		107,490	79,147	142,997	110,953	–	–	–	–
– Non interest-bearing	15	79,751	45,400	(i)	(i)	–	–	–	–
Amounts due from joint ventures (non-current)									
– Fixed rate [2]		35,493	21,380	36,568	23,133	–	–	–	–
– Non interest-bearing	16	165,294	153,354	(i)	(i)	–	–	–	–
Financial liability:									
Amounts due to subsidiaries (non-current) [1]									
– Non interest-bearing	23	–	–	–	–	255,192	244,226	(i)	(i)

(1) The interest-bearing amounts due from/(to) subsidiaries have been excluded as they are charged at floating interest rates and their carrying amounts approximate their fair values.

(2) The fixed rate amounts due from associates/a joint venture are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

32. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(e) ***Fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*** (cont'd)

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

33. CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2017 and 31 March 2018.

As disclosed in Note 25(b), a subsidiary, joint ventures and an associate of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary, joint ventures and the associate for the financial years ended 31 March 2017 and 31 March 2018.

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.

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

	Group	
	2018	**2017**
	$'000	**$'000**
Name of company		
Metro (Private) Limited	8,914	8,914
Orchard Square Development Corporation Pte Ltd	7,576	7,576
Metrobilt Pte Ltd	4,038	4,038
Metro Australia Holdings Pte Ltd	1,000	1,000
Meren Pte Ltd	300	300
Metro China Holdings Pte Ltd	*	*
Sun Capital Assets Pte Ltd	*	*
Metro Holdings (Japan) Pte Ltd	*	*
Metro Development Holdings (S) Pte Ltd	*	*
	21,828	21,828

* Cost is less than $1,000

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Details of subsidiaries, associates and joint ventures at 31 March are:

Subsidiaries (Country of incorporation)	Place of business	Percentage of equity held by the Group	
		2018 %	2017 %
Held by the Company			
Retailers and department store operators			
Metro (Private) Limited (Singapore)	Singapore	100.0	100.0
Property			
Orchard Square Development Corporation Pte Ltd (Singapore)	Singapore	100.0	100.0
Investment holding			
Metrobilt Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro China Holdings Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
Metro Australia Holdings Pte Ltd (Singapore)	Singapore	100.0	100.0
Sun Capital Assets Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro Holdings (Japan) Pte Ltd (Singapore)	Singapore	100.0	100.0
Metro Development Holdings (S) Pte Ltd (Singapore)	Singapore	100.0	100.0
Investment trading			
Meren Pte Ltd (Singapore)	Singapore	100.0	100.0
Held by subsidiaries			
Retailers and department store operators			
The Marketing Co Pte Ltd (Singapore)	Singapore	100.0	100.0
Property			
+ Guangzhou International Electronics Building Co Ltd (People's Republic of China)	People's Republic of China	100.0	100.0

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Subsidiaries (cont'd) **(Country of incorporation)**	**Place of business**	**Percentage of equity held by the Group**	
		2018 %	**2017** %
Held by subsidiaries (cont'd)			
Investment holding			
Metro Xinjiang Investments Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
Metro Properties (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
Metro Leisure (Shanghai) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
Metro Shanghai (HQ) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+ Metrobilt South China Ltd (Hong Kong)	Hong Kong	100.0	100.0
+ Metrobilt Enterprise Ltd (Hong Kong)	People's Republic of China	100.0	100.0
+ MetroProp (China) (Mauritius)	People's Republic of China	94.0	94.0
Metro City (Beijing) Pte Ltd (Singapore)	People's Republic of China	100.0	100.0
+ Crown Investments Ltd (Mauritius)	People's Republic of China	100.0	100.0
Ω Firewave Management Limited (British Virgin Islands)	People's Republic of China	100.0	100.0
(1) Metro Prop Japan Pte Ltd (Singapore)	Singapore	100.0	100.0
(2) Kowa Property Pte Ltd (Singapore)	Singapore	–	100.0
(1) Bunkyo Property Pte Ltd (Singapore)	Japan	100.0	100.0
Metro Prop Singapore Pte Ltd (Singapore)	Singapore	100.0	100.0
(3) Metro (Shanghai) Enterprise Management Pte Ltd (Singapore)	People's Republic of China	100.0	–

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Subsidiaries (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2018 %	2017 %
Held by subsidiaries (cont'd)			
Investment holding (cont'd)			
(3) Xing Metro Enterprise Management (Shanghai) Co. Ltd (People's Republic of China)	People's Republic of China	100.0	–
(3) Shanghai Xin Luo Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	100.0	–
(3)+ PT. Metro Property Investment (formerly known as PT. Metro Bekasi Investment) (Indonesia)	Indonesia	90.0	–
Management service consultants			
Metrobilt Construction Pte Ltd (Singapore)	Singapore	100.0	100.0
Dormant companies			
Idea Shoppe Pte Ltd (Singapore)	Singapore	100.0	100.0

Associates (Country of incorporation)	Place of business	Percentage of equity held by the Group 2018 %	2017 %
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
(4) Nanchang Top Spring Real Estate Co., Ltd (People's Republic of China)	People's Republic of China	–	30.0

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

Associates (cont'd) (Country of incorporation)	Place of business	Percentage of equity held by the Group 2018 %	2017 %
Investment holding			
^ Gurney Investments Pte Ltd (Singapore)	Singapore	50.0	50.0
(2) Diamond Wind Company Limited (British Virgin Islands)	People's Republic of China	–	21.4
(2) Choice Bright Holdings Limited (British Virgin Islands)	People's Republic of China	–	21.4
& Shine Rise International Limited (British Virgin Islands)	People's Republic of China	30.0	30.0
# Top Spring International Holdings Limited (Cayman Islands)	People's Republic of China	15.0	16.1
& Fairbriar Real Estate Limited (England and Wales)	United Kingdom	25.0	25.0
& InfraRed NF China Real Estate Fund II (A), L.P. (Guernsey)	People's Republic of China	23.7	23.7
& South Bright Investment Limited (British Virgin Islands)	People's Republic of China	48.0	48.0
(3)& Shanghai Lai Peng Business Consulting Co. Ltd (People's Republic of China)	People's Republic of China	30.0	–
(3)& Shine Long Limited (British Virgin Islands)	People's Republic of China	30.0	–
(3)& Huge Source Limited (Hong Kong)	People's Republic of China	30.0	–
(3)& Progress Link Limited (British Virgin Islands)	People's Republic of China	30.0	–

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

	Joint ventures (Country of incorporation)	Place of business	Percentage of equity held by the Group 2018 %	2017 %
	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
(2)	Nordevo Investments Limited (British Virgin Islands)	People's Republic of China	–	50.0
&	Scarborough DC Limited (England and Wales)	United Kingdom	50.0	50.0
(3) &	Lee Kim Tah - Metro Jersey Limited (Jersey)	United Kingdom	50.0	–

@ The Group has not accounted for its interests in Shanghai Metro City Commercial Management Co. Ltd. and Shanghai Huimei Property Co Ltd as subsidiaries although its interests is in excess of 50% because under the joint venture agreements, the joint venture parties are entitled to a share of the profits of the joint ventures in proportion to their respective capital contributions but have contractual joint control of the joint ventures and require unanimous consent for all major decisions over the relevant activities.

^ The Group has equity accounted for its interest in PT Metropolitan Retailmart and Gurney Investments Pte Ltd as associates in view of the fact that the Group does not have control of the entities but only significant influence over the entities.

(1) Commenced/in process of liquidation during the financial year.

(2) Liquidated during the financial year.

(3) Incorporated/acquired during the financial year.

(4) Disposed of 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.

34. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (cont'd)

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

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

* Audited for purpose of Group consolidation by member firms of Ernst & Young Global.

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

This significant foreign incorporated associate is audited by other firm which is considered a suitable auditing firm as it is one of the big four audit firms.

35. SUBSEQUENT EVENTS

Subsequent to the financial year end:

(a) The Group and an independent third party, Shawco Pte Ltd, have entered into a Master Agreement with PT. Trans Corpora in relation to the development, marketing and sales of two residential towers in Bintaro, Jakarta Indonesia. The Group's 90% commitment for the investment is approximately IDR1.2 trillion (including VAT) (approximately $114 million).

(b) The Group has entered into a Shareholders' Agreement with other individual investors being independent third parties, for the acquisition of a 35% stake in Shanghai Yi Zhou Property Management Co., Ltd. which will be utilised for the purpose of acquiring a 90% stake of a mixed-used commercial building, Shanghai Plaza. The Group's 35% equity commitment for the investment is approximately RMB265 million (approximately $56 million).

(c) The Company incorporated the following wholly-owned subsidiaries:

(i) Shanghai Xin Chu Business Consulting Co. Ltd ("Shanghai Xin Chu"); and

(ii) Sunshine (BVI) Ltd ("Sunshine")

Shanghai Xin Chu is wholly-owned by Xing Metro Enterprise Management (Shanghai) Co. Ltd, an indirect wholly-owned subsidiary of Metro China Holdings Pte Ltd ("MCHPL"). Sunshine is wholly-owned by Crown Investments Limited, a wholly-owned subsidiary of MCHPL. MCHPL is a wholly-owned subsidiary of the Company.

The principal activities of Shanghai Xin Chu and Sunshine are those of business consulting and investment holding respectively.

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 18 June 2018.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF METRO HOLDINGS LTD AND ITS SUBSIDIARIES FOR THE FIRST QUARTER ENDED 30 JUNE 2018

The information in this Appendix IV has been reproduced from the announcement on 14 August 2018 of the unaudited financial statements of Metro Holdings Ltd and its subsidiaries for the first quarter ended 30 June 2018 and has not been specifically prepared for inclusion in this Information Memorandum.

METRO HOLDINGS LIMITED

The Board of Directors of Metro Holdings Limited is pleased to announce the following:-

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2018

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)	% Change
	$'000	$'000	
Revenue	30,167	32,424	(6.96)
Cost of revenue	(29,629)	(31,328)	(5.42)
Gross profit	538	1,096	(50.91)
Other net income	11,329	8,689	30.38
General and administrative expenses	(5,128)	(5,306)	(3.35)
Interest on borrowings	(650)	(366)	77.60
Share of associates' results, net of tax	(625)	13,383	n.m.
Share of joint ventures' results, net of tax	16,265	8,084	101.20
Profit from operations before taxation	21,729	25,580	(15.05)
Taxation	(1,473)	(538)	173.79
Profit net of taxation	20,256	25,042	(19.11)
Attributable to:			
Owners of the Company	20,227	24,990	(19.06)
Non-controlling interests	29	52	(44.23)
	20,256	25,042	(19.11)

n.m. - not meaningful

Statement of Comprehensive Income

	Group 1st Qtr ended 30-Jun-2018 $'000	1st Qtr ended 30-Jun-2017 (restated) $'000	% Change
Profit net of taxation	20,256	25,042	(19.11)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustments on foreign subsidiaries, associates and joint ventures (Note 1)	12,049	(4,821)	n.m.
Investments at fair value through other comprehensive income (Refer to Section 1(a)(ii) Note 2 on page 3)			
- net fair value changes	-	4,965	n.m.
- net fair value changes reclassified to profit or loss	-	(423)	n.m.
Share of other comprehensive income of associates and joint ventures (Note 1)	4,978	884	463.12
Other comprehensive income, net of tax	17,027	605	n.m.
Total comprehensive income for the period	37,283	25,647	45.37
Total comprehensive income/(expense) attributable to:			
Owners of the Company	38,682	25,333	52.69
Non-controlling interests	(1,399)	314	n.m.
	37,283	25,647	45.37

n.m. - not meaningful

Note:

(1) Currency translation adjustments on foreign subsidiaries, associates and joint ventures are mainly a result of the Group's exposure to the effects of fluctuations in foreign currency exchange rates in relation to Chinese Renminbi for the Group's investment properties and development projects situated in the People's Republic of China. There is also exposure to British pounds and Indonesian rupiah in respect of the projects in the United Kingdom and Indonesia. Whenever possible, the Group seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency. Share of other comprehensive income/(expense) of associates and joint ventures also mainly relates to foreign currency translation adjustments.

1(a) (ii) Profit from operations before taxation is arrived at after accounting for:-

	Group		
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)	% Change
	$'000	$'000	
Cost of revenue and general and administrative expenses includes:-			
Depreciation of plant and equipment	(609)	(477)	27.67
Inventories recognised as an expense	(18,153)	(19,470)	(6.76)
Allowance for obsolete inventories	(9)	(9)	-
Inventories written down	(315)	(295)	6.78
Rental expense	(5,920)	(5,839)	1.39
Other net income/(loss) includes:-			
Interest income	3,773	3,326	13.44
Dividends from quoted investments	1,122	1,625	(30.95)
Net change in fair value of investments at fair value through profit and loss (Note 2)	6,707	1,858	260.98
- Long term investments	8,495	-	n.m.
- Short term Investments	(1,788)	1,858	n.m.
Gain on disposal of short term investments	-	84	n.m.
Gain on disposal of an investment property (Note 3)	-	809	n.m.
Distribution from long term investments	-	1,326	n.m.
Management fee income from associates	115	249	(53.82)
Foreign exchange loss	(553)	(874)	(36.73)

n.m. - not meaningful

Note:

(2) On 1 April 2018, the Group adopted SFRS(I) 9 Financial Instruments and reclassified the "Long term investments – available-for-sale ("AFS")" to "Long term investments – fair value through profit or loss ("FVTPL")" (please refer to Section 5(b) on page 14 for more details). Consequently, changes in fair value of previously held AFS are recognised in profit or loss instead of fair value through other comprehensive income ("FVOCI").

Net change in fair value of investments at FVTPL for the 1QFY2019 of $6.7 million includes fair value gain of $8.5 million on "Long term investments". In the prior 1QFY2018, the corresponding fair value gain of $5.0 million of such long term investments was recognised in other comprehensive income.

(3) In the previous 1QFY2018, the gain on disposal of an investment property relates to the gain arising on the sale of Lakeville Regency, Shanghai, being gross proceeds over and above the valuation as at 31 March 2017.

1(a) (iii) Share of Associates' results (net of tax)

	Group 1st Quarter ended 30-Jun-2018 $'000	30-Jun-2017 (restated) $'000	% Change
The Group's share of associates' results consists of:-			
- Operating results	(1,546)	3,956	n.m.
- Fair value gain on investment properties	1,156	6,860	(83.15)
- Non-operating results	-	9,172	n.m.
- Taxation	(658)	(5,897)	(88.84)
- Others	423	(708)	n.m.
	(625)	13,383	n.m.

n.m. - not meaningful

Note:

The Group, in 1QFY2019, has applied the equity method for the operating results of the Top Spring group using financial statements that are prepared as of a different reporting date from that of the Company, after adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. As Top Spring releases its results on a half-year basis, with the last financial statements as at 31 December 2017, in accordance with the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited, the Group has equity accounted for Top Spring using estimates of its results for the 3 months to 31 March 2018 and adjusted for the effects of significant transactions or events that occurred between 1 April 2018 and 30 June 2018.

1(a) (iv) Share of Joint Ventures' results (net of tax)

	Group 1st Quarter ended 30-Jun-2018 $'000	Group 1st Quarter ended 30-Jun-2017 $'000	% Change
The Group's share of joint ventures' results consists of:-			
- Operating results	18,958	11,076	71.16
- Fair value gain/(loss) on investment properties	778	(280)	n.m.
- Taxation	(3,471)	(2,712)	27.99
	16,265	8,084	101.20

n.m.- not meaningful

1(a) (v) Taxation

	Group 1st Quarter ended 30-Jun-2018 $'000	Group 1st Quarter ended 30-Jun-2017 $'000	% Change
Current Year Tax	452	625	(27.68)
Overprovision in respect of prior year	(15)	(208)	(92.79)
Deferred Tax	1,036	121	756.20
	1,473	538	173.79

n.m. - not meaningful

The tax charge of the Group for the first quarter period ended 30 June 2018, excluding share of results of associates and joint ventures which is already stated net of tax, is higher than that derived by applying the Singapore statutory income tax rate of 17% applicable to company profits, mainly due to deferred tax expense in respect of undistributed profits of joint ventures and expenditure not deductible for tax purposes.

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets as at	Group		Company	
	30-Jun-2018	31-Mar-2018 (restated)	30-Jun-2018	31-Mar-2018
	$'000	$'000	$'000	$'000
Non-current assets				
Plant and equipment	4,090	4,466	34	42
Investment properties	99,251	100,214	-	-
Subsidiaries	-	-	17,790	17,790
Amounts due from subsidiaries	-	-	283,641	535,448
Associates	628,475	544,174	500	500
Joint ventures	194,070	419,917	-	-
Long term investments				
- Fair value through profit or loss	88,919	-	-	-
- Available-for-sale	-	80,336	-	-
	1,014,805	1,149,107	301,965	553,780
Current assets				
Development properties	79,880	50,556	-	-
Inventories	15,858	16,950	-	-
Prepayments	768	1,922	-	-
Accounts and other receivables	14,332	135,350	209	192
Amounts due from subsidiaries	-	-	267,940	-
Amounts due from associates	229	-	-	-
Amounts due from joint ventures	197,446	-	4,213	-
Short term investments	29,478	30,262	-	-
Pledged fixed bank deposits	125,466	158,409	-	-
Cash and cash equivalents	268,387	159,364	9,555	9,588
	731,844	552,813	281,917	9,780
Current liabilities				
Bank borrowings	102,560	136,752	-	-
Accounts and other payables	49,664	53,876	8,482	7,954
Amounts due to subsidiaries	-	-	266,005	-
Amount due to a joint venture	27,979	-	-	-
Provision for taxation	1,508	1,448	15	15
	181,711	192,076	274,502	7,969
Net current assets	550,133	360,737	7,415	1,811
Non-current liabilities				
Amounts due to subsidiaries	-	-	-	255,192
Amount due to a joint venture	15,428	-	-	-
Deferred income	10,296	11,325	-	-
Deferred taxation	15,745	16,377	16	12
	(41,469)	(27,702)	(16)	(255,204)
Net assets	1,523,469	1,482,142	309,364	300,387
Equity attributable to owners of the Company				
Share capital	169,717	169,717	169,717	169,717
Treasury shares	(1,768)	(1,768)	(1,768)	(1,768)
Reserves	1,344,290	1,305,608	141,415	132,438
	1,512,239	1,473,557	309,364	300,387
Non-controlling interests	11,230	8,585	-	-
Total equity	1,523,469	1,482,142	309,364	300,387

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Jun-2018		As at 31-Mar-2018	
Secured	Unsecured	Secured	Unsecured
102,560,000	-	136,752,000	-

Amount repayable after one year

As at 30-Jun-2018		As at 31-Mar-2018	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral for banking facilities

Subsidiaries:

Fixed deposits totaling S$125.5 million have been pledged to banks for banking facilities of GBP78.5 million granted to certain subsidiaries. Total loans drawn on such facilities as at 30 June 2018 amounted to GBP57.4 million (equivalent to S$102.6 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows for the period ended

	Group	
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)
	$'000	$'000
Cash flows from operating activities		
Operating loss before reinvestment in working capital	(2,657)	(2,740)
Increase in development properties	(29,324)	-
Decrease/(increase) in inventories	768	(67)
Decrease in accounts and other receivables	122,171	101
(Decrease)/increase in accounts and other payables	(4,212)	2,809
Cash flows from operations	86,746	103
Interest expense paid	(650)	(366)
Interest income received	3,352	2,472
Income taxes paid	(1,861)	(146)
Net cash flows from operating activities	87,587	2,063
Cash flows from investing activities		
Purchase of plant & equipment	(276)	(148)
Decrease/(increase) in long term investments	66	(96)
Purchase of short term investments	(967)	-
Proceeds from:		
- disposal of short term investments	-	3,485
- disposal of an investment property	-	3,042
- distribution from long term investments	-	441
Investment in associates	(6,919)	10,619
Decrease in amount due to an associate	-	(6)
Increase in amounts due from associates	(72,482)	(9,685)
Increase in amounts due to joint venture	43,407	-
Decrease/(increase) in amounts due from joint ventures	31,859	(7,191)
Dividends received from quoted investments	1,122	1,625
Dividends received from associates	13,489	19,755
Dividend received from a joint venture	2,318	-
Changes in pledged fixed bank deposits	32,943	-
Net cash flows generated from investing activities	44,560	21,841
Cash flows from financing activities		
Drawdown of bank borrowings	-	21,134
Repayment of bank borrowings	(29,954)	-
Contributions from non-controlling interests	4,044	-
Net cash flows (used in)/generated from financing activities	(25,910)	21,134
Net increase in cash and cash equivalents	106,237	45,038
Effect of exchange rate changes in cash and cash equivalents	2,786	(794)
Cash & cash equivalents at beginning of financial period	159,364	278,164
Cash & cash equivalents at end of financial period	268,387	322,408

Consolidated Statement of Cash Flows for the period ended (Cont'd)

	Group	
	1st Qtr ended 30-Jun-2018	1st Qtr ended 30-Jun-2017 (restated)
	$'000	$'000
Reconciliation between profit before taxation and operating cash flows before changes in working capital:		
Profit from operations before taxation	21,729	25,580
Adjustments for:		
Interest expense	650	366
Depreciation of plant and equipment	609	477
Share of associates' results, net of tax	625	(13,383)
Share of joint ventures' results, net of tax	(16,265)	(8,084)
Interest and investment income	(4,895)	(4,951)
Inventories written down	315	295
Gain on disposal of an investment property	-	(809)
Plant and equipment written off	43	-
Allowance for obsolete inventories	9	9
Net change in fair value of investments at fair value through profit and loss	(6,707)	(1,858)
Gain on disposal of short term investments	-	(84)
Distribution from long term investments	-	(1,326)
Foreign exchange adjustments	1,230	1,028
Operating loss before reinvestment in working capital	(2,657)	(2,740)

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Shareholders' Equity

Group	Share Capital $'000	Treasury Shares $'000	FVOCI Reserve $'000	Foreign Currency Translation Reserve $'000	Statutory reserve $'000	Other Reserve $'000	Revenue Reserve $'000	**Total $'000**	Non-controlling Interests $'000	**Total Equity $'000**
At 1 April 2018 (as previously stated)	169,717	(1,768)	5,330	(42,219)	4,081	1,811	1,336,605	**1,473,557**	8,585	**1,482,142**
Effects of adoption of SFRS(I)	-	-	(5,330)	47,456	-	-	(42,126)	-	-	-
At 1 April 2018 (as restated)	169,717	(1,768)	-	5,237	4,081	1,811	1,294,479	**1,473,557**	8,585	**1,482,142**
Profit for the period	-	-	-	-	-	-	20,227	**20,227**	29	**20,256**
Other comprehensive income/(expense)										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	13,477	-	-	-	**13,477**	(1,428)	**12,049**
Share of other comprehensive income/(expense) of associates and joint ventures	-	-	-	5,602	-	(624)	-	**4,978**	-	**4,978**
Other comprehensive income/(expense) for the financial period, net of tax	-	-	-	19,079	-	(624)	-	**18,455**	(1,428)	**17,027**
Total comprehensive income/(expense) for the financial period	-	-	-	19,079	-	(624)	20,227	**38,682**	(1,399)	**37,283**
Changes in ownership interests in a subsidiary										
Interest in a subsidiary	-	-	-	-	-	-	-	-	4,044	**4,044**
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	4,044	**4,044**
Others										
Transfer to statutory reserve fund	-	-	-	-	57	-	(57)	-	-	-
At 30 June 2018	169,717	(1,768)	-	24,316	4,138	1,187	1,314,649	**1,512,239**	11,230	**1,523,469**

Statement of Changes in Shareholders' Equity (Cont'd)

Group	Share Capital $'000	Treasury Shares $'000	FVOCI Reserve $'000	Foreign Currency Translation Reserve $'000	Statutory reserve $'000	Other Reserve $'000	Revenue Reserve $'000	**Total $'000**	Non-controlling Interests $'000	**Total Equity $'000**
At 1 April 2017 (As previously stated)	169,717	(1,768)	3,366	(50,177)	3,880	1,474	1,221,734	**1,348,226**	2,473	**1,350,699**
Effects of adoption of SFRS(I)	-	-	-	50,177	-	-	(50,177)	**-**	-	**-**
At 1 April 2017 (As restated)	169,717	(1,768)	3,366	-	3,880	1,474	1,171,557	**1,348,226**	2,473	**1,350,699**
Profit for the period	-	-	-	-	-	-	24,990	**24,990**	52	**25,042**
Other comprehensive income/(expense)										
Currency translation adjustments on foreign subsidiaries, associates and joint ventures	-	-	-	(4,784)	-	-	-	**(4,784)**	(37)	**(4,821)**
Investments at fair value through other comprehensive income										
- net fair value changes	-	-	4,641	-	-	-	-	**4,641**	324	**4,965**
- net fair value changes reclassified to profit or loss	-	-	(398)	-	-	-	-	**(398)**	(25)	**(423)**
Share of other comprehensive income of associates and joint ventures	-	-	-	884	-	-	-	**884**	-	**884**
Other comprehensive income/(expense) for the financial period, net of tax	-	-	4,243	(3,900)	-	-	-	**343**	262	**605**
Total comprehensive income/(expense) for the financial period	-	-	4,243	(3,900)	-	-	24,990	**25,333**	314	**25,647**
Others										
Transfer to statutory reserve fund	-	-	-	-	56	-	(56)	**-**	-	**-**
At 30 June 2017	169,717	(1,768)	7,609	(3,900)	3,936	1,474	1,196,491	**1,373,559**	2,787	**1,376,346**

Statement of Changes in Shareholders' Equity (Cont'd)

Company	Share Capital $'000	Treasury Shares $'000	Revenue Reserve $'000	**Total Equity $'000**
At 1 April 2018	169,717	(1,768)	132,438	**300,387**
Profit for the period, representing total comprehensive income for the financial period	-	-	8,977	**8,977**
At 30 June 2018	169,717	(1,768)	141,415	**309,364**
At 1 April 2017	169,717	(1,768)	103,071	**271,020**
Loss for the period, representing total comprehensive expense for the financial period	-	-	(969)	**(969)**
At 30 June 2017	169,717	(1,768)	102,102	**270,051**

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital and treasury shares are as follows:

As at 30 June 2018, there were 3,512,800 treasury shares (as at 30 June 2017: 3,512,800).

The Company did not issue any shares during the 3 months ended 30 June 2018.

There were no convertible instruments outstanding as at 30 June 2018 (30 June 2017: Nil).

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30 June 2018 (end of current financial period)	As at 31 March 2018 (end of immediately preceding year)
Total number of issued shares (excluding treasury shares)	828,035,874	828,035,874

1(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company did not sell, transfer, cancel or use any treasury shares in the 1st Quarter period ended 30 June 2018.

1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period report on.

The Company did not have any subsidiary holdings in the 1st Quarter period ended 30 June 2018.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 March 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 April 2018 as follows:

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)
SFRS(I) 9 Financial Instruments
SFRS(I) 15 Revenue from Contracts with Customers

5. <u>If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change (cont'd)</u>

<u>(a) Application of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)</u>

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 March 2019), subject to the mandatory exceptions and optional exemptions under SFRS(I)1. The Group has elected the relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements are as follows:

<u>Cumulative translation differences</u>

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 April 2017. As a result, cumulative translation losses of $50,177,000 were reclassified from foreign currency translation reserve to retained earnings as at 1 April 2017 for the Group. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before 1 April 2017. Arising from the reset of the cumulative translation differences, the net loss on disposal and liquidation of certain foreign associates and joint ventures of $2.7 million recognised in the prior FY2018 was restated.

<u>(b) Adoption of SFRS(I) 9 Financial Instruments</u>

The Group has applied the exemption in SFRS(I) 9 which allowed it not to restate comparative information in the FY2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised as an adjustment to the opening balance of retained earnings and reserves as at 1 April 2018.

The Group and the Company have reclassified certain amounts due from subsidiaries and joint ventures from non-current assets to current assets and amounts due to subsidiaries from non-current liabilities to current liabilities to conform with the requirements of SFRS(I) 9.

<u>Investments</u>

On adoption of SFRS(I) 9, the Group has reclassified "Long term investments – available-for-sale" of $80.3 million to "Long term investments – fair value through profit or loss" (Please refer to Section 1(a)(ii) Note 2 on Page 3 for the consequential impact on the income statement and other comprehensive income).

The Group continues to measure the "Short term investments" at fair value through profit or loss.

<u>(c) SFRS(I) 15 Revenue from Contracts with Customers</u>

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has applied the changes in accounting policies, using the full retrospective approach.

The adoption of the SFRS(I) 15 did not have any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings Per Share

	Group Figures	
	Latest Period	Previous corresponding period (restated)
Earnings per ordinary share based on net profit attributable to shareholders and after deducting any provision for preference dividends		
(a) Based on existing issued share capital	2.4 cents	3.0 cents
(b) On a fully diluted basis	2.4 cents	3.0 cents

Earnings per share is calculated on the Group's profit attributable to shareholders of the Company of $20,227,000 (period ended 30 June 2017: $24,990,000) divided by the weighted average number of ordinary shares of 828,035,874 for the period ended 30 June 2018 (period ended 30 June 2017: 828,035,874).

Diluted earnings per ordinary share is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the periods under review and adjusted to include all potential dilutive ordinary shares up to 30 June 2018.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

Net Asset Value

	Group	Company
Net asset value per ordinary share based on issued share capital at end of the period reported on		
(a) Current Period - 30 June 2018	$1.83	$0.37
(b) 31 March 2018	$1.78	$0.36

Net asset value for the Group is calculated on the equity attributable to owners of the Company as at 30 June 2018 of $1,512,239,000 (31 March 2018: $1,473,557,000) divided by the total number of issued shares excluding treasury shares as at 30 June 2018 of 828,035,874 (31 March 2018: 828,035,874).

8. <u>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on</u>

8(a) <u>Review of Group Results for 1st Quarter ended 30 June 2018 against 1st Quarter ended 30 June 2017</u>

The Group's turnover of $30.2 million for the first financial quarter to 30 June 2018 ("1QFY2019") decreased by 7.0% over 1QFY2018's $32.4 million as the retail division reported lower sales. Correspondingly, gross profit for 1QFY2019 decreased to $0.5 million as compared to 1QFY2018's $1.1 million.

Other net income increased to $11.3 million for 1QFY2019 from $8.7 million for 1QFY2018 mainly due to net change in fair value of investments at fair value through profit or loss ("FVTPL") of $6.7 million in 1QFY2019 which include fair value gain of $8.5 million on "Long term investments" previously recognised as "Long term investments – available-for-sale ("AFS") (please refer to Section 1(a)(ii) Note 2 on page 3). In the prior 1QFY2018, changes in fair value of investments relate to an unrealised fair value gain of $1.9 million, of the Group's portfolio of short term investments in REITs held by the property division and the Group had recognised the fair value gain of $5.0 million of such long term investments in AFS through other comprehensive income. The prior quarter also included a gain on disposal of an investment property in Shanghai of $0.8 million and distributions from long term investments of $1.3 million.

Share of results of associates recorded a loss of $0.6 million in 1QFY2019 from a gain of $13.4 million in 1QFY2018 mainly because the prior 1QFY2018 included a one-off significant gain of $8.3 million (net of tax) on disposal of certain interests in a subsidiary and joint venture by associate, Top Spring. With the completion of the divestment of the Group's 30% equity interest in our associate in Nanchang, contribution from this property development project has ceased in 1QFY2019.

Share of results of joint ventures increased to $16.3 million in 1QFY2019 from $8.1 million in 1QFY2018 mainly due to contribution from The Crest, Singapore, and recognition of $2.3 million from the sale of Acero Works, an office building in Sheffield, the United Kingdom. There was a fair value gain on investment properties of $0.8 million in 1QFY2019 as compared to a fair value loss of $0.3 million in 1QFY2018.

As a result of the foregoing, profit before taxation decreased to $21.7 million in 1QFY2019 from $25.6 million in 1QFY2018, with the main factor being the lower contribution from our associate, Top Spring. This was partially offset by higher contributions from our joint ventures and the recognition of net fair value gain of investments in the income statement.

Segmental Results for 1st Quarter ended 30 June

Business segment

2018

	Property $'000	Retail $'000	Group $'000
Segment revenue	1,704	28,463	30,167
Segment results	9,573	(2,834)	6,739
Interest on borrowings	(650)	-	(650)
Share of associates' results, net of tax	(1,486)	861	(625)
Share of joint ventures' results, net of tax (Note)	16,265	-	16,265
Profit/(loss) from operations before taxation	23,702	(1,973)	21,729
Taxation			(1,473)
Profit net of taxation			20,256
Attributable to:			
Owners of the Company			20,227
Non-controlling interests			29
			20,256

Note:
Share of joint ventures' results, net of tax

	$'000
Segment revenue	33,755
Segment results	19,822
Fair value gain on investment properties	778
Interest on borrowings	(864)
Profit from operations before taxation	19,736
Taxation	(3,471)
Profit net of taxation	16,265

Segmental Results for 1st Quarter ended 30 June (Cont'd)

Business segment

2017 (restated)

	Property $'000	Retail $'000	Group $'000
Segment revenue	1,609	30,815	32,424
Segment results	6,493	(2,014)	4,479
Interest on borrowings	(366)	-	(366)
Share of associates' results, net of tax	12,436	947	13,383
Share of joint ventures' results, net of tax (Note)	8,084	-	8,084
Profit/(loss) from operations before taxation	26,647	(1,067)	25,580
Taxation			(538)
Profit net of taxation			25,042
Attributable to:			
Owners of the Company			24,990
Non-controlling interests			52
			25,042

Note:
Share of joint ventures' results, net of tax

	$'000
Segment revenue	33,107
Segment results	11,076
Fair value loss on investment properties	(280)
Profit from operations before taxation	10,796
Taxation	(2,712)
Profit net of taxation	8,084

Geographical Segments

	Asean $'000	People's Republic of China $'000	Group $'000
Segment revenue			
2018	28,463	1,704	30,167
2017	30,815	1,609	32,424

Segmental Results - Property Division

Turnover of the property division, comprising the 100% directly held GIE Tower, for 1QFY2019 increased to $1.7 million from 1QFY2018's $1.6 million. Segment results of the property division, excluding associates and joint ventures, reported a gain of $9.6 million in 1QFY2019 against a gain of $6.5 million in 1QFY2018 mainly due to higher unrealised fair value gains on investments, offset by the absence of disposal gain of an investment property in Shanghai and distributions from long term investments.

At the associate level, share of results of associates declined because the previous 1QFY2018 included a significant gain of $8.3 million, from the disposal of certain interests in a subsidiary and joint venture by Top Spring. The contribution from our associate in Nanchang has ceased on completion of the divestment of the Group's 30% equity interest in 4QFY2018.

At joint venture level, the Group recognised contribution from The Crest, Singapore, and $2.3 million from the sale of Acero Works, Sheffield.

The average occupancy of the Group's four investment properties held by a subsidiary and joint ventures as at 30 June 2018 was 96.1%.

The portfolio summary of the Group's Investment Properties as at 30 June 2018 was as follows:

	Percentage Owned	*Tenure*	*No. of Tenants*	*Occupancy Rate (%)*
Owned by a Subsidiary				
GIE Tower, Guangzhou	100%	50 year term from 1994	34	89.1%
Owned by Joint Ventures				
Metro City, Shanghai	60%	36 year term from 1993	174	96.9%
Metro Tower, Shanghai	60%	50 year term from 1993	31	98.3%
5 Chancery Lane, London	50%	Freehold	1	100.0%

Segmental Results - Retail Division

Turnover of the Singapore operations of the retail division for 1QFY2019 decreased to $28.5 million from 1QFY2018's $30.8 million. Consequently, the results were affected.

Sales of the retail division's associated company in Indonesia showed marginal growth. Overall profitability declined marginally.

8(b) Cash Flow, Working Capital, Assets and Liabilities of the group during the current financial period reported on

Associates (Non-current assets) and Amounts due from associates (Current assets) increased from $544.2 million as at 31 March 2018 to $628.7 million as at 30 June 2018 mainly due to loans of $25.2 million extended to the new 35% associate, Shanghai Yi Zhou Property Management Co., Ltd., as share of funding for the acquisition of Shanghai Plaza in Shanghai; the extension of a shareholder loan of $47.2 million to the recently incorporated associate, Jovial Paradise Limited ("Jovial Paradise"), as the Group's share of funding for a debt instrument made by Jovial Paradise and currency translation adjustments of foreign associates. These were partially offset by dividend distributions from associates of $13.5 million.

Joint ventures (Non-current assets) and Amounts due from joint ventures (Current assets) decreased from $419.9 million as at 31 March 2018 to $391.5 million as at 30 June 2018 mainly due to repayment of shareholder loans of $31.9 million from the proceeds of the disposal of Acero Works, Sheffield, in the United Kingdom. The repayment also had the effect of decreasing bank borrowings (Current liabilities) by $30.0 million in 1QFY2019. Consequently, Pledged fixed bank deposits (Current assets) decreased by $32.9 million.

Development properties (Current assets) increased to $79.9 million as at 30 June 2018 from $50.6 million as at 31 March 2018. This relates to the residential development properties in Jakarta, Indonesia, held for sales.

Accounts and other receivables (Current assets) decreased from $135.4 million as at 31 March 2018 to $14.3 million as at 30 June 2018 mainly due to the receipt in April 2018 of $122.8 million proceeds from the disposal of the 30% equity interest in the associate in Nanchang.

Amount due to a joint venture (Current and Non-current liabilities) of $43.4 million relate to a loan from a joint venture in PRC as funding for the Group's investments.

Consequently, Cash and cash equivalents increased from $159.4 million as at 31 March 2018 to $268.4 million as at 30 June 2018.

There were no other material factors that affected the cash flow, working capital, assets and liabilities of the Group during the current financial quarter reported on.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There have been no material variances with forecast or prospect statements issued for the period being reported.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Rental income of the GIE Tower investment property, as well as those held by our joint ventures, Metro City and Metro Tower, Shanghai, and 5 Chancery Lane, London, is expected to remain steady.

Sales of the residential project, The Crest at Prince Charles Crescent in Singapore, will be subject to the impact of recent cooling measures announced on 5 July 2018 in the Singapore property market.

Leasing activities for the office buildings in Bay Valley, New Jiangwan City, Yangpu District, Shanghai, are underway.

Phase 1, comprising 571 apartment units of the Middlewood Locks development, has been completed and is being handed over in stages over summer 2018. Sales and marketing activities of the units are in progress. The whole development will eventually provide 2,215 new homes and 750,000 square feet of commercial space including offices, hotel, shops, restaurants, a convenience store and gym.

Construction work and presales of the residential projects in Bekasi and Bintaro, Jakarta, Indonesia, which commenced in late 2017 and March 2018 respectively, are ongoing.

The Group's portfolio of investments, held at fair value through profit or loss, will continue to be subject to fluctuations in their fair value.

The Group will continue to be subject to significant currency translation adjustments on foreign operations which will affect the results and other comprehensive income and the balance sheet, due to volatility in foreign currency exchange rates, as a major portion of its net assets which mainly represent investment properties and projects situated in the People's Republic of China, are denominated in the Chinese Renminbi. Some of the Group's net assets are also denominated in British pounds and Indonesian rupiah.

The retail division continues to operate amidst difficult trading conditions.

11. If a decision regarding dividend has been made:-

(a) Whether an final ordinary dividend has been declared (recommended);

None

(b) (i) Amount per share (cents) – None

(ii) Previous corresponding period (cents) – None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. If the dividend is not taxable in the hands of shareholders, this must be stated.

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect

No interim dividend has been declared for the quarter ended 30 June 2018.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

14. Negative confirmation pursuant to Rule 705(5)

The Board of Directors confirms that to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
Tan Ching Chek and Eve Chan Bee Leng
Joint Company Secretaries
Date: 14 August 2018