FREIGHT LINKS EXPRESS HOLDINGS LIMITED
ANNUAL REPORT 2011

ABOUT FREIGHT LINKS GROUP

Established in 1981 and listed on the Singapore Exchange in 1995, we are a leading logistics solutions provider with a strong presence in Asia.

For more information, visit our website www.freightlinks.net

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BROAD CAPABILITIES

Our comprehensive array of logistics services include inventory control management, warehousing and distribution, container haulage, chemical logistics, freight forwarding and container freight station operations.

We have extensive experience in storing and forwarding all types of cargo, from small parcels to massive plant machinery, exhibition displays and archival documents.

By harnessing information technology and automation, our effective, productive and well-coordinated total logistics solutions can cater to the specific needs of both local SMEs and foreign MNCs.

VALUE-ADDED EDGE

In Singapore, our warehousing facilities occupy a total gross floor area of over 2.0 million square feet.

To enhance the efficiency of storage management, we are equipped with the technologically advanced Automated Storage and Retrieval System (ASRS) with a capacity of over 31,000 pallet positions.

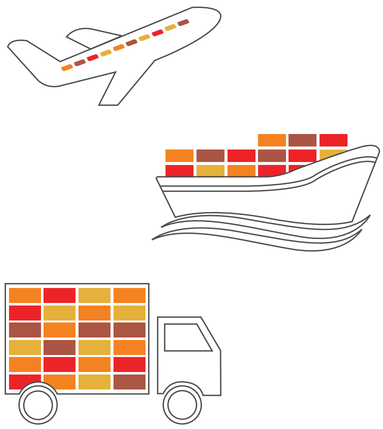
We also have a dedicated Chemical Hub with 12,000 pallet positions using the Very Narrow Aisle (VNA) storage technology. We utilise a web-based Warehouse Management System (WMS) that enables our customers to view their inventory and monitor their cargo movement online, any time.

WHAT DRIVES OUR PERFORMANCE?

A GOOD GROWTH PLATFORM

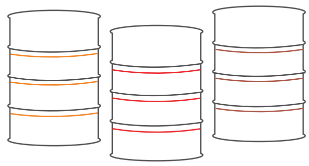
FOR YEARS WE HAVE BEEN SUCCESSFULLY BUILDING ON THE STRENGTH OF OUR EVER-GROWING LOGISTICS SERVICES AND EXPANDING OUR LOGISTICS NETWORK. WITH BUSINESS FUNDAMENTALS WE ARE POISED TO DRIVE THE FREIGHT LINKS PROPOSITION TO NEW LEVELS OF GROWTH.

AREAS OF EXPERTISE \\\



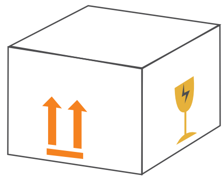
INTERNATIONAL FREIGHT FORWARDING

We provide ocean & air freight services, consolidation and deconsolidation, transshipment, project cargo management, shipment documentation, customs clearance & transportation, as well as cross border inland trucking to Peninsula Malaysia and Thailand.



CHEMICAL STORAGE AND LOGISTICS

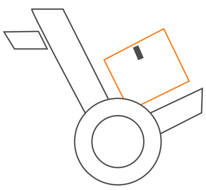
With more than 200 trucks majority DG licensed, 630 trailers, 139 Isotanks and two Chemical Warehouse Complex with 12,000 pallet positions, we are well equipped to provide customised chemical logistics solutions to various sectors. We offer warehousing and storage for dangerous goods, drumming, container haulage and goods transportation, international freight forwarding services, plant management logistics, emergency recovery services and safety escort services.



WAREHOUSING PROPERTY MANAGEMENT

Engaged in the management of the Group's property investments and real estate developments. This division provides facilities management and leasing contracts to give customised warehouse space and logistics solutions to our customers.

OUR BUSINESS LINES

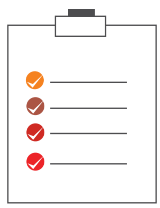


TOTAL LOGISTICS SOLUTIONS

We provide vendor hub services, Zero GST warehouse and air-conditioned storage, transportation & distribution, customs brokerage, supply chain management, online inventory management, track and trace.

INTEGRATED MARKETING SERVICES

From exhibition design and construction and event management to advertising and public relations, as well as interior design, we offer integrated, unique and creative solutions to support our client's marketing goals.



DOCUMENT MANAGEMENT SOLUTIONS

We offer document storage and retrieval, safe document destruction and urgent document retrieval. We also provide scheduled and urgent document retrieval via our automated management solution.

DELIVERING
WORLDWIDE

LEVERAGING OUR INTERNATIONAL NETWORK, WE'LL GO THE DISTANCE TO DELIVER TIMELY AND RELIABLE LOGISTICS SOLUTIONS TO OUR BROAD-BASED CLIENTELE.

STRONG STRATEGIC PARTNERSHIP

120 FREIGHT FORWARDING AGENTS

600 DESTINATIONS

AROUND THE WORLD, OUR CROSS-BORDER NETWORK SPANS THE ASEAN, NORTH & SOUTH ASIA, NORTH & SOUTH AMERICA, EUROPE, AFRICA AND AUSTRALIA.

5 OVERSEAS OFFICES

MALAYSIA, THAILAND, HONG KONG, CHINA AND DUBAI.

The higher revenue as a result of the strong economy and our efforts in improving our productivity through the use of IT cushioned the impact of rising operating costs.

Our joint venture office in Dubai continued to perform well. With the newly acquired warehouse, we are confident that we will be able to attract more LCL as well as 3PL businesses in Dubai.

INTERNATIONAL FREIGHT FORWARDING

The turnover from freight forwarding business increased by 13.8% or $8.3 million to $68.8 million compared to a year ago due to higher freight rates and volume. The higher revenue as a result of the strong economy and our efforts in improving our productivity through the use of IT cushioned the impact of rising operating costs, and we were able to maintain our profitability.

We have opened an airfreight office in the air cargo agent buildings to provide our customers with better service, by close monitoring and taking care of their airfreight shipments. The new office is fully operational and we will be selling airfreight services more aggressively to our more than 4,000 strong customer base.

Our joint venture office in Dubai continued to perform well. The spaces available in the existing 3rd party warehouses are unable to cope with the increased volume. We were able to acquire a suitable warehouse in Dubai for our freight container operations. With the newly acquired warehouse, we are confident that we will be able to attract more LCL as well as 3PL businesses in Dubai.

LTH made another breakthrough in FY2011 by winning Singapore Chemical Industry Council's (SCIC) Responsible Care GOLD awards for Community Awareness & Emergency Response Code.

Although Freight Links operate our owned offices overseas in Thailand, Hong Kong, Malaysia, Dubai and China, our strategy has always been to partner with premier NVOs in key world markets that have developed similar leadership positions and strong brand recognition in their respective regions. We see this network of long-term partnerships consisting of strong NVOs to be one of our unique competitive advantages. In FY2011, we continued to establish new agency relationship and expanded our service offerings to Koper, Slovenia, Colon Free Zone, Panama and Varna, Bulgaria.

Moving forward, we will continue to look for like-minded premier partners to add to our network as well as open our new offices. We may also pursue acquisitions, if the right opportunities arise.

CHEMICAL STORAGE & LOGISTICS

Our chemical logistics business segment had another strong growth in FY2011. Revenue grew significantly by 20.8% or $8.7 million to $50.2 million. However, the segment profit after tax declined by 25.1% to $2.0 million.

This was due to higher operating costs and inflationary pressures keeping a lid on their operating performance. The company is reviewing its work processes with a view to increase its productivity and lower its operating costs.

LTH made another breakthrough in FY2011 by winning Singapore Chemical Industry Council's (SCIC) Responsible Care GOLD awards for Community Awareness & Emergency Response Code. In addition, we also won SCIC Responsible Care Achievement awards for Employee Health & Safety and Process Safety.

More significantly, LTH was also awarded with this year's OUTSTANDING CERT AWARD 2010. This prestigious award was presented by the Singapore Civil Defence Force (SCDF) in recognition of the company's contributions in establishing a competent and dynamic Company Emergency Response Team (CERT). LTH Logistics was the only logistics company to win this award. Winning this award reaffirms that our CERT has met and exceeded the stringent standards set by SCDF. The award was presented by Mr. K Shanmugam, then Minister for Law and 2nd Minister for Home Affairs.

LTH has established a very good clientele of Fortune 500 MNC customers over the past 30 years. However, we are unable to take on new DG warehousing business because the existing DG warehouses are full. We were very fortunate to be awarded a plot of 4.2 hectare land by JTC in Jurong

Island to build a state-of-the-art DG warehouse cum DG container yard. The new DG warehouses will be completed by 2Q 2013. Once completed, LTH will be able to offer its customers (especially within Jurong Island) the full range of high value added and comprehensive chemical logistics solutions such as ISO tank washing, DG ISO tank storage, DG drumming/packaging, chemical compounding and blending etc,. Many chemical MNCs have expressed keen interest in the new facility for long-term contracts.

Moving forward, LTH will continue to focus on cost management and operational excellence to improve its margins as well as safety and customer satisfaction.

Apart from property acquisition, the Group will be exploring multi-prong strategies to increase warehouse space through redevelopment of its existing facilities and/or sites, and new warehouse building construction development program.

WAREHOUSE PROPERTY & LOGISTICS

Warehousing and logistics business had another good year with revenue growing by 14.6% or $2.8 million to $22.2 million as compared to last financial year.

As part of our long-term growth strategic plan, the Group had acquired a warehouse cum office building in Changi area in last quarter of FY2011. Apart from property acquisition, the Group will be exploring multi-prong strategies to increase warehouse space through redevelopment of its existing facilities and/or sites, and new warehouse building construction development

program. With detailed planning and execution, the Group had consistently maintained an average warehouse occupancy rate of over 90% in FY2011.

Freight Links Logistics is in the final stages of forming a joint venture to become an ISO tank operator. This is a very niche and specialized freight business that requires high level of technical expertise and strong financial standing. This new business also complements our existing chemical logistics division.

Our JV Company operation in China continued to register positive growth with total revenue of RMB 11.7 million over the last 12 months. This is an increase of approximately 39% compared to the same period last year. The Company has embarked on providing value added services and the utilization of open space to store metal pipes and windmill component further improve the margins. With the support of strategic local partners, the JV Company has positioned itself to provide procurement logistics functions since early 2011. This will be the key pillar of growth for the coming years.

MANAGEMENT FEE BUSINESS

Management fees business recorded a revenue of $9.1 million mainly contributed by a new subsidiary, 51% stake in Sabana Investment Partners Pte Ltd ("SIP"). This segment posted a net profit of $5.8 million in FY2011. The Group's participation in the Sabana REIT Manager, Sabana Real Estate Investment Management Pte Ltd and the Property Manager, Sabana Property Management Pte Ltd of the Sabana REIT, through its 51% equity stake in SIP, will continue to have a positive impact on the earnings of the Group.

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OTHER SERVICES

Integrated Marketing

FLEx Integrated Marketing (FLEx) also ended this financial year on a high note with numerous notable achievements. FLEx Dubai was awarded the project management of Bridgestone Corporate Suite @ Yas Marina Circuit for the highly anticipated Abu Dhabi Formula 1 Grand Prix and also a full turnkey interior works for Movenpick Dubai.

As the appointed marketing agency of Lamborghini, FLEx Singapore has again assisted Lamborghini in maintaining a Strong Customer Relationship Management Program. A note worthy campaign to highlight is the launch of much anticipated new Lamborghini "LP700". FLEx Singapore also won numerous contracts examples, "Audi Singapore Design & Build projects FY2010/11", the successful IT Show, COMEX, CMMA and at the notable LAAD in Brazil.

Document Storage

We have successfully reinvented our document storage services through systems innovation and great emphasis in security management. Our archiver business unit represented by Freight Links Express Archivers Pte Ltd ("FLEAR") had gone through many rigorous examinations by two governmental agencies in FY2011 before they finally appointed FLEAR to manage and handle their documents. With such breakthrough, FLEAR will stay vigilant and continue to build strength on our technology and security system to protect our customers data with highest integrity.

HOW IS OUR GROWTH MEASURED?

BY OUR STRONG RETURNS AND BY OUR FINANCIAL FLEXIBILITY

IN ADDITION TO THE POSITIVE RESULTS FROM OUR LOGISTICS BUSINESS, OUR SIGNIFICANT GAIN FROM UNLOCKING THE VALUE OF OUR 5 PROPERTIES WILL PROVIDE US THE FINANCIAL FLEXIBILITY FOR LONG-TERM BUSINESS GROWTH AND TO PURSUE NEW INVESTMENT OPPORTUNITIES.

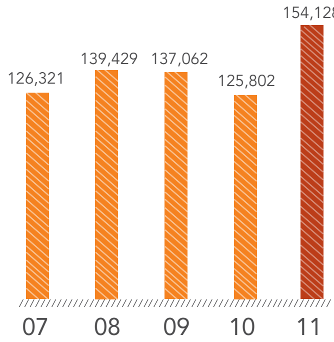
AS AN INTEGRATED LOGISTICS COMPANY COMMITTED TO LONG-TERM GROWTH AND VALUE CREATION, WE ARE DRIVEN BY A FOCUSED BUSINESS THRUST AND A STRATEGIC INVESTMENT MINDSET TO ENHANCE OUR PERFORMANCE YEAR AFTER YEAR.

GROUP FINANCIAL HIGHLIGHTS \\\

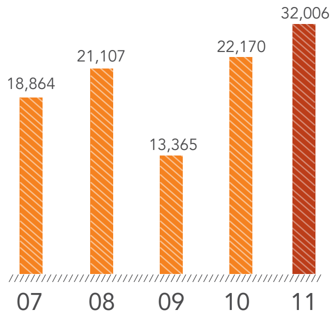
5 YEAR FINANCIAL RESULTS

	FY2007	FY2008	FY2009	FY2010	FY2011
Operating Results					
Revenue ($'000)	126,321	139,429	137,062	125,802	154,128
EBITDA ($'000)	18,864	21,107	13,365	22,170	32,006
Pretax profit/(loss) ($'000)	16,900	18,632	9,985	17,306	25,709
Net Profit ($'000)	12,537	17,538	8,784	13,851	16,286
EBITDA margin (%)	14.93	15.14	9.75	17.62	20.77
Pretax margin (%)	13.38	13.36	7.29	13.76	16.68
Net margin (%)	9.92	12.58	6.41	11.01	10.57
Cash and Cash equivalents) ($'000)	24,348	43,266	33,863	38,517	28,612
Financial Position					
Total assets ($'000)	218,414	276,460	280,681	248,464	303,133
Total debt ($'000)	79,104	90,219	81,613	57,503	11,779
Debt/Assets (%)	36.22	32.63	29.08	23.14	3.89
Shareholders' equity ($'000)	89,374	126,649	129,758	145,280	156,098
Return of Assets (%)	5.74	6.34	3.13	5.57	5.37
Return of Equity (%)	14.03	13.85	6.77	9.53	10.43
Net debt : Equity (times)	0.61	0.37	0.37	0.13	–
Per Share Data					
Earnings (cents) - Basic	0.70	0.88	0.42	0.62	0.73
Earnings (cents) - Diluted	0.59	0.74	0.42	0.62	0.73
Dividend (cents)	0.25	0.25	–	0.35	0.40
Net tangible assets (cents)	4.93	5.98	6.10	6.77	6.96

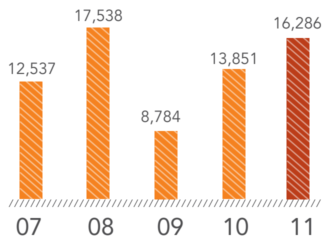
Revenue ($'000)



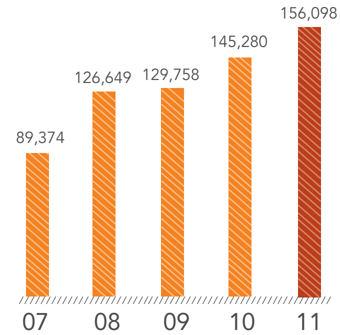
EBITDA ($'000)



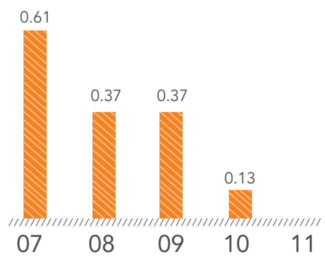
Net Profit ($'000)



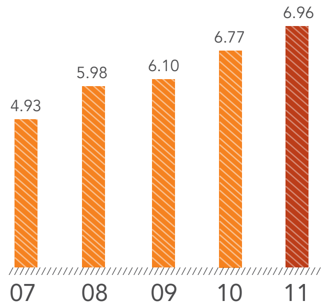
Shareholders' Equity ($'000)



Net Debt: Equity (Times)



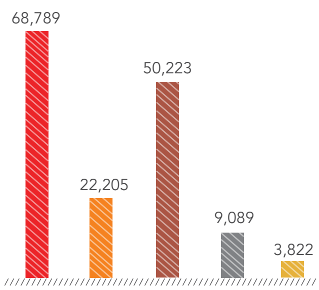
Net Tangible Assets Per Share (Cents)



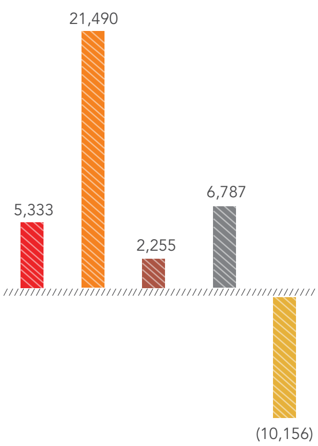
SEGMENTAL FINANCIAL RESULTS

	FY2007 $'000	FY2008 $'000	FY2009 $'000	FY2010 $'000	FY2011 $'000
Revenue					
Revenue					
Freight forwarding	78,476	84,930	74,900	60,446	68,789
Warehousing and logistics	14,786	16,491	19,184	19,383	22,205
Chemical logistics	26,777	31,353	34,913	41,563	50,223
Management fees business	–	–	–	–	9,089
Others	6,282	6,655	8,065	4,410	3,822
	126,321	139,429	137,062	125,802	154,128
Pre-tax profit/(loss)					
Freight forwarding	3,682	4,427	7,280	4,295	5,333
Warehousing and logistics	11,313	15,511	2,880	9,480	21,490
Chemical logistics	1,050	51	(768)	2,837	2,255
Management fees business	–	–	–	–	6,787
Others	855	(1,357)	593	694	(10,156)
	16,900	18,632	9,985	17,306	25,709
Assets Employed					
Freight forwarding	18,627	18,992	17,976	18,712	20,229
Warehousing and logistics	101,309	147,157	138,383	125,532	67,654
Chemical logistics	23,135	25,207	31,147	41,249	29,570
Management fees business	–	–	–	–	7,750
Others	75,343	85,104	93,175	62,971	177,930
	218,414	276,460	280,681	248,464	303,133

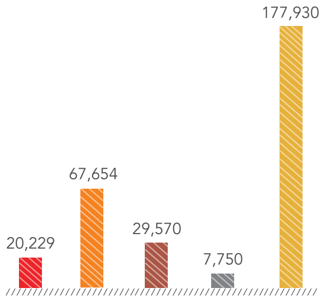
Revenue 2011 ($'000)



Pre-Tax Profit/(Loss) 2011 ($'000)



Assets Employed 2011 ($'000)



Freight Forwarding | Warehousing and Logistics | Chemical Logistics | Management fees business | Others

CORPORATE INFORMATION \\\

BOARD OF DIRECTORS

Chairman
Khua Hock Su

Executive
Eric Khua Kian Keong
Henry Chua Tiong Hock
Thomas Woo Sai Meng

Independent Non-Executive
Sebastian Tan Cher Liang, PBM
Derek Loh Eu Tse

Audit Committee
Sebastian Tan Cher Liang, Chairman
Khua Hock Su
Derek Loh Eu Tse

Nominating Committee
Derek Loh Eu Tse, Chairman
Sebastian Tan Cher Liang
Eric Khua Kian Keong

Remuneration Committee
Derek Loh Eu Tse, Chairman
Sebastian Tan Cher Liang
Khua Hock Su

COMPANY SECRETARY

Dorothy Ho
Nancy Quek

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
8 Cross Street #11-00
PWC Building
Singapore 048424
Tel: 6236 3333
Fax: 6236 4399

REGISTERED OFFICE

51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
Tel: 6262 6988
Fax: 6262 6928

AUDITORS

KPMG LLP
Certified Public Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Kum Chew Foong, Partner-in-charge
(appointed since FY2010)

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

The Hong Kong and Shanghai Banking
Corporation Limited
21 Collyer Quay #08-01
HSBC Building
Singapore 049320

KHUA HOCK SU
Group Chairman

The sale and leaseback arrangements have allowed us to free up capital and retain long-term use of the buildings for our core operations. We believe that this availability of capital enables the Group to increase its flexibility and consideration of opportunities so as to enhance returns to all shareholders.

PERFORMANCE REVIEW

The year 2010 witnessed a couple of milestones for the Company. Firstly, it was the 30th anniversary of the Company. More importantly, and it gives me great pleasure to report this, the Group has recorded the highest turnover since 2003 with all our major business segments seeing an increase in sales revenues. The Group revenue rose by 22.5% or $28.3 million to $154.1 million from $125.8 million in the previous financial year. The increase was mainly due to the higher business volume, including contribution from higher storage and transportation revenue and the new management fees business. As a result, the Group achieved a net profit attributable to shareholders of $16.3 million for the financial year ended 30 April 2011, an increase of 17.6% from a year ago. Earnings per share rose 17.7% to 0.73 cent from 0.62 cent the previous year.

Shareholders' funds increased to $156.1 million as at 30 April 2011 from $145.3 million as at 30 April 2010. Consequently, the net tangible asset per ordinary share of the Group increased to 6.96 cents as at 30 April 2011 from 6.77 cents as at 30 April 2010.

We have a strong balance sheet with cash and cash equivalents of $28.6 million and are in a net cash position (i.e. net of all bank borrowings) of $16.8 million as at 30 April 2011.

CORPORATE DEVELOPMENT

In August 2010, the Group invested in a 51% stake in Sabana Investment Partners Pte Ltd (SIP). SIP owns 100% of the Sabana REIT Manager (Sabana Real Estate Investment Management Pte Ltd) and which in turns owns 100% of Sabana Property Management Pte. Ltd. For the financial year, the Group has accrued $9.1 million of management fees and posted a net income of $5.8 million. I believe that this investment will continue to have a positive impact on the earnings of the Group.

In November 2010, the Group also entered into a sale and leaseback transaction with Sabana REIT for five properties for total gross proceeds of $192.95 million. The intention behind this sale and leaseback transaction was to maximize the employment of the Group's capital and assets as well as to re-position the Group's outlook. The Group recorded a net gain of $100.1 million in the financial year 2011 out of which $97.2 million was deferred and to be amortised over the lease period of 5 years.

In March 2011, the Group invested in 7.2 million convertible preference shares of China Southwest Energy Corporation Limited for consideration of RMB90.0 million ($17.3 million). This investment presents another opportunity for the Group to expand its logistics business into China. It is an excellent opportunity to employ the strengths of the Group in logistics and transportation and to gain a strategic entry into the coal industry with the prospects of growth. The increase in the global demand for energy is likely to see the coal industry growing significantly for many years to come.

In April 2011, the Group has invested in a 30% equity stake in Sentosa Capital (Pte) Ltd (SCPL). SCPL is an asset management company incorporated in Singapore in January 2010 and operates as an exempt fund manager and derives income from management fees for the investment management services provided to their clients. The Group also invested USD 30.0 million in the Sentosa Asian Credit Offshore Feeder Fund Limited (the Fund) with a view to improving yields on capital. The fair value of the investment in the Fund at 30 June 2011 is USD30.24 million.

CREATING SHAREHOLDER VALUE

As mentioned, the sale and leaseback arrangements have allowed us to free up capital and retain long-term use of the buildings for our core operations. We believe that this availability of capital enables the Group to increase its flexibility and consideration of opportunities so as to enhance returns to all shareholders. The creation of Sabana REIT as a capital-efficient asset-owning vehicle has complemented our business growth and expansion. This is also in line with our ever present goal of improving the earnings of the Group.

EXPANDING WAREHOUSING CAPACITY

In March 2011, the Group completed the acquisition of a property at 47 Changi South Avenue 2 with a gross floor area of 8,507 square metres. The Group is redeveloping the existing conventional warehouse property at 146 Gul Circle into a 3-storey ramp-up modern facility for storing of dangerous goods to meet the growing demand for this sort of warehouse. On 8 July 2011, LTH Logistics accepted JTC's offer of 41,693 square metres of land on Jurong Island which the Group intends to develop into a multi-storey dangerous and non-dangerous chemical warehouse. The Group will continue to seek the right opportunities to grow our logistics infrastructure by constantly looking out for land with development potential.

DIVIDEND

In view of the results, the Board has recommended a first and final tax-exempt one-tier dividend of 0.4 cent per share which will amount to a total dividend payment of $8.892 million, subject to the shareholders' approval at the forthcoming annual general meeting.

This proposed dividend represents 54.8% of our earnings per share of 0.73 cent and is 14.3% higher than last year's dividend of 0.35 cent per share. In addition, under the Company's Scrip Dividend Scheme (as adopted at the extraordinary general meeting of the Company held on 31 August 2010), shareholders entitled to this dividend may elect to receive the dividend either fully in cash or fully in an allotment of ordinary shares in the Company credited as fully paid in lieu of cash.

APPRECIATION

On behalf of the Board, I must thank all our valued customers, shareholders, partners and business associates for their unstinting and unwavering support, and their trust in us. I would also like to thank my fellow Board members, management and staff for their contributions, hard work and dedication.

LOOKING AHEAD

The outlook for the global economy still remains uncertain especially in light of the likelihood of government austerity measures in the US and Europe as well as the Euro zone debt crisis, the recent natural calamity in Japan and unrest in the Middle East. With these uncertainties in mind, the Management and the Board will continue to work closely on the planned strategic direction of the Group in order to further enhance our operational efficiencies and to leverage on the Group's financial strength while at the same time monitoring events and maintaining sufficient flexibility.

Thank you.

KHUA HOCK SU
Group Chairman

主席致辞 \\\

业绩回顾

2010年见证了公司的许多重要事件。首先，2010年是公司成立30周年。更重要的是，我很高兴的宣布，今年我们集团主要业务的销售收入均有成长，创下了自2003年以来最高的增长。相较去年，我们的收入增长22.5%，从1亿2580万新元增长到1亿5410万新元，增长2830万新元。增长主要来自较高的贸易量，其中包括较高的储存和运输收入以及新增添的资产管理业务。截止2011年4月30日，公司取得1630万新元的净利润额，较去年同期增长17.6%，每股盈利上升17.7%，从上一年的0.62分至0.73分。

股东资金从1亿4530万新元增长到1亿5610万新元。公司每普通股的有形资产从2010年4月30日的6.77分增长到2011年4月30日的6.96分。资产负债表保持稳健，公司持有2860万新元现金（或现金相等）。至2011年4月30日，扣除银行贷款后，公司存有现金1680万新元。

企业发展

2010年8月，我们集团认购胜宝投资伙伴有限公司（SIP）的51%的股份。SIP拥有全资附属的胜宝房地产投资管理公司（既胜宝工业信托Sabana REIT 的管理公司），及其全资附属的胜宝物业管理公司。这一年，集团取得管理费收入达到910万新元，净收入580万新元。我相信这项投资将继续为集团盈利带来积极的影响。

同年11月，集团与胜宝工业信托签署资产销售及回租交易，总额达到1亿9295万新元。售后租回交易背后的目的是最大限度地提高我们集团的资本及资产，以及对集团前景的重新定位。集团在此交易的净收益达到1亿10万新元，其中9720万新元将分5年期延后入帐盈利亏损表。

2011年3月，集团投资9000万人民币认购中国西南能源有限公司的优先可换股。这项投资将会增强集团在物流运输方面的实力，也让集团踏进煤炭行业创造了战略切入点。全球对能源需求量不断增长的现状，煤炭工业必将会有显著的发展。

2011年4月，集团认购了圣淘沙资本有限公司（SCPL）30%的股权。SCPL是一家于2010年1月在新加坡注册成立的资产管理公司。公司收入的主要来源于为客户提供投资管理服务。集团投资3000万美元于圣淘沙亚洲信贷离岸联接基金有限公司。至2011年6月30日，此项基金投资的公允价值为3024万美元。

增加股东价值

如前所述，售后回租安排使我们拥有充裕的流动资金，也保障了我们核心业务的长期运行。我们相信，资金的储备增强了集团的灵活性，也创造机会增加股东价值。胜宝工业信托的设立带来高效益的资金运作，加快了我们集团运作的增长及扩张，同时符合我们提高集团收益的目标。

扩大仓储能力

2011年3月，集团完成收购位于47 Changi South Avenue 2工业产房，总占地8507平方米。公司也将原有位于146 Gul Circle工业产房重建为3层现代化危险品仓库。此外，在2011年7月8日，LTH Logistics接受了JTC提供的一块位于裕廊岛占地41693平方米的土地。集团有意将这块土地建造成一座多层危险和非危险化工品仓库。我们将继续拓展集团物流能力，且在合适的机会建立新的化学货品综合物流中心。

股息

鉴于这些成果，董事会建议派发一次性每股0.4分股息，总计股息支付将达889.2万新元，这股息建议需在接下来股东大会通过。这次股息建议是每股收益0.73分的54.8%，相较去年每股0.35分股息，增长14.3%。此外，根据集团股息方案（2010年8月31号的特别会议上通过），股东可以选择全现金或以全新发额普通股兑现。

致谢

我谨代表董事会，感谢所有尊敬的客户，股东，合作伙伴及业务伙伴，感谢他们一如既往的支持与信任。我也非常感谢董事会的成员，管理层以及员工们，感谢他们的辛勤工作，感谢他们的无私奉献！

展望未来

全球经济前景仍然不明朗，特别是美国和欧洲政府的紧缩措施，欧元区的债务危机，日本近期的自然灾害以及中东地区的动荡不安。时刻考虑这些不确定因素，管理层及董事会继续紧跟战略定向，进一步加强集团的运行效率以及集团的经济实力，同时紧握集团业务，保持集团的灵活性及适应性。

谢谢！

柯福赐
集团主席

BOARD OF DIRECTORS \\\

KHUA HOCK SU [1]
Non-Executive Chairman

Mr Khua was appointed as Chairman of the Board on 5 November 2003. He is also a member of the Audit Committee and Remuneration Committee.

Mr Khua is currently the Group Chairman of Lian Hup Group, which was founded in 1952. With over 50 years of experience in business, he has been instrumental in the strategic direction and development of the Group, which has diverse interests in steel trading, investment, real estate development and logistics services.

Mr Khua is the permanent honorary president of Public Free Clinic Society, and a vice-president of The Singapore Buddhist Lodge. He is an honorary committee member of Singapore Metal and Machinery Association, and an honorary president of Nanyang Kuah Si Association.

柯福赐主席目前是新加坡大众医院永远名誉院长，新加坡佛教居士林副林长，新加坡五金机械公会名誉董事及新加坡南洋柯氏公会名誉会长。

ERIC KHUA KIAN KEONG [2]
Executive Director & CEO

Mr Khua was appointed as Chief Executive Officer on 5 November 2003. He is a member of the Nominating Committee. He is also an alternate director of Freight Management Holdings Berhad, an associated company listed on Bursa Malaysia.

He obtained his Bachelor of Science in Electrical Engineering and graduated cum laude from University of the Pacific, USA in 1987.

He is currently the president of Singapore Metal and Machinery Association, a council member and vice-chairman of International Affairs Committee at Singapore Chinese Chamber of Commerce & Industry, a council member and vice-chairman of Trade & Industry Committee at Singapore-China Business Association, a board member and head of External Affairs at Singapore Thong Chai Medical Institute. He also serves as a vice-president at Pei Tong Primary School advisory committee, an executive committee member at Singapore Ann Kway Association, and a vice-president at Nanyang Kuah Si Association.

Mr Khua is board chairman of Fujian Anxi No.8 Middle School, vice-president of Anxi Charity Federation and Anxi Fenglai Guitou Charity Federation. He was awarded

"Outstanding Charitable Works Contribution" by Fujian Provincial Government, PRC.

柯建强目前担任新加坡五金机械公会会长，新加坡中华总商会常务董事兼国际事务委员会副主席，新加坡中国商会常务董事兼工商组副主任，新加坡同济医院常务董事兼外事组主任，新加坡培同小学咨询委员会副主席，新加坡安溪会馆执行委员兼青年股副主任，新加坡南洋柯氏公会副会长。

在中国福建省，柯先生是安溪八中校董会会长，安溪县慈善总会副会长，安溪县蓬莱魁头慈善会副会长，荣获福建省人民政府颁发“福建省捐赠公益事业突出贡献奖”。

HENRY CHUA TIONG HOCK [3]

Executive Director & CCDO

Mr Chua is an Executive Director since 22 December 1999. He was also appointed as Chief Corporate Development Officer on 5 January 2006. He is concurrently a director of Sabana Shari'ah Compliant REIT and Freight Management Holdings Berhad, Malaysia, as well as a number of other subsidiaries in the Freight Links Group.

He has wide-ranging experience in logistics, operations management and corporate development with various MNCs and local companies.

Mr Chua obtained his Bachelor of Arts degree from the University of Singapore. He also holds a Graduate Diploma in Business Administration from the National University of Singapore and a Graduate Diploma in Personnel Management from the Singapore Institute of Personnel Management.

THOMAS WOO SAI MENG [4]

Executive Director & Chief Investment Officer

Mr Woo was the Chief Financial Officer of the Group from May 1997 to November 2010 and has since taken on a new appointment as the Chief Investment Officer. He also serves as Executive Director since appointed on 28 September 2001 and concurrently sits on the board of a number of the Group's subsidiaries and associates.

Prior to joining the Group, Mr Woo has held various senior appointments with a number of private sector organizations across a wide spectrum of industries such as financial & investment services, management consulting, manufacturing and international trading.

Mr Woo received his Bachelor of Economics degree from the University of New England, Australia, and earned his MBA from the University of Queensland, Australia. He is a fellow member of CPA Australia and the Institute of Certified Public Accountants of Singapore. He is also a member of the Singapore Institute of Directors.

SEBASTIAN TAN CHER LIANG [5]

Independent Non-Executive Director

Mr Tan was appointed as Non-Executive Director on 5 November 2003. He chairs the Audit Committee and is a member of the Remuneration Committee and Nominating Committee.

Mr Tan is the Managing Director and Finance Director of Boardroom Limited. He has served on the Boards of Boardroom Corporate & Advisory Services Pte Ltd and Boardroom Business Solutions Pte Ltd since 1992 and 1994 respectively. Prior to 1992, he was with Ernst & Young.

He is also a Director of D.S. Lee Foundation and Children's Charities Association, and a Trustee of the Kwan Im Thong Hood Cho Temple.

Mr Tan is a member of the Institute of Certified Public Accountants of Singapore and a Fellow of the Association of Chartered Certified Accountants, U.K. He was conferred the Public Service Medal (PBM) in 1996.

DEREK LOH EU TSE [6]

Independent Non-Executive Director

Mr Loh was appointed as Non-Executive Director on 5 November 2003. He chairs the Remuneration and Nominating Committees and is a member of the Audit Committee.

Mr Loh graduated with honours from Cambridge University and practices law as an Executive Director of TSMP Law Corporation. He is an Advocate and Solicitor of the Supreme Court.

He is also an Independent Director of Dragon Group International Limited, Friven & Co. Ltd and a Director of Centillion Environment & Recycling Ltd.

SENIOR EXECUTIVES \\\

CORPORATE

LIM BOON KWONG [1]
Chief Operating Officer
Freight Links Express Holdings Limited

Mr Lim Boon Kwong joined Freight Links Express Holdings as Chief Operating Officer in January 2006 and has more than 18 years experience in logistics and shipping industries. Boon Kwong held various senior positions during his stint with his previous companies, including Regional CFO, Asia Pacific & Middle East while concurrently holding the positions of General Manager of the Singapore and Malaysia operations.

Mr Lim graduated with a Bachelor of Accountancy degree from National University of Singapore.

SIMON SIM GEOK BENG [2]
Chief Financial Officer
Freight Links Express Holdings Limited

Mr Simon Sim was appointed as Chief Financial Officer on 1 December 2010 having served as Senior Vice President since 1 July 2005. He is responsible for the full spectrum of accounting, taxation and treasury functions in our Group.

Mr Simon Sim has 25 years of working experience in finance, taxation and accounting of which 15 years were spent holding senior positions. Prior to joining the Group in June 2000, Simon had related experience in various industries ranging from audit, insurance, airfreight, logistics, manufacturing and trading.

Mr Sim is a member of the Institute of Certified Public Accountants of Singapore and a Fellow of the Association of Chartered Certified Accountants, U.K. He holds a Bachelor of Science (Economics) in Management Studies from the University of London.

LAWRENCE SIM KAY SIN [3]
Senior Vice President
Freight Links Express Holdings Limited

Mr Lawrence Sim was initially engaged as General Manager for the LTH Group of Companies from December 2006. In July 2008, Lawrence has subsequently being designated to Senior Vice President (for Greater China) with Freight Links Express Holdings Limited. Lawrence has more than 28 years of experience in operations, sales, marketing and business development from various industries. He also held senior management appointments with various corporations prior to joining LTH. While employed under a MNC corporation from 2004 to 2006, Lawrence spearheaded and successfully established multiple key strategic logistics centers in Vietnam where essential services include freight management, warehousing, transportation, distributions and customization. From 2008 to 2009, Lawrence being the key leader had successfully established an island wide distributions for Shell Petroleum in Hong Kong.

JOHN LIM SUI SEN [4]
Vice President (Projects)
Freight Links Express Holdings Limited

John Lim is the Vice President (Projects) of Freight Links Express Holdings Limited with effect from 1 April 2011. He supports the Group in projects development work. Prior to that he was responsible for credit management. John has been with the group since January 2004.

Prior to joining the Group, John had worked with a leading express and logistics company for more than 9 years in the area of credit management.

John holds a Bachelor of Business (in the field of Accountancy) from Royal Melbourne Institute of Technology.

INTERNATIONAL FREIGHT FORWARDING

ALEX NG BOON CHUAN [5]
Director/Executive Vice President
Freight Links Express Pte Ltd

Mr Alex Ng is the Executive Vice President of Freight Links Express Pte Ltd and has more than 27 years of experience in sales and marketing, agency and market development. He is responsible for the overall freight forwarding operations of the company. His knowledge and experience is drawn from the long-standing career he has established in Freight Links Express since joining in August 1984.

LEE SENG HOCK [6]
Senior Vice President (Operations)
Freight Links Express Pte Ltd

Mr Lee Seng Hock is the Senior Vice President of Freight Links Express Pte Ltd and overall responsible for freight and operations of the company. He joined the Company in October 1982 and has more than 29 years of experience in freight operations.

ADRIAN CHIA SENG CHYE [7]
Vice President (Sales & Marketing)
Freight Links Express Pte Ltd

Mr Adrian Chia is the Vice President (Sales & Marketing) of Freight Links Express Pte Ltd and is responsible for the sales and marketing activities of the Company. Adrian joined the company in September 1988 and has more than 22 years of experience in sales and marketing.

JAMES LEONG WENG YU

Vice President (Consolidation)
Freight Links Express Pte Ltd

Mr James Leong has more than 36 years of experience in the freight forwarding industry. He is responsible for the freight consolidation activities of the company. James joined Freight Links Express in November 1986 and has more than 25 years of experience in freight consolidation, operations, marketing and claims administration.

VINCENT YONG CHEE LEONG [8]

Assistant Vice President
Crystal Freight Services Pte Ltd

Mr Vincent Yong joined Freight Links Express in August 2003 as a Sales and Marketing executive. Prior to joining the group, Vincent has worked in a leading trading firm and also stationed in a few countries namely Moscow and Ho Chi Minh. Vincent was promoted to head Crystal Freight Service in July 2009 and he is responsible for Sales & Marketing, business development, total logistics services, overall growth and expansion of Crystal Freight Services.

LOGISTICS DIVISION

PHILIP LIM KOK TONG [9]

Executive Vice President
Freight Links Logistics Pte Ltd

Mr Philip Lim heads the Logistics Division and is responsible for business development, operations and logistics services of the Group. He joined the Group in August 1994 and was promoted to his current position in January 2000. Philip has more than 37 years of experience in liner shipping, freight forwarding, corporate marketing, logistics and supply chain management. Prior to joining the Group, he was the Deputy Managing Director of a leading shipping and logistics company.

VINCENT SEE CHIN HOK [10]

Vice President
Freight Links Logistics Pte Ltd

Mr Vincent See joined the Group in January 1997 and has more than 32 years of experience in shipping, transportation, customer service, marketing, warehousing and distribution management. He is responsible for marketing, business account development, operations and logistics services.

Mr See holds a Master of Business Administration from the Macquarie University, Australia and a Bachelor of Business from the former Royal Melbourne Institute of Technology.

PROPERTY DIVISION

KENNY LEE KENG HEAN [11]

Vice President
Warehousing Property
Freight Links Express Archivers Pte Ltd

Mr Kenny Lee joined the Property Division of Freight Links Group in 2003 and moved up the ranks to become the Vice President of the Division, heading Freight Links Express Archivers Pte Ltd as well. He is responsible for the overall management and development of all properties and Archiver business under the Group. Prior to joining the Group, Kenny has more than 7 years of experience in construction and property development which contributes greatly to his current appointment.

Mr Lee holds a degree of Bachelor of Engineering with honours in Mechanical Engineering from University of Glasgow (UK).

CHEMICAL LOGISTICS DIVISION

LIM SONG WANG [12]

Managing Director
LTH Logistics Group of Companies

Mr Lim Song Wang is the Managing Director for LTH Group of Companies, which includes LTH Logistics (S) Pte Ltd, LTH Distripark Pte Ltd and Lee Thong Hung Trading & Transport Sdn Bhd. He is the founder of LTH Logistics since its inception in 1979. He has more than 32 years of experience in logistics, road transportation and warehousing. His leadership and vision had propelled LTH logistics to become one of the lead logistics players in the chemical industry.

INTEGRATED MARKETING SERVICES

LOW CHIA WING [13]

Senior Vice President
Flex Integrated Marketing Pte Ltd

Mr Low Chia Wing is the Senior Vice President of Flex Integrated Marketing Pte Ltd and is responsible for the daily operations of the company which provides marketing services in areas of exhibitions, events, interiors, advertising and public relations.

Mr Low has more than 17 years of experience in the exhibitions industry which includes events, marketing and project management. Prior to joining the Group in June 1997, Mr Low was the Senior Manager in support services and purchasing with an international exhibition services and facility rental group.

GROUP STRUCTURE \\\

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

INTERNATIONAL FREIGHT FORWARDING

- 100% Freight Links Express Pte Ltd
- 100% Crystal Freight Services Pte Ltd
- 49% Freight Links Express (Thailand) Co. Ltd.
  - 100% Freight Links Express International Limited
- 51% Freight Links M&S (H.K.) Limited
- 100% Freight Links Express (M) Sdn Bhd
- 100% Freight Links Express (Penang) Sdn Bhd

WAREHOUSING PROPERTY & LOGISTICS

- 100% Freight Links Logistics Pte Ltd
- 100% Freight Links Express Logisticpark Pte Ltd
- 100% Crystal Freight Services Distripark Pte Ltd
- 100% Freight Links Express Logisticentre Pte Ltd
- 100% Freight Links Express Districentre Pte Ltd
- 100% Freight Links Express Distripark Pte Ltd
- 100% Freight Links Fabpark Pte Ltd
- 100% Freight Links Express Air Systems Pte Ltd
- 100% Freight Links E-Logistics Technopark Pte Ltd
- 65.5% Freight Links (Jiangsu) Co., Ltd

CHEMICAL STORAGE & LOGISTICS

- 51% LTH Logistics (Singapore) Pte Ltd
  - 100% LTH Distripark Pte Ltd
- 36% Lee Thong Hung Trading & Transport Sdn Bhd (29%)
- 80% Chemode Global Pte Ltd

MANAGEMENT FEE BUSINESS

- 51% Sabana Investment Partners Pte Ltd
  - 100% Sabana Real Estate Investment Management Pte Ltd
    - 100% Sabana Property Management Pte Ltd

OTHER SERVICES

- 100% Freight Links Express Archivers Pte Ltd
- 93.7% FLEx Integrated Marketing Pte Ltd
  - 49% FLEx Integrated Group LLC
- 100% Singapore Enterprises Pte Ltd

ASSOCIATES

- 25% Equity MFL Logistics LLC
- 25% Equity Freight Management Holdings Bhd
- 20% Equity Busan Cross Dock Co., Ltd
- 30% Equity Sentosa Capital Pte Ltd
- 24% Equity China Southwest Energy Corporation Limited
- Convertible preference shares China GSD Logistics Pte Ltd
- Convertible loans Fudao Petrochemicals Group Pte Ltd

CORPORATE DIRECTORY \\\

CORPORATE HEAD OFFICE

Freight Links Express Holdings Limited
51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
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Fax : (65) 6267 5593
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E-Mail : flesin@freightlinks.net

SINGAPORE OFFICES

INTERNATIONAL FREIGHT FORWARDING

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TOLL FREE LINE (65) 6566 2866

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WAREHOUSING PROPERTY AND LOGISTICS

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Freight Links Express Logisticentre
Singapore 609143
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Fax : (65) 6262 6928

Freight Links Express Districentre Pte Ltd
9 Changi South Street 3 #01-00
Freight Links Express Districentre
Singapore 486361
Tel : (65) 6546 7118
Fax : (65) 6546 7108

Freight Links Express Distripark Pte Ltd
5 Toh Guan Road East #04-00
Freight Links Express Distripark
Singapore 608831
Tel : (65) 6566 9988 (10 lines)
Fax : (65) 6566 8813

Freight Links Express LogisticPark Pte Ltd
33/35 Penjuru Lane
Singapore 609200
Tel : (65) 6267 2688
Fax : (65) 6266 2833

Crystal Freight Services Distripark Pte Ltd
146 Gul Circle
Singapore 629604
Tel : (65) 6863 4438
Fax : (65) 6863 4437

Freight Links E-Logistics Technopark Pte Ltd
30 Tuas Avenue 10
Singapore 639150
Tel : (65) 6262 6988
Fax : (65) 6262 6928

INVESTMENT PROPERTIES

Freight Links Fabpark Pte Ltd
30/32 Tuas Avenue 8
Singapore 639246/7
Tel : (65) 6262 6988
Fax : (65) 6262 6928

Freight Link Express Air Systems Pte Ltd
218 Pandan Loop
Singapore 128408
Tel : (65) 6262 6988
Fax : (65) 6262 6928

INTEGRATED MARKETING SERVICES

Flex Integrated Marketing Pte Ltd
9 Changi South Street 3 #02-06
Freight Links Express Districentre
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Web : www.flexim.biz

DOCUMENTS MANAGEMENT SERVICES

Freight Links Express Archivers Pte Ltd
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CHEMICAL STORAGE AND LOGISTICS

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Web : www.lthlogistics.com

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E-Mail : lthlog@pacific.net.sg

Chemode Global Pte Ltd
33/35 Penjuru Lane
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REAL ESTATE MANAGEMENT SERVICES

Sabana Investment Partners Pte Ltd

Sabana Real Estate Investment Management Pte Ltd

Sabana Property Management Pte Ltd
151 Lorong Chuan
#02-03 New Tech Park
Singapore 556741
Tel : (65) 6580 7750
Fax : (65) 6280 4700

OVERSEAS OFFICES

CHINA

Freight Links (Jiangsu) Co., Ltd
Lingang Distripark, No.328
Xingang Rd.,
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214442, P.R.C.
Tel : (86) 510 81662101/2/3
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MALAYSIA

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Persiaran Pegaga
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Freight Links Express (Penang) Sdn Bhd
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Lee Thong Hung Trading & Transport Sdn Bhd
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THAILAND

Freight Links Express (Thailand) Co., Ltd
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Tel : (662) 285 3542 (20 lines)
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E-Mail : flebkk@fleth.co.th
Web : www.fleth.co.th

DUBAI

FLEx Integrated Group LLC
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P.O. Box 214011
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Fax : (971) 4 355 2221
Web : www.flexim.biz

ASSOCIATES

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China GSD Logistics Pte Ltd c/o Shenzhen Gongsuda Logistics (Holdings) Co., Ltd
Block 139, 6th Floor, Liantang
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Shenzhen China, 518004
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Web : www.gongsuda.com

Fudao Petrochemicals Group Pte Ltd
No. 18 Kaki Bukit Road 3 #04-15
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MFL Logistics LLC
Sheikh Hamadan Complex
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Busan, Korea
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FINANCIAL REPORT 2011

The Directors and management are committed to ensuring and maintaining high standards of corporate governance in line with the Code of Corporate Governance (the Code) issued by the Committee on Corporate Governance.

Where applicable, the Board has established various self-regulatory and monitoring mechanisms to ensure that effective corporate governance is practised. This statement describes the corporate governance policies and practices of the Company that were in place for the financial year ended 30 April 2011.

BOARD MATTERS

Board's Conduct of its Affairs

Presently, the Board comprises six members, one non-executive Chairman, two independent non-executive directors and three executive directors. The Board holds at least four regular meetings in a financial year and additional meetings are convened as and when circumstances warrant. The Board members for the financial year ended on 30 April 2011 are as follows:

Name of Director	Nature of Appointment
Khua Hock Su	Non-executive, Non-independent
Eric Khua Kian Keong	Executive, Non-independent
Henry Chua Tiong Hock	Executive, Non-independent
Thomas Woo Sai Meng	Executive, Non-independent
Sebastian Tan Cher Liang	Non-executive, Independent
Derek Loh Eu Tse	Non-executive, Independent

The Board comprises directors who as a group, has core competencies and diversity of experience to enable them to lead and control the Company effectively. Such competencies and experiences include industry knowledge, strategic planning, business management, finance and accounting, and human resources. Profiles of directors are found on page 18 of this Annual Report.

The Board directs and supervises the management of the business and corporate affairs of the Group with a view to enhancing long-term shareholder value. Apart from its statutory responsibilities, the key roles of the Board are to:

- review and approve the Group's strategic plans, key operational initiatives, major investments and funding decisions;
- ensure the implementation of appropriate control systems to manage the Group's business and financial risks;
- review the Group's financial performance and approve the quarterly, half-year and full-year financial results for release; and
- evaluate the performance and compensation of key office holders.

For maximum effectiveness, the Board has delegated some of its functions to the Audit Committee, the Nominating Committee and the Remuneration Committee.

To enhance effectiveness of the Board, a newly appointed director receives a thorough briefing by existing directors of the Group's businesses and recent financial performance.

The Directors keep themselves current on the latest regulations and practices of corporate governance.

Directors Attendance at Board and Committee Meetings

The attendance of the Directors at Board and Committee meetings for the financial year ended 30 April 2011, as well as the frequency of such meetings is disclosed below.

	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Khua Hock Su	4	4	4	4	1	1	–	–
Eric Khua Kian Keong	4	4	–	–	–	–	1	1
Henry Chua Tiong Hock	4	4	–	–	–	–	–	–
Thomas Woo Sai Meng	4	4	–	–	–	–	–	–
Sebastian Tan Cher Liang	4	4	4	4	1	1	1	1
Derek Loh Eu Tse	4	4	4	4	1	1	1	1

Board Composition and Balance

As shown above, half the Board is made up of non-executive directors. Of the three non-executive directors, two of them, being one third of the Board, are independent, thus providing for independent element on the Board capable of exercising objective judgment on corporate affairs of the Group.

The composition of the Board and independence of each director is reviewed annually by the Nominating Committee.

Role of Chairman and Chief Executive Officer

Mr Khua Hock Su is the Non-Executive Chairman of the Company. He bears primary responsibility for the workings of the Board while his son, Mr Eric Khua Kian Keong, the Chief Executive Officer, is the most senior executive in the Company who has executive responsibility for the management of the Company and the Group.

The Board has established various committees with power and authority to perform key functions beyond the authority of, or without undue influence from, the Chairman and/or the Chief Executive Officer. The Board is of the view that there is an appropriate balance of power and authority at the top of the Company and no single director has considerable concentration of power.

Board Membership

The Nominating Committee (NC) comprises three Directors, two of whom, including the Chairman, are non-executive and independent.

The members of the NC as at the date of this Report are as follows:

Mr Derek Loh Eu Tse	Chairman (Non-executive, Independent)
Mr Sebastian Tan Cher Liang	Member (Non-executive, Independent)
Mr Eric Khua Kian Keong	Member (Executive, Non-independent)

Its principal function is to review the nominations for appointments or re-appointments of members of the Board of Directors and the members of the various Board committees for the purpose of proposing such nominations to the Board for its approval. The Board on the recommendation of the NC appoints new directors. Such new directors must submit themselves for re-election at the next Annual General Meeting (AGM) of the Company. Article 94 of the Company's Articles of Association requires one third of the Board with the exception of any Director appointed to fill casual vacancy pursuant to Article 76, to retire by rotation at every AGM. Article 76 provides that any director so appointed shall hold the office until the next AGM, but shall be eligible for re-election. The NC has recommended the nomination of the directors retiring by rotation under the Articles at the forthcoming AGM, for re-election.

The NC is also tasked with the responsibility of evaluating the effectiveness of the Board as a whole. The NC is also charged with determining annually whether or not a director is independent.

Board Performance

The Board recognises that, as a principle of good corporate governance, there should be regular reviews and evaluations of the Board in order to have continual improvements.

The NC evaluates the Board's performance as a whole. The assessment is based on criteria such as relationship with the Company, experience in being a Director and various competencies and knowledge and wealth of experience. The NC together with the Chairman of the Board evaluates the effectiveness of the Board in monitoring management's performance against the goals that have been set by the Board.

Access to Information

Management is aware that it has an obligation to supply the Board with complete, adequate and timely information, not just before a meeting but on an ongoing basis. Access to the Company's management, including the Company Secretary, is therefore freely available to the Board members who can make further independent enquiries or clarifications as they see fit.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

The Remuneration Committee (RC) comprises three Non-executive Directors, two of whom, including the Chairman of the RC, are independent. The members of the RC as at the date of this Report are as follows:

Mr Derek Loh Eu Tse	Chairman (Non-executive, Independent)
Mr Sebastian Tan Cher Liang	Member (Non-executive, Independent)
Mr Khua Hock Su	Member (Non-executive, Non-independent)

The RC will recommend to the Board a framework of remuneration for fixing the remuneration packages of individual directors. Members of this Committee are knowledgeable in the field of executive compensation. If necessary, further expertise from outside sources will be made available. The Committee is aware of the need to minimise the risk of any potential conflict of interest and will ensure that no director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

The Remuneration Committee will also propose in its framework of remuneration, the various levels and mix of components considered to be appropriate to attract, retain and motivate directors.

Disclosure on Remuneration

Remuneration of Executive directors and Key executives

	Mix of Remuneration by %			
	Salary	**Bonus**	**Directors' fees**	**Total**
Directors				
$250,000 to $500,000				
Eric Khua Kian Keong	80.2	18.8	1.0	100
Henry Chua Tiong Hock	79.6	19.2	1.2	100
Thomas Woo Sai Meng	79.8	18.8	1.4	100
Below $250,000				
Khua Hock Su	–	–	100	100
Sebastian Tan Cher Liang	–	–	100	100
Derek Loh Eu Tse	–	–	100	100
Senior Executives				
Below $250,000				
Lim Boon Kwong	90.9	9.1	–	100
Simon Sim Geok Beng	89.0	11.0	–	100
Philip Lim Kok Tong	91.7	8.3	–	100
Alex Ng Boon Chuan	85.4	14.6	–	100
Lim Song Wang	87.2	11.2	1.6	100
Lawrence Sim Kay Sin	91.0	9.0	–	100

Note: Salary and bonuses are inclusive of employer's Central Provident Fund contributions. Transport allowance and benefits-in-kind are included in salary.

No stock options were granted to any employee during the financial year ended 30 April 2011. Details of the Company's FLEH Share Option Scheme can be found on page 33 of the Directors' Report. None of the senior employees of the Company or its subsidiaries was an immediate family member of any Director.

ACCOUNTABILITY AND AUDIT

Accountability

The Board recognises that it is accountable to shareholders for the Group's performance. At the end of each quarter, a review of the Group's financial performance and commentary on the competitive conditions within the industry in which the Company operates is provided to shareholders with the results announcements. Announcements are also released from time to time in compliance with the Listing Manual to keep shareholders informed of material developments within the Group.

Management provides monthly reports on the Group's financial performance to the Executive Directors and other regular reports in matters relating to sales & marketing, operations and finance.

Audit Committee (AC)

The AC comprises three members, all are Non-executive Directors, two of whom, including its Chairman, are independent non-executive directors. The members of the AC at the date of this report are as follows:

Mr Sebastian Tan Cher Liang	Chairman (Non-executive, Independent)
Mr Khua Hock Su	Member (Non-executive, Non-independent)
Mr Derek Loh Eu Tse	Member (Non-executive, Independent)

The AC is charged with the task of assisting the Board in the execution of its corporate governance responsibilities; ensuring that internal control systems have been maintained by management; reviewing interested party transactions; reviewing and approving the quarterly, half-year and full year financial statements; reviewing the assistance given to auditors; reviewing with internal and external auditors on any significant findings; and making recommendations to the Board on all the above matters.

The AC has reviewed the extent of non-audit services provided by the external auditors and is satisfied that their independence has not been compromised.

Internal Controls

The Company has a system of internal control designed to provide reasonable assurance that assets are safeguarded, operational controls are adequate, business risks are suitably protected and maintaining proper accounting records to ensure that financial information used for financial reporting are reliable. The Internal Auditor is familiar with these controls and works closely with management and the Audit Committee to identify any inadequacies and weaknesses in the systems that require attention.

In addition, the external auditors also conduct an annual review of the effectiveness of the Company's internal controls and recommendations for improvements are reported to the AC. The Company carries out regular internal review of financial, operational and compliance controls and the Board is generally satisfied with the internal controls currently in place.

Internal Audit

The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC. The company has outsourced its internal audit function to independent professional firms, who will report directly to the Chairman of the AC. The external auditors will also perform operational and financial audit as required from time to time.

Whistle Blowing Policy

The Company has put in place an informal "whistle blowing policy" into the Company's internal control procedures to provide a channel for staff to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of such a policy is to ensure independent investigation of such matters and for appropriate follow-up action.

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

The Board recognises the need to keep shareholders informed of material developments in the Company. This is done through appropriate press releases and announcements published on SGXNET and the company's website whenever required by the Listing Manual. When immediate disclosure is not practicable, the relevant announcement is made as soon as possible to ensure that all stakeholders and the public have equal access to the information.

In addition the Company regularly updated the website at www.freightlinks.net for disseminating information to and improving communication with shareholders.

Greater Shareholder Participation

At AGMs, shareholders are given opportunities to air their views and to ask the Board and management questions relating to the business affairs of the Group.

Resolutions to be passed at AGMs are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion. A balanced assessment of the relevant issues is provided or explained to shareholders, if necessary, to enable them to make informed judgments about the resolutions.

The Articles of Association of the Company allow a shareholder of the Company to vote in person and by proxy at the AGM of the Company. Each Shareholder is allowed to appoint not more than two proxies to vote on his behalf at the Shareholders' Meetings through proxy forms sent in advance. Investors, who hold shares through nominees such as the Central Provident Fund (CPF) and custodian banks are allowed to attend the AGM as observers subject to availability of seats.

The Board is satisfied that shareholders have been given the opportunity to participate effectively and to vote in AGMs.

Dealings in Securities

The Company has adopted a policy on dealing in securities, which prohibit dealings in the Company's securities by its Directors and officers during the period commencing one month prior to the announcement of its full-year results, and two weeks prior to the quarterly results and at any time when in possession of any unpublished material price-sensitive information. The Company's Directors and executives are expected to observe insider trading laws at all times. They are also advised to refrain from dealing in securities for short-term considerations.

Interested Person Transactions

The Company has adopted an internal policy of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are reviewed and approved by the Audit Committee.

For the financial year ended 30 April 2011, there are no interested person transactions as defined under Chapter 9 of the SGX-ST Listing Manual.

The related party transactions as disclosed in Note 30 on Page 91 of the Annual Report are not interested person transactions within the ambit of Chapter 9 of the Listing Manual.

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 April 2011.

Directors

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

Khua Hock Su
Eric Khua Kian Keong
Henry Chua Tiong Hock
Thomas Woo Sai Meng
Sebastian Tan Cher Liang
Derek Loh Eu Tse

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Khua Hock Su		
The Company		
- ordinary shares		
- deemed interests	1,052,441,591	1,119,415,147
Vibrant Capital Pte Ltd		
- ordinary shares		
- deemed interests	49,000	49,000
Lian Hup Holdings Pte Ltd		
- ordinary shares		
- interests held	4,200,000	4,200,000
Eric Khua Kian Keong		
The Company		
- ordinary shares		
- interests held	15,929,000	50,735,455
- deemed interests	1,052,416,591	1,119,388,556
Vibrant Capital Pte Ltd		
- ordinary shares		
- interests held	51,000	51,000
- deemed interests	49,000	49,000
Lian Hup Holdings Pte Ltd		
- ordinary shares		
- interests held	5,600,000	5,600,000
Henry Chua Tiong Hock		
The Company		
- ordinary shares		
- interests held	3,106,500	3,304,187
Thomas Woo Sai Meng		
The Company		
- ordinary shares		
- interests held	241,047	256,387

By virtue of Section 7 of the Act, Eric Khua Kian Keong and Khua Hock Su are deemed to have interests in the other subsidiaries of the Company at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 May 2011.

Except for salaries, bonuses, fees and those benefits that are disclosed in this report and in note 30 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

The FLEH Share Option Scheme (the Scheme) of the Company was approved and adopted by its members at the Extraordinary General Meeting held on 28 June 2004. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Derek Loh Eu Tse, Sebastian Tan Cher Liang and Khua Hock Su.

The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Remuneration Committee:

(i) in relation to the Group:

  (1) all the directors of the Company and its subsidiaries; and

  (2) all confirmed full-time employees of the Group who are not less than 21 years old;

(ii) in relation to the immediate holding company:

  (1) all the directors of the immediate holding company and its subsidiaries; and

  (2) all confirmed full-time employees of the immediate holding company and its subsidiaries who are not less than 21 years old;

(iii) in relation to the associated companies:

  (1) all the directors of the associated companies; and

  (2) all confirmed full-time employees of associated companies who are not less than 21 years old;

who, in the opinion of the Remuneration Committee, have contributed to the success and the development of the Group.

Person who is a Controlling Shareholder, or his associate, shall not participate in the Scheme unless:

(i) clear justification has been provided to shareholders for their participation;

(ii) their participation and the actual number and terms of any option to be granted to them have been specifically approved by independent shareholders of the Company in a general meeting in separate resolutions for each such Controlling Shareholder; and

(iii) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.

Controlling Shareholders and his associates refer to Eric Khua Kian Keong, the Chief Executive Officer of the Company and Khua Hock Su, the non-Executive Chairman.

The Remuneration Committee shall have absolute discretion to decide whether a person who is participating in this Scheme shall be eligible to participate in any other share option scheme implemented by the Company or any other Company within the Group.

Other information regarding the Scheme is set out below:

(i) The options are exercisable to subscribe for new ordinary shares in the capital of the Company;

(ii) The options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by an option holder giving notice in writing to the Company and accompanied by the remittance for the aggregate subscription cost; and

(iii) The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit Committee

The members of the Audit Committee during the year and at the date of this report are:

- Sebastian Tan Cher Liang (Chairman), non-executive director
- Khua Hock Su, non-executive director
- Derek Loh Eu Tse, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual, the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Eric Khua Kian Keong
Director

Thomas Woo Sai Meng
Director

25 July 2011

STATEMENT BY DIRECTORS \\\

In our opinion:

(a) the financial statements set out on pages 38 to 92 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2011 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Eric Khua Kian Keong
Director

Thomas Woo Sai Meng
Director

25 July 2011

INDEPENDENT AUDITORS' REPORT \\\

Members of the Company
Freight Links Express Holdings Limited and its Subsidiaries

Report on the financial statements

We have audited the accompanying financial statements of Freight Links Express Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 30 April 2011, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 92.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2011 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

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

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
25 July 2011

BALANCE SHEETS \\\

As at 30 April 2011

	Note	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Assets					
Property, plant and equipment	4	64,154	106,771	340	423
Intangible assets	5	1,454	982	–	–
Investment properties	6	–	25,700	–	–
Subsidiaries	7	–	–	14,249	12,263
Associates	8	51,573	38,745	37,980	25,873
Other investments	9	27,161	50	22	22
Other receivables	10	164	2,208	115,862	86,077
Non-current assets		144,506	174,456	168,453	124,658
Trade and other receivables	10	36,138	35,298	1,917	2,907
Other investments	9	93,877	193	71,340	–
Cash and cash equivalents	11	28,612	38,517	5,202	21,316
Current assets		158,627	74,008	78,459	24,223
Total assets		303,133	248,464	246,912	148,881
Equity					
Share capital	12	80,149	75,116	80,149	75,116
Other reserves	13	6,145	9,186	7,082	7,082
Accumulated profits	13	69,804	60,978	33,509	27,299
Equity attributable to owners of the Company		156,098	145,280	120,740	109,497
Non-controlling interests		8,724	5,360	–	–
Total equity		164,822	150,640	120,740	109,497
Liabilities					
Loans and borrowings	15	9,118	48,666	–	11,593
Other payables	16	72,092	3,668	124,946	24,082
Deferred tax liabilities	17	204	511	4	4
Non-current liabilities		81,414	52,845	124,950	35,679
Trade and other payables	16	49,077	34,664	894	852
Loans and borrowings	15	2,661	8,837	10	2,300
Current tax payable		5,159	1,478	318	553
Current liabilities		56,897	44,979	1,222	3,705
Total liabilities		138,311	97,824	126,172	39,384
Total equity and liabilities		303,133	248,464	246,912	148,881

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT \\\

Year ended 30 April 2011

	Note	2011 $'000	2010 $'000
Revenue	18	154,128	125,802
Other income	21	19,089	14,502
Accretion of deferred revenue		11,089	2,989
Freight and related costs		(73,734)	(62,908)
Rental expenses on operating leases		(24,403)	(15,335)
Warehouse upkeep and related costs		(7,173)	(5,556)
Exhibition design and build costs		(2,388)	(2,568)
Staff costs		(25,825)	(21,998)
Depreciation of property, plant and equipment	4	(8,473)	(6,159)
Other operating expenses		(17,925)	(10,286)
Results from operating activities		24,385	18,483
Finance income		873	576
Finance costs		(1,076)	(2,633)
Net finance costs	19	(203)	(2,057)
Share of profit of associates, net of tax		1,527	880
Profit before income tax		25,709	17,306
Income tax expense	20	(5,560)	(2,138)
Profit for the year	21	20,149	15,168
Profit attributable to:			
Owners of the Company		16,286	13,851
Non-controlling interests		3,863	1,317
Profit for the year		20,149	15,168
Earnings per share			
Basic earnings per share (cents)	22	0.73	0.62
Diluted earnings per share (cents)	22	0.73	0.62

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME \\\

Year ended 30 April 2011

	2011 $'000	2010 $'000
Profit for the year	20,149	15,168
Other comprehensive income		
Net changes in fair value of available-for-sale financial assets	(2,949)	–
Foreign currency translation differences relating to foreign operations	(158)	391
Other comprehensive income for the year, net of tax	(3,107)	391
Total comprehensive income for the year	17,042	15,559
Total comprehensive income attributable to:		
Owners of the Company	13,245	14,622
Non-controlling interests	3,797	937
Total comprehensive income for the year	17,042	15,559

The accompanying notes form an integral part of these financial statements.

Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 May 2009	74,216	7,082	–	1,333	47,127	129,758	11,406	141,164
Total comprehensive income for the year								
Profit for the year	–	–	–	–	13,851	13,851	1,317	15,168
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	–	–	–	771	–	771	(380)	391
Total other comprehensive income	–	–	–	771	–	771	(380)	391
Total comprehensive income for the year	–	–	–	771	13,851	14,622	937	15,559
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Issue of new shares	900	–	–	–	–	900	–	900
Changes in ownership interests in subsidiaries								
Dividends paid to minority shareholders of a subsidiary	–	–	–	–	–	–	(175)	(175)
Disposal of non-wholly owned subsidiary	–	–	–	–	–	–	(2,330)	(2,330)
Capital reduction in subsidiary	–	–	–	–	–	–	(4,478)	(4,478)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	(6,983)	(6,983)
At 30 April 2010	75,116	7,082	–	2,104	60,978	145,280	5,360	150,640

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY \\\

Year ended 30 April 2011

Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 May 2010	75,116	7,082	–	2,104	60,978	145,280	5,360	150,640
Total comprehensive income for the year								
Profit for the year	–	–	–	–	16,286	16,286	3,863	20,149
Other comprehensive income								
Net changes in fair value of available-for-sale financial assets	–	–	(2,949)	–	–	(2,949)	–	(2,949)
Foreign currency translation differences relating to foreign operations	–	–	–	(92)	–	(92)	(66)	(158)
Total other comprehensive income	–	–	(2,949)	(92)		(3,041)	(66)	(3,107)
Total comprehensive income for the year	–	–	(2,949)	(92)	16,286	13,245	3,797	17,042
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Dividends relating to 2010	–	–	–	–	(7,460)	(7,460)	–	(7,460)
Issue of new shares	5,033	–	–	–	–	5,033	–	5,033
Total contributions by and distributions to owners of the Company	5,033				(7,460)	(2,427)	–	(2,427)
Changes in ownership interest in subsidiaries								
Acquisition of non-controlling interest	–	–	–	–	–	–	(433)	(433)
Balance at 30 April 2011	80,149	7,082	(2,949)	2,012	69,804	156,098	8,724	164,822

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS \\\

Year ended 30 April 2011

	Note	2011 $'000	2010 $'000
Cash flows from operating activities			
Profit before income tax		25,709	17,306
Adjustments for:			
Depreciation of property, plant and equipment	4	8,473	6,159
Gain on disposal of property, plant and equipment	21	(2,934)	(220)
Property, plant and equipment written off	21	4	–
Write-off of receivables from an associate	21	–	809
Loss/(Gain) on financial assets at fair value through profit or loss (net)			
- marketable securities	21	3,237	(509)
- interest rate swaps	21	–	(156)
Gain on disposal of marketable securities	21	(59)	(26)
Gain on disposal of subsidiaries	21	–	(3,960)
Share of profit of associates		(1,527)	(880)
Accretion of deferred revenue		(11,089)	(2,989)
Dividend income from financial assets at fair value through profit or loss	21	(41)	(7)
Dividend income from available-for-sale financial assets	21	(821)	–
Impairment loss on leasehold properties written back	4	(13,988)	(4,417)
Gain on fair value of investment properties	21	–	(1,700)
REIT management fee received/receivable in units		(1,233)	–
Finance costs	19	1,076	2,633
Finance income	19	(873)	(576)
Interest income on convertible loans to associate	21	(852)	(2,471)
Foreign exchange loss		6,349	3,728
		11,431	12,724
Changes in working capital:			
Trade and other receivables		(1,809)	(15,163)
Trade and other payables		455	15,970
Cash generated from operating activities		10,077	13,531
Income taxes refunded		189	256
Income taxes paid		(2,315)	(1,137)
Net cash from operating activities		7,951	12,650
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		159,803	314
Proceeds from sale of investment properties		36,909	–
Purchase of property, plant and equipment		(21,377)	(9,936)
Acquisition of shares in associates		(17,519)	(1,138)
Acquisition of subsidiaries, net of cash acquired	(i)	(1,289)	–
Prepayment of proposed investment in Citic Logistics Co., Ltd		–	(5,697)
Repayment of loan by an associate		1,226	–
Redemption of convertible loan to an associate		1,625	13,433
Refund of investment in and repayment of loan to Citic Logistics Co., Ltd		–	18,049
Dividends received			
- financial assets at fair value through profit or loss		41	7
- an associate		436	337
Purchase of other investments		(127,684)	–
Proceeds from sale of other investments		522	873
Proceeds from disposal of subsidiaries, net of cash disposed	(ii)	–	1,360
Finance income received		918	203
Loans to related parties		(1,737)	–
Repayment of loan by a related company		2,117	2,110
Receipt of interest income on convertible loans to an associate		–	2,471
Net cash from investing activities		33,991	22,386

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D) \\\

Year ended 30 April 2011

	Note	2011 $'000	2010 $'000
Cash flows from financing activities			
Proceeds from issue of new shares		–	900
Proceeds from borrowings		13,213	6,800
Repayment of loan to immediate holding company		–	(3,000)
Repayment of loan to a director		(580)	(942)
Repayment of borrowings		(59,963)	(31,882)
Payment of finance lease liabilities		(1,431)	(1,281)
Dividend paid to shareholders of the Company		(2,427)	–
Dividend paid to non-controlling interests of subsidiaries		–	(175)
Finance costs paid		(1,198)	(2,778)
Net cash used in financing activities		(52,386)	(32,358)
Net (decrease)/increase in cash and cash equivalents		(10,444)	2,678
Cash and cash equivalents at beginning of year		37,965	33,807
Effect of exchange rate fluctuations on cash and cash equivalents		149	1,480
Cash and cash equivalents at end of year	11	27,670	37,965

(i) Attributable net assets of subsidiaries acquired during the year are as follows:

	Group 2011 $'000
Cash and cash equivalents	471
Other receivables	4,144
Other creditors	(1,760)
Borrowings	(3,760)
Non-controlling interests	433
Net identifiable liabilities acquired	(472)
Goodwill	472
Total purchase consideration	–
Loan from the Company to subsidiary prior to acquisition	1,760
Less: Cash of subsidiaries acquired	(471)
Cash outflow on acquisition	1,289

(ii) Attributable net assets of subsidiaries divested in prior year are as follows:

	Group 2010 $'000
Non-current assets	17,966
Net current liabilities	(6,411)
Non-current liabilities	(2,926)
	8,629
Gain on disposal	3,960
Total consideration received	12,589
Less: Cash of subsidiaries disposed of	(11,229)
Cash inflow on disposal	1,360

(iii) Significant non-cash transaction:
During the year, the Company issued new ordinary shares for value of $5,032,934 by way of offsetting the dividend payables to the shareholders (see note 12).

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 July 2011.

1 Domicile and activities

Freight Links Express Holdings Limited (the Company) is a company incorporated in Singapore. The address of the Company's registered office is 51 Penjuru Road #04-00 Freight Links Express Logisticentre, Singapore 609143.

The financial statements of the Company as at and for the year ended 30 April 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

The principal activities of the Group are those relating to freight forwarding, chemical logistics, warehousing and logistics, leasing of industrial buildings, heavy vehicles parking lot operator, exhibition and event project management, investment holding and real estate fund and property management services.

The immediate and ultimate holding companies during the financial year were Vibrant Capital Pte Ltd and Lian Hup Holdings Pte Ltd, respectively. Both companies are incorporated in Singapore.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

(b) Basis of measurement

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

(c) Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

Note 4 – measurement of recoverable amounts and depreciation expense of property, plant and equipment
Note 5 – measurement of recoverable amount of goodwill
Note 6 – valuation of investment properties
Note 7 – valuation of investments in subsidiaries
Note 8 – valuation of convertible loans to and redeemable cumulative preference shares in associates
Note 26 – measurement of allowance for doubtful receivables
Note 26 & 27 – valuation of financial assets at fair value through profit or loss and available-for-sale financial assets

2 Basis of preparation (cont'd)

(e) Changes in accounting policies

Accounting for business combination

From 1 May 2010, the Group has applied FRS 103 *Business Combinations (2009)* in accounting for business combinations. Business combinations are now accounted using the acquisition method as at the acquisition date as described in note 3(a).

Previously, business combinations were accounted for under the purchase method. The cost of an acquisition was measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired entity was recognised as goodwill and was assessed for impairment annually. The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition was credited to profit or loss in the period of the acquisition. For business acquisitions that were achieved in stages, any existing equity interests in the acquiree were not re-measured to the fair value. Contingent consideration was recognised as an adjustment to the cost of acquisition only when it was probable and can be measured reliably.

The change in accounting policy has been applied prospectively to new business combinations occurring on or after 1 May 2010 and has no material impact on earnings per share.

Accounting for acquisition of non-controlling interests

From 1 May 2010, the Group has applied FRS 27 *Consolidation and Separate Financial Statements (2009)* in accounting for acquisitions of non-controlling interests. See note 3(a) for the new accounting policy.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

The change in accounting policy has been applied prospectively and has no impact on earnings per share.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

3 Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as available-for-sale financial asset depending on the level of influence retained.

Investments in associates

Associates are those entities in which the Group has influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the transactions includes transactions costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associates

Investments in subsidiaries and associates are stated in the Company's balance sheet at cost less accumulated impairment losses.

3 Significant accounting policies (cont'd)

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 May 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 May 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

3 Significant accounting policies (cont'd)

(c) Property, plant and equipment (cont'd)

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

Subsequent costs

The cost of replacing component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Construction work-in-progress are not depreciated. Depreciation will commence when the asset is ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	10 to 60 years, or lease term if shorter
Motor vehicles, trucks and prime movers	5 to 15 years
Office equipment and machinery	5 to 30 years
Furniture, fixtures and fittings	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(d) Intangible assets

Goodwill

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

3 Significant accounting policies (cont'd)

(d) Intangible assets (cont'd)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently is measured at fair value with any changes therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

(f) Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

3 Significant accounting policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets designated at fair value through profit or loss comprise equity and debt securities that otherwise would have been classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables including compound financial instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with original maturities of three months or less.

Compound financial instruments

The Group has investments in associates in the form of redeemable cumulative convertible preference shares and convertible loans with embedded options to convert them into ordinary equity shares. The redeemable cumulative convertible preference shares and convertible loans are classified as loans and receivables and stated in the Group's balance sheet at amortised cost using the effective interest method. The embedded options are classified as derivative financial assets and changes in the fair values of the embedded options are taken to profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(i)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Equity securities which do not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost less impairment losses.

Available-for-sale financial assets comprise equity securities.

Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3 Significant accounting policies (cont'd)

(f) Financial instruments (cont'd)

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

(g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's balance sheets.

(h) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(i) Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3 Significant accounting policies (cont'd)

(i) Impairment (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

3 Significant accounting policies (cont'd)

(i) Impairment (cont'd)

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

(j) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Long-term employee benefits

The Group's net obligation in respect of the other employee benefits, other than pension plans is the amount of future benefits that employees have earned in return for their service in the current and prior periods and that benefits are discounted to determine its present value.

(k) Revenue recognition

Services

Revenue from outward freight forwarding is recognised upon shipment. Revenue from inward freight forwarding is recognised when goods are delivered. Revenue from warehousing and logistics, and chemical and logistics services are recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received.

3 Significant accounting policies (cont'd)

(k) Revenue recognition (cont'd)

Management fees

Revenue from management fees business is recognised only when it is probable that the economic benefit associated with the provision of services will flow to the Group.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(l) Government grants

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt.

(m) Finance income and finance costs

Finance income comprises interest income on funds invested (including financial assets at fair value through profit or loss). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 Significant accounting policies (cont'd)

(o) Earnings per share

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

(q) New standards and interpretations not yet adopted

A number of amendments to standards and interpretations are effective for annual periods beginning after 1 May 2010, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

4 Property, plant and equipment

Group	Freehold properties $'000	Leasehold properties $'000	Motor vehicles, trucks and prime movers $'000	Office equipment and machinery $'000	Furniture, fixtures and fittings $'000	Construction work-in-progress $'000	Total $'000
Cost							
At 1 May 2009	657	121,664	9,755	16,555	5,265	10,964	164,860
Additions	–	–	2,619	1,443	261	4,520	8,843
Disposals/Write-offs	–	–	(710)	(589)	–	–	(1,299)
Disposal of subsidiary	–	–	(144)	(49)	(1)	–	(194)
Translation differences	6	–	177	12	(15)	–	180
Reclassifications	–	15,484	–	(1)	1	(15,484)	–
At 30 April 2010	663	137,148	11,697	17,371	5,511	–	172,390
Additions	54	11,169	2,598	1,911	769	219	16,720
Disposals/Write-offs	–	(80,690)	(580)	(124)	(4)	–	(81,398)
Translation differences	(21)	–	(214)	(102)	(25)	–	(362)
Reclassifications	(696)	696	–	–	–	–	–
At 30 April 2011	–	68,323	13,501	19,056	6,251	219	107,350

4 Property, plant and equipment (cont'd)

Group	Freehold properties $'000	Leasehold properties $'000	Motor vehicles, trucks and prime movers $'000	Office equipment and machinery $'000	Furniture, fixtures and fittings $'000	Construction work-in-progress $'000	Total $'000
Accumulated depreciation and impairment losses							
At 1 May 2009	89	46,312	3,293	12,452	2,979	–	65,125
Depreciation for the year	39	3,378	1,231	945	566	–	6,159
Impairment losses written back	–	(4,417)	–	–	–	–	(4,417)
Disposals/Write-offs	–	–	(630)	(575)	–	–	(1,205)
Disposal of subsidiary	–	–	(144)	(36)	–	–	(180)
Translation differences	1	–	137	4	(5)	–	137
Reclassifications	–	–	–	(1)	1	–	–
At 30 April 2010	129	45,273	3,887	12,789	3,541	–	65,619
Depreciation for the year	49	4,972	1,588	1,231	633	–	8,473
Impairment losses written back	–	(13,988)	–	–	–	–	(13,988)
Disposals/Write-offs	–	(16,086)	(477)	(101)	(4)	–	(16,668)
Translation differences	(8)	–	(156)	(60)	(16)	–	(240)
Reclassifications	(170)	170	–	–	–	–	–
At 30 April 2011	–	20,341	4,842	13,859	4,154	–	43,196
Carrying amount							
At 1 May 2009	568	75,352	6,462	4,103	2,286	10,964	99,735
At 30 April 2010	534	91,875	7,810	4,582	1,970	–	106,771
At 30 April 2011	–	47,982	8,659	5,197	2,097	219	64,154

4 Property, plant and equipment (cont'd)

Company	Motor vehicles $'000	Office equipment $'000	Furniture, fixtures and fittings $'000	Total $'000
Cost				
At 1 May 2009	757	220	37	1,014
Additions	–	4	–	4
At 30 April 2010	757	224	37	1,018
Additions	–	11	–	11
Disposals	–	(10)	–	(10)
At 30 April 2011	757	225	37	1,019
Accumulated depreciation				
At 1 May 2009	288	176	35	499
Depreciation for the year	76	19	1	96
At 30 April 2010	364	195	36	595
Depreciation for the year	76	18	–	94
Disposals	–	(10)	–	(10)
At 30 April 2011	440	203	36	679
Carrying amount				
At 1 May 2009	469	44	2	515
At 30 April 2010	393	29	1	423
At 30 April 2011	317	22	1	340

Cost of construction work-in-progress comprises:

	Group 2011 $'000	Group 2010 $'000
Development costs	80	–
Consultancy fees and administration fees	139	–
	219	–

In November 2010, three properties at 51 Penjuru Road, 33 & 35 Penjuru Lane and 18 Gul Drive of a carrying amount of $64,604,000 were sold to Sabana *Shari'ah* Compliant Industrial Real Estate Investment Trust (Sabana REIT) for a total consideration of $153,486,000 with a leaseback period of 5 years. The sales of the properties had resulted in gain on disposal of $2,896,000, with the excess of net proceeds over the fair value of $85,986,000 being deferred and amortised to profit or loss on a systematic basis over the lease term of 5 years.

4 Property, plant and equipment (cont'd)

The following are the significant accounting estimates and judgements made by the Group to value its property, plant and equipment:

Impairment

The Group has substantial investments in property, plant and equipment in its warehousing and logistics business, and chemical storage and logistics business. Management evaluates the financial performance of the Group's property, plant and equipment annually and performed an impairment assessment at year end. For impairment assessment purposes, each of the properties and the related plant and machinery is a separate cash-generating unit (CGU). The Group has a total of 3 CGUs in the warehousing and logistics business and 2 CGUs in chemical and storage business.

The carrying value of property, plant and equipment of a CGU is substantially made up of the carrying value of the CGU's properties.

For all CGUs, the recoverable amount of the properties is the fair value less costs to sell. The fair value of the properties was determined based on open market values appraised by independent professional valuers, Colliers International Consultancy Valuation (Singapore) Pte Ltd and Chesterton Suntec International Pte Ltd, close to the reporting date.

The recoverable amount of the related plant and machinery was determined using a value in use calculation. The value in use was based on discounted cash flow projections over a period of 5 years using the approved budget for 2012 as the baseline year. No growth in sales was assumed for the 5 years and no terminal value was considered.

The cash flow projections took into account the Group's historical experience of tenancy lease renewal and assessment of the future market trend in the businesses. A pre-tax discount rate of 9.6% was applied in determining the recoverable amount.

Based on management's assessment, the Group wrote back impairment losses of $13,988,000 relating to 2 CGUs and the reversal was recorded under other income in profit or loss. In the previous year, the Group wrote back impairment losses of $4,417,000 in profit or loss.

Assets under finance leases

The Group leases motor vehicles, trucks and prime movers under a number of finance lease agreements. As at 30 April 2011, the net carrying amount of leased plant and equipment was $5,425,000 (2010: $6,051,000).

During the year, the Group acquired property, plant and equipment with an aggregate cost of $16,720,000 (2010: $8,843,000), of which $509,000 (2010: $2,233,000) was acquired under finance leases.

Security

The following property, plant and equipment have been pledged as security to secure bank loans and other credit facilities extended to certain subsidiaries as set out in note 15:

	Group	
	2011	**2010**
	$'000	**$'000**
Net book value		
Leasehold properties	47,456	68,823

4 Property, plant and equipment (cont'd)

Source of estimation uncertainty and critical judgement

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expenses to be recorded at each financial year. Changes in the expected level of use of the assets and the Group's historical experience with similar assets, after taking into account anticipated technological changes, could impact the economic useful lives and the residual values of the assets; therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charge and consequently affect the Group's results. The residual value is reviewed at each reporting date, with any changes in estimate accounted for prospectively.

During the year, there was accelerated depreciation of $2,040,000 for the property at 146 Gul Circle in view of the Group's plan to demolish the building for the redevelopment of the property.

5 Intangible assets

Group	Note	Goodwill on consolidation $'000
Cost		
At 1 May 2009 and 30 April 2010		1,127
Acquisition through business combinations	24	472
At 30 April 2011		1,599
Accumulated impairment losses		
At 1 May 2009, 30 April 2010 and 30 April 2011		145
Carrying amount		
At 1 May 2009 and 30 April 2010		982
At 30 April 2011		1,454

Impairment assessment for cash-generation units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating businesses. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	Group 2011 $'000	Group 2010 $'000
Chemical and storage business	982	982
Management fees business	472	–
	1,454	982

The recoverable amount of the CGU was determined based on its value in use. Details of the basis and key assumptions are set out in note 4 to the financial statements.

The values assigned to the key assumptions represent management's assessment of future trends in the respective industries and are based on both external sources and internal sources (historical data). The recoverable amount was computed to be higher than the carrying amount and accordingly, no impairment loss has been recognised during the year (2010: Nil).

6 Investment properties

	Group 2011 $'000	Group 2010 $'000
At 1 May	25,700	24,000
Change in fair value	–	1,700
Disposals	(25,700)	–
At 30 April	–	25,700

Investment properties at 30 & 32 Tuas Avenue 8 and 218 Pandan Loop were sold and leased back from Sabana REIT for a consideration of $36,909,000 in November 2010 with a leaseback period of 5 years. The excess of net proceeds over the fair value of $11,209,000 was deferred and amortised to profit or loss on a systematic basis over the lease term of 5 years.

Property rental income earned by the Group from these 2 properties during the year, all of which are leased out under operating leases, amounted to $2,282,000 (2010: $2,260,000). The leases contain initial non-cancellable periods of 3 to 10 years. Subsequent renewal is negotiable with the lessees.

7 Subsidiaries

	Company 2011 $'000	Company 2010 $'000
Equity investments, at cost	18,362	16,362
Less: Accumulated impairment losses		
At 1 May	(4,099)	(8,608)
Impairment losses (recognised)/reversed	(14)	4,509
At 30 April	(4,113)	(4,099)
	14,249	12,263

Details of significant subsidiaries of the Group are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group 2011 %	Effective equity held by the Group 2010 %
Freight Links Express Pte Ltd	Singapore	100	100
Freight Links Logistics Pte Ltd	Singapore	100	100
Freight Links Express Distripark Pte Ltd	Singapore	100	100
Crystal Freight Services Pte Ltd	Singapore	100	100
Freight Links Express Logisticentre Pte Ltd	Singapore	100	100
Freight Links Express Districentre Pte Ltd	Singapore	100	100
Crystal Freight Services Distripark Pte Ltd	Singapore	100	100
Freight Links E-logistics Technopark Pte Ltd	Singapore	100	100
Freight Links Fabpark Pte Ltd	Singapore	100	100
Freight Links Express Air Systems Pte Ltd	Singapore	100	100
Freight Links Express Logisticpark Pte Ltd	Singapore	100	100
Singapore Enterprises Private Limited	Singapore	100	100

7 Subsidiaries (cont'd)

Name of subsidiary	Country of incorporation	Effective equity held by the Group 2011 %	2010 %
LTH Logistics (Singapore) Pte Ltd	Singapore	51	51
Lee Thong Hung Trading and Transport Sdn. Bhd.	Malaysia	50.8	50.8
Freight Links Express (Thailand) Co., Ltd	Thailand	49	49
Freight Links (Jiangsu) Co., Ltd	People's Republic of China	65.5	65.5
Sabana Investment Partners Pte Ltd	Singapore	51	–
Sabana Real Estate Investment Management Pte Ltd	Singapore	51	–
Sabana Property Management Pte Ltd	Singapore	51	–

KPMG LLP (Singapore) is the auditor of all significant Singapore incorporated subsidiaries. A member firm of KPMG International is the auditor of Freight Links Express (Thailand) Co., Ltd. Freight Links (Jiangsu) Co., Ltd and Lee Thong Hung and Transport Sdn. Bhd. are audited by Zhonghua Certified Public Accountants and SE Lai Associates, respectively.

Although the Group owns less than half of the voting rights of Freight Links Express (Thailand) Co., Ltd, the Group is able to govern the financial and operating policies and control the composition of the board of directors. Consequently, the Group consolidates its investment in the company as a subsidiary of the Group.

The recoverable amounts of the investments in subsidiaries were determined based on the estimated net selling price of the subsidiaries. At the reporting date, the Company reassessed the recoverable amounts of its investments in subsidiaries based on available financial information and recognised impairment loss of approximately $14,000 (2010: wrote back impairment loss of approximately $532,000) to the Company's profit or loss.

8 Associates

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Convertible loans to an associate	9,705	13,885	9,705	13,885
Redeemable cumulative convertible preference shares in an associate	12,796	14,148	10,755	11,988
Loans and receivables	22,501	28,033	20,460	25,873
Investment in associates	29,072	10,712	17,520	–
	51,573	38,745	37,980	25,873

Convertible loans to an associate

	Group and Company 2011 $'000	Group and Company 2010 $'000
At 1 May	13,885	27,824
Redemption	(1,625)	(13,433)
Interest income	852	–
Unrealised exchange loss recognised in profit or loss	(3,407)	(506)
At 30 April	9,705	13,885

8 Associates (cont'd)

(a) Convertible loans to an associate were extended to the following entity:

Name of associate	**Country of incorporation**
Fudao Petrochemicals Group Pte Ltd (Fudao)*	Singapore

* This company is not audited by KPMG LLP (Singapore) or member firms of KPMG International.

The above company is regarded as an associate as the Company has representation on the board of directors and has significant influence over the financial and operating policies of the company.

(b) The convertible loans to an associate which are denominated in Chinese renminbi, are secured over the shares and assets of the associate.

(c) The convertible loans bear a contractual interest rate of 10% (2010: 10%) per annum. The effective interest rate is 10% (2010: 10%) per annum.

(d) Unless converted into new fully paid-up ordinary shares in the capital of Fudao, the convertible loan shall be repaid in cash, with all accrued and unpaid interest to the Company. The loan is convertible into equity shares in Fudao if specific performance criteria are met and upon conversion, the Company shall hold between 27% and 50% of the issued share capital of Fudao. At the reporting date, the specific performance criteria for conversion have not been met.

(e) The fair value of the convertible loans as at the reporting date is approximately $9,705,000 (2010: $13,885,000).

Redeemable cumulative convertible preference shares (RCCPS) in an associate

	Group		**Company**	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
At 1 May	14,148	15,257	11,988	12,924
Unrealised exchange loss recognised in profit or loss	(1,233)	(936)	(1,233)	(936)
Exchange loss recognised in equity for RCCPS held by a foreign subsidiary	(119)	(173)	–	–
At 30 April	12,796	14,148	10,755	11,988

(a) Details of the associate are as follows:

Name of associate	**Country of incorporation**
China GSD Logistics Pte Ltd (GSD)*	Singapore

* This company is not audited by KPMG LLP (Singapore) or member firms of KPMG International.

The above company is regarded as an associate as the Company has representation on the board of directors and has significant influence over the financial and operating policies of the company.

8 Associates (cont'd)

(b) Terms and conditions of the RCCPS:

(i) Each RCCPS shall confer on the Company the right to be paid in priority to any other distributions in respect of any other classes of shares, preference dividends on a cumulative basis, of an amount equal to 7% (2010: 7%) per annum of the issue price payable on each RCCPS in each year the RCCPS are in issue;

(ii) In the event of liquidation of GSD, the Company has priority in the repayment of capital together with any arrears of any declared but unpaid dividend on a cumulative basis. In addition, the Company is entitled to participate in the distribution of the surplus assets on liquidation of GSD equally with the holders of ordinary shares;

(iii) Each RCCPS is convertible at the sole discretion of the Company into 1 ordinary share in the capital of GSD. The Company has the right to convert the RCCPS any time after (a) receipt by GSD of Eligibility-to-List letter from an exchange or (b) 3 November 2006, if GSD is not listed on an exchange by 3 November 2006. As at the reporting date, the Company has yet to exercise its rights to convert the RCCPS and retains its rights to do so;

(iv) The RCCPS are secured over the shares of GSD; and

(v) Upon conversion, the Company shall hold 39.04% of the issued share capital of GSD.

(c) The RCCPS is denominated in United States dollar.

(d) The fair value of the RCCPS as at the balance sheet date is approximately $12,796,000 (2010: $14,148,000).

Investment in associates

Details of significant associates are as follows:

Name of associate	**Country of incorporation**	**Effective equity held by the Group**	
		2011	**2010**
		%	**%**
Freight Management Holdings Bhd (FMHB)*	Malaysia	20	20
China Southwest Energy Corporation Ltd (China SW)*	Hong Kong	24	–
Sentosa Capital Pte Ltd*	Singapore	30	–

* These companies are not audited by KPMG LLP (Singapore) or member firms of KPMG International.

In January 2011, the Company entered into Share Sales & Purchase Agreement (S&P Agreement) with a major shareholder of China SW in respect of convertible preference shares. Terms and conditions of S&P Agreement are as follows:

(a) The Company shall be eligible to redeem the preferred shares at the initial investment price plus 18% interest per annum of the consideration on 1 February 2012 or occurrence of significant events described in the S&P Agreement.

(b) In the event that China SW do not redeem the preferred shares by 1 February 2012, the major shareholder of China SW warrants to pay to the Company an additional interest of 7.5% per annum of the consideration.

8 Associates (cont'd)

(c) Rights/Preferences of convertible preferred shares

(i) Each preferred share is entitled to receive share dividends as and when declared. Each preferred share is not entitled to any preferential right of participation in the profits of China SW.

(ii) Upon a return of capital on liquidation, winding-up or dissolution, the assets and funds of China SW shall be applied first to the holders of the preferred shareholders at the subscription price of the preferred shares at which they were first allotted together with all accrued or declared but unpaid dividends thereon.

(iii) The holder of preferred shares shall have the same voting rights as ordinary shareholders.

(d) Each preferred share is convertible at the sole discretion of the Company into 1 ordinary share in the capital of China SW. As at the reporting date, the Company has yet to exercise its rights to convert the preferred shares and retains its rights to do so.

Summarised financial information of associates

The summarised financial information of Fudao and GSD are included in the aggregate financial information set out below. The results of these associates are not equity accounted as the Company does not hold equity interest in them.

The summarised financial information relating to associates is not adjusted for the percentage of ownership held by the Group. The financial information of the associates based on unadjusted financial statements for 12 months period is as follows:

	Group	
	2011	**2010**
	$'000	**$'000**
Assets and liabilities		
Total assets	316,460	200,248
Total liabilities	164,268	127,261
Results		
Revenue	246,269	135,127
Profit after tax	54,085	3,452

The Group revaluates annually whether there is any objective evidence that the convertible loans and RCCPS in associates are impaired, and determines the amount of impairment loss, if any, as a result of the associates' inability to make the repayments. The Group determines the estimates based on historical repayments, financial performance and the quality of the assets of the associates. If the financial conditions of the associates were to deteriorate, impairment may need to be recognised.

9 Other investments

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Non-current investments				
Available-for-sale financial assets				
- quoted equity securities	26,748	–	–	–
- unquoted equity securities	236	–	–	–
Restricted fixed deposits	127	–	–	–
Club membership	50	50	22	22
	27,161	50	22	22

9 Other investments (cont'd)

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Current investments				
Financial assets at fair value through profit or loss				
- quoted equity securities	31,120	193	8,583	–
- unquoted equity securities	36,800	–	36,800	–
- debt securities	25,957	–	25,957	–
	93,877	193	71,340	–
	121,038	243	71,362	22

Interest-bearing debt securities of the Group and the Company with a carrying amount of $25,957,000 at 30 April 2011 have stated interest rates of 4% to 4.85% per annum and mature in 2 to 3 years.

The restricted fixed deposit represents fixed deposits which are pledged as collateral for utilities charges.

10 Trade and other receivables

	Note	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Non-current assets					
Non-trade amounts due from subsidiaries	(a)	–	–	79,818	106,153
Loans to subsidiaries	(b)	–	–	126,911	90,591
Impairment losses		–	–	(90,867)	(110,667)
Net receivables		–	–	115,862	86,077
Loan to a minority shareholder of a subsidiary		–	2,000	–	–
Deposits		54	–	–	–
Loans and receivables		54	2,000	115,862	86,077
Prepayments		110	208	–	–
		164	2,208	115,862	86,077
Current assets					
Trade receivables					
- subsidiaries		–	–	883	1,035
- third parties		25,245	22,704	–	–
		25,245	22,704	883	1,035
Impairment losses		(588)	(666)	–	–
Net trade receivables		24,657	22,038	883	1,035
Receivables from sale of warehouse		–	6,761	–	–
Loan to an associate		–	1,367	–	1,367
Amounts due from related parties	(c)	1,652	147	5	5
Loan to a related party	(d)	1,503	–	–	–
Deposits		1,422	693	2	1
Tax recoverable		30	80	–	20
Interest receivables		712	145	705	126
Other receivables		1,431	906	301	331
Loans and receivables		31,407	32,137	1,896	2,885
Advances		31	321	–	–
Consumables		175	436	–	–
Other prepayments		4,525	2,404	21	22
		36,138	35,298	1,917	2,907

10 Trade and other receivables (cont'd)

(a) Non-trade amounts due from subsidiaries are unsecured, interest-free and not expected to be repaid within the next twelve months from the reporting date.

(b) Loans to subsidiaries are unsecured and are not expected to be repaid within the next twelve months. Interest is charged at 1.0% above market swap rate determined at the beginning of each month on the net receivables. The average effective interest rate at reporting date was 1.24% (2010: 1.48%) per annum.

(c) Amounts due from related parties are unsecured, interest-free and are repayable on demand.

(d) Loan to a related party bears interest at 10% per annum and the amount is due in October 2011 in accordance with the loan agreement.

11 Cash and cash equivalents

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and in hand	24,305	13,333	5,202	1,816
Deposits with banks	4,307	25,184	–	19,500
Cash and cash equivalents	28,612	38,517	5,202	21,316
Bank overdrafts (note 15)	(942)	(552)		
Cash and cash equivalents in the consolidated statement of cash flows	27,670	37,965		

Included in cash and cash equivalents are amounts of $724,000 (2010: $2,661,000) held in countries under foreign exchange controls.

The weighted average effective interest rate per annum relating to cash and cash equivalents, excluding bank overdrafts, at the reporting date for the Group ranges from 0.10% to 2.75% (2010: 0.10% to 2.05%). Interest rates reprice at intervals of three months.

12 Share capital

	Group and Company	
	2011	**2010**
	No. of shares ('000)	**No. of shares ('000)**
Fully paid ordinary shares, with no par value:		
At 1 May	2,131,493	2,111,493
Issue of new shares	91,508	20,000
At 30 April	2,223,001	2,131,493

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

On 22 October 2010, the Company issued 91,507,897 new ordinary shares for value of $5,032,934 to eligible shareholders who have elected to participate in the Scrip Dividend Scheme in respect of the dividend declared and paid for the financial year ended 30 April 2010.

12 Share capital (cont'd)

Capital management

The Board defines capital to include share capital, accumulated profits and other reserves. The Board's policy is to maintain a sound capital base so as to sustain the future development and expansion of the Group's business in order to maintain investor and creditor confidence in the Group. The Board of Directors monitors the level of dividend payment taking into consideration the Group's business expansion requirements.

The Board of Directors also seeks to maintain a balanced level of borrowings with a view to optimise financial return to shareholders. Based on historical results attained in past 5 years, the Group targets to achieve a return on shareholders' equity (ROE) of between 14.0% and 18.0%. In 2011, the Group achieved a ROE of 10.4% (2010: 9.5%).

The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as total borrowings, net of cash and cash equivalents, divided by total shareholders' equity excluding non-controlling interests. The Group's strategy is to maintain a net debt-to-equity ratio of under 1.0. The Group is in a net cash position of $16,833,000 as at 30 April 2011. The net debt-to-equity ratio was 0.13 as at 30 April 2010.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements, except for certain financial covenants (including those relating to consolidated net assets) as stipulated by its bankers in respect of term loans drawn down.

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company	
	2011	**2010**
	$'000	**$'000**
First and final dividend paid in respect of the previous financial year of 0.25 cents (2010: nil) per share	5,329	–
Special dividend paid in respect of the previous financial year of 0.10 cents (2010: nil) per share	2,131	–
	7,460	–

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These dividends have not been provided for.

	Group and Company	
	2011	**2010**
	$'000	**$'000**
First and final dividend paid in respect of the current financial year of 0.40 cents (2010: 0.25 cents) per share	8,892	5,329
Special dividend paid in respect of the current financial year of nil cent (2010: 0.10 cents) per share	–	2,131
	8,892	7,460

13 Reserves

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Fair value reserve	(2,949)	–	–	–
Foreign currency translation reserve	2,012	2,104	–	–
Capital reserve	7,082	7,082	7,082	7,082
	6,145	9,186	7,082	7,082
Accumulated profits	69,804	60,978	33,509	27,299
	75,949	70,164	40,591	34,381

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

Capital reserve arises from the issue and exercise of warrants.

The accumulated profits of the Group include an amount of $3,360,000 (2010: $3,358,000) attributable to associates.

14 Share options

FLEH Share Option Scheme

The FLEH Share Option Scheme (the Scheme) was approved by members of the Company at an Extraordinary General Meeting held on 28 June 2004. The Scheme is administered by the Company's Remuneration Committee.

The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Remuneration Committee:

(i) in relation to the Group:
  (a) all the directors of the Company and its subsidiaries; and
  (b) all confirmed full-time employees of the Group who are not less than 21 years old;

(ii) in relation to the immediate holding company:
  (a) all the directors of the immediate holding company and its subsidiaries; and
  (b) all confirmed full-time employees of the immediate holding company and its subsidiaries who are not less than 21 years old;

(iii) in relation to the associated companies:
  (a) all the directors of associated companies; and
  (b) all confirmed full-time employees of associated companies who are not less than 21 years old;

who, in the opinion of the Remuneration Committee, have contributed to the success and the development of the Group.

Person who is Controlling Shareholder or his associate shall not participate in the Scheme unless:

(i) clear justification have been provided to shareholders for their participation;

(ii) their participation and the actual number and terms of any option to be granted to them have been specifically approved by independent shareholders of the Company in a general meeting in separate resolutions for each such Controlling Shareholder; and

(iii) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.

Controlling Shareholders and his associates refer to Eric Khua Kian Keong, the Chief Executive Officer of the Company and Khua Hock Su, the Non-Executive Chairman.

14 Share options (cont'd)

The Remuneration Committee shall have absolute discretion to decide whether a person who is participating in this Scheme shall be eligible to participate in any other share option scheme implemented by the Company or any other Company within the Group.

Other information regarding the Scheme is set out below:

(i) The options are exercisable to subscribe for new ordinary shares in the capital of the Company;

(ii) The options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by an option holder giving notice in writing to the Company and accompanied by the remittance for the aggregate subscription cost; and

(iii) The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

No share option has been issued under the Scheme.

15 Loans and borrowings

	Note	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Non-current liabilities					
Floating rate term loans		7,430	41,150	–	11,583
Fixed rate term loans		–	5,172	–	–
Finance lease liabilities		1,688	2,344	–	10
		9,118	48,666	–	11,593
Current liabilities					
Bank overdrafts	11	942	552	–	–
Floating rate term loans		506	6,407	–	2,251
Fixed rate term loans		–	580	–	–
Finance lease liabilities		1,213	1,298	10	49
		2,661	8,837	10	2,300
		11,779	57,503	10	13,893

The term loans of the subsidiaries of $7,558,000 (2010: $38,487,000) are secured by legal mortgages over the leasehold properties of the Group as disclosed in note 4.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	2011 Face value $'000	2011 Carrying amount $'000	2010 Face value $'000	2010 Carrying amount $'000
Group						
Floating rate term loans	1.00% – 2.50% above SIBOR rate	2011 – 2021	7,936	7,936	14,934	14,934
	1.00% – 1.35% above swap rate	2011	–	–	32,623	32,623
Fixed rate term loans	5.50%	2011	–	–	5,752	5,752
Finance lease liabilities	2.30% – 6.50%	2011 – 2015	2,901	2,901	3,642	3,642
Bank overdrafts	6.30% – 7.25%	–	942	942	552	552
			11,779	11,779	57,503	57,503
Company						
Floating rate term loans	2.25% – 2.50% above SIBOR rate	2011	–	–	13,834	13,834
Finance lease liabilities	2.30%	2012	10	10	59	59
			10	10	13,893	13,893

15 Loans and borrowings (cont'd)

Finance lease liabilities

At 30 April, the Group and the Company have obligations under finance leases that are payable as follows:

	Principal 2011 $'000	Interest 2011 $'000	Payments 2011 $'000	Principal 2010 $'000	Interest 2010 $'000	Payments 2010 $'000
Group						
Repayable within one year	1,213	184	1,397	1,298	219	1,517
Repayable after one year but within five years	1,688	135	1,823	2,344	253	2,597
Total	2,901	319	3,220	3,642	472	4,114
Company						
Repayable within one year	10	1	11	49	6	55
Repayable after one year but within five years	–	–	–	10	1	11
Total	10	1	11	59	7	66

16 Trade and other payables

		Group		Company	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Non-current liabilities					
Non-trade amounts due to subsidiaries	(a)	–	–	2,105	1,774
Loans from subsidiaries	(b)	–	–	121,815	22,308
Deferred revenue	(c)	70,773	3,668	–	–
Long-term employee benefits	(d)	1,319	–	1,026	–
		72,092	3,668	124,946	24,082
Current liabilities					
Trade payables		12,635	13,519	–	–
Deposits and advances		6,587	6,329	–	–
Deferred revenue	(c)	21,990	2,989	–	–
Construction cost payable		–	5,354	–	–
Amount due to related parties		1,648	–	–	–
Other payables		564	740	82	19
Accrued operating expenses		5,653	5,733	812	833
		49,077	34,664	894	852
Total trade and other payables		121,169	38,332	125,840	24,934

(a) The non-trade amounts due to subsidiaries are unsecured, interest-free and not expected to be repaid within the next twelve months from the reporting date.

(b) The loans from subsidiaries are unsecured and are not expected to be repaid within the next twelve months from the reporting date. Interest is charged at 1% above market swap rate determined at the beginning of each month on the net payables. The average effective interest rate at the reporting date was 1.24% (2010: 1.48%) per annum.

(c) Deferred revenue relates to the excess of sales proceeds over the fair values of the warehouse complexes disposed through sale and leaseback transactions. As the sale and leaseback transactions resulted in operating leases, the excess of the selling prices over fair values was deferred and accreted over the period for which the warehouse complexes are expected to be used. The deferred revenue is accreted on a straight-line basis over the respective lease periods of the warehouse complexes. Accretion of deferred revenue of $11,089,000 (2010: $2,989,000) has been recognised in the current financial year.

(d) Long-term employee benefits payable to certain directors upon their retirement are provided for in the financial statements based on their entitlement under the employment contract.

17 Deferred tax

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) are as follows:

Group	At 1 May 2009 $'000	Recognised in profit or loss (note 20) $'000	Exchange differences $'000	At 30 April 2010 $'000	Recognised in profit or loss (note 20) $'000	Exchange differences $'000	At 30 April 2011 $'000
Deferred tax assets							
Capital allowances carried forward	–	134	–	134	–	–	134
Provisions	(1)	64	–	63	56	–	119
Other items	(75)	168	2	95	(84)	(3)	8
Total	(76)	366	2	292	(28)	(3)	261
Deferred tax liabilities							
Property, plant and equipment	(242)	(555)	(6)	(803)	328	10	(465)
Deferred revenue	714	(714)	–	–	–	–	–
Total	472	(1,269)	(6)	(803)	328	10	(465)

Deferred tax liabilities of the Company are attributable to the following:

	Company 2011 $'000	Company 2010 $'000
Deferred tax liabilities		
Other items	4	4

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the balance sheets as follows:

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Deferred tax liabilities	(204)	(511)	(4)	(4)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2011 $'000	Group 2010 $'000
Capital allowances	17,998	8,371
Tax losses	9,315	5,363
	27,313	13,734

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The investment allowances, capital allowances and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items in accordance with the accounting policy stated in note 3(n).

18 Revenue

	Group 2011 $'000	Group 2010 $'000
Freight forwarding	68,789	60,446
Warehouse and logistics	22,205	19,383
Chemical storage and logistics	50,223	41,563
Management fees business	9,089	–
Other services rendered	3,822	4,410
Total revenue	154,128	125,802

19 Finance income and costs

	Group 2011 $'000	Group 2010 $'000
Interest income:		
- other receivables	144	311
- bank deposits	118	200
- loans to an associate	42	65
- debt securities	569	–
Finance income	873	576
Interest expense:		
- term loans	(762)	(2,313)
- bank overdrafts	(52)	(6)
- finance lease liabilities	(259)	(310)
- others	(3)	(4)
Finance costs	(1,076)	(2,633)
Net finance costs	(203)	(2,057)

20 Income tax

	Group 2011 $'000	Group 2010 $'000
Current tax expense		
Current year	4,841	1,476
Adjustment for prior periods	1,019	(241)
	5,860	1,235
Deferred tax expense		
(Reversal)/origination of temporary differences	(376)	815
Adjustment for prior periods	76	88
	(300)	903
Income tax expense excluding share of income tax of associates	5,560	2,138
Share of income tax of associates	322	332
Total income tax expense	5,882	2,470
Reconciliation of effective tax rate		
Profit before income tax	25,709	17,306
Tax calculated using Singapore tax rate of 17%	4,371	2,942
Effect of different tax rates in other countries	83	41
Income not subject to tax	(2,139)	(1,895)
Expenses not deductible for tax purposes	102	680
Utilisation of previously unrecognised tax losses	(1,458)	(254)
Deferred tax assets not recognised	3,793	677
Under/(Over)provided in prior years	1,095	(153)
Others	(287)	100
	5,560	2,138

21 Profit for the year

The following items have been included in arriving at profit for the year:

	Group	
	2011	2010
	$'000	$'000
Other income:		
Gain on fair value of:		
- interest rate swaps	–	156
- investment properties	–	1,700
- marketable securities	–	509
Interest income on convertible loans to an associate	852	2,471
Impairment loss on receivables written back	12	22
Impairment loss on leasehold properties written back	13,988	4,417
Write-back of accruals no longer required	–	13
Gain on disposal of property, plant and equipment	2,934	220
Gain on disposal of marketable securities	59	26
Gain on disposal of subsidiaries	–	3,960
Jobs credit	64	784
Dividend income		
- financial assets at fair value through profit or loss	41	7
- available-for-sale financial assets	821	–
Others	318	217
	19,089	14,502
Other expenses:		
Foreign exchange loss	7,113	3,733
Non-audit fees paid to:		
- auditors of the Company	–	18
- other auditors	–	3
Write-off of receivables from an associate	–	809
Contributions to defined contribution plans included in staff costs	3,320	1,850
Property, plant & equipment written off	4	–
Impairment loss on receivables	75	10
Loss on fair value of marketable securities	3,237	–

22 Earnings per share

	Group	
	2011	**2010**
	$'000	**$'000**
Basic earnings per share is computed based on:		
Net profit attributable to ordinary shareholders	16,286	13,851
	No. of shares ('000)	**No. of shares ('000)**
Issued ordinary shares at beginning of the year	2,131,493	2,111,493
Effect of ordinary shares issued	91,508	109,316
Weighted average number of ordinary shares at end of the year	2,223,001	2,220,809
	$'000	**$'000**
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	16,286	13,851

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive potential ordinary shares weighted for the period outstanding.

There are no dilutive potential ordinary shares during the year.

23 Segment reporting

The Group has 5 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports regularly. The following describes the operations in each of the Group's reportable segments:

Freight forwarding: provision of international freight forwarding services.

Warehousing and logistics: provision of distribution, storage and warehousing services.

Chemical storage and logistics: provision of chemical logistics, transportation and warehousing activities.

Management fees business: provision of real estate fund and property management services.

Other operations: provision of investment holdings, records management and document storage and international project management in exhibitions and events. None of these segments meets any of the quantitative thresholds for determining reportable segment in 2011 or 2010.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operates within these industries.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise investments (other than investment properties) and related revenue, loans and expenses, corporate assets and head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

23 Segment reporting (cont'd)

Geographical segments

The freight forwarding, warehousing and logistics, chemical storage and logistics, and management fees business segments are managed on a worldwide basis, but operate in seven principal geographical areas.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Operating segments

	Freight forwarding $'000	Warehousing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Revenue							
2011							
External revenue	68,789	22,205	50,223	9,089	3,822	–	154,128
Inter-segment revenue	2,856	5,693	179	–	2	(8,730)	–
Total revenue	71,645	27,898	50,402	9,089	3,824	(8,730)	154,128
Results							
Segment results	5,198	10,707	2,599	6,801	(2,786)	–	22,519
Unallocated corporate costs							
- foreign exchange loss							(6,903)
- other corporate costs							(3,172)
Accretion of deferred revenue	–	11,089	–	–	–	–	11,089
Results from operating activities							23,533
Interest income from an associate	–	–	–	–	852	–	852
Finance income	29	166	–	–	678	–	873
Finance costs	(1)	(471)	(343)	(14)	(247)	–	(1,076)
Share of profit of associates							1,527
Profit before income tax							25,709
Income tax expense	(1,631)	(2,415)	(247)	(1,006)	(261)	–	(5,560)
Profit for the year	3,595	19,076	2,009	5,781	(1,764)	–	20,149
Other segmental information							
Gain on disposal of property, plant and equipment	1	2,897	36	–	–	–	2,934
Write-back of impairment loss on leasehold properties	–	13,492	496	–	–	–	13,988

23 Segment reporting (cont'd)

	Freight forwarding $'000	Ware-housing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Revenue							
2010							
External revenue	60,446	19,383	41,563	–	4,410	–	125,802
Inter-segment revenue	4,019	5,049	468	–	8	(9,544)	–
Total revenue	64,465	24,432	42,031	–	4,418	(9,544)	125,802
Results							
Segment results	4,543	7,135	3,316	–	2,901	–	17,895
Unallocated corporate costs							
- foreign exchange loss							(2,465)
- other corporate costs							(2,407)
Accretion of deferred revenue	–	2,989	–	–	–	–	2,989
Results from operating activities							16,012
Interest income from an associate	–	–	–	–	2,471	–	2,471
Finance income	32	397	–	–	147	–	576
Finance costs	(272)	(1,041)	(479)	–	(841)	–	(2,633)
Share of profit of associates							880
Profit before income tax							17,306
Income tax expense	(592)	(1,056)	(154)	–	(336)	–	(2,138)
Profit for the year	3,711	8,424	2,683	–	4,342	–	15,168
Other segmental information							
Gain on fair value of investment properties	–	1,700	–	–	–	–	1,700
(Loss)/Gain on disposal of subsidiaries	(1)	(4)	–	–	3,965	–	3,960
Gain/(Loss) on disposal of property, plant and equipment	8	(22)	234	–	–	–	220
Write-back of impairment loss on leasehold properties	–	3,904	513	–	–	–	4,417
Write-off of receivable from an associate	–	–	–	–	(809)	–	(809)

23 Segment reporting (cont'd)

	Freight forwarding $'000	Ware-housing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Assets and liabilities 2011							
Segment assets	19,961	65,377	29,553	6,517	2,507	–	123,915
Tax recoverable							30
Associates							51,573
Other investments							121,038
Other unallocated assets							
- cash and cash equivalents							5,202
- others							1,375
Total assets							303,133
Segment liabilities	6,501	99,872	10,800	1,383	806	–	119,362
Financial liabilities							11,779
Deferred tax liabilities							204
Income tax liabilities							5,159
Other unallocated liabilities							1,807
Total liabilities							138,311
Assets and liabilities 2010							
Segment assets	18,599	123,104	42,231	–	1,869	–	185,803
Tax recoverable							80
Associates							38,745
Other investments							243
Other unallocated assets							
- cash and cash equivalents							21,316
- others							2,277
Total assets							248,464
Segment liabilities	7,416	13,922	15,195	–	1,049	–	37,582
Financial liabilities							57,503
Deferred tax liabilities							511
Income tax liabilities							1,478
Other unallocated liabilities							750
Total liabilities							97,824
Other segment information							
2011							
Capital expenditure	39	13,456	2,816	384	25	–	16,720
Depreciation	219	5,223	2,797	45	189	–	8,473
2010							
Capital expenditure	85	1,607	7,139	–	12	–	8,843
Depreciation	239	3,579	2,129	–	212	–	6,159

23 Segment reporting (cont'd)

Geographical segments

	Singapore $'000	ASEAN (excluding Singapore) $'000	Asia $'000	America $'000	Oceania $'000	Europe $'000	Middle East $'000	Others $'000	Group $'000
2011									
Revenue from external customers	68,607	28,345	27,299	6,061	4,596	8,768	6,955	3,497	154,128
Non-current assets*	90,763	3,819	211	–	–	–	46	–	94,839
Capital expenditure	15,403	1,285	32	–	–	–	–	–	16,720
2010									
Revenue from external customers	50,055	26,608	20,649	4,806	3,924	9,242	6,300	4,218	125,802
Non-current assets*	140,023	3,664	618	–	–	–	118	–	144,423
Capital expenditure	7,913	927	1	–	–	–	2	–	8,843

* Excluding convertible loans to an associate, RCCPS in an associate and investment in Sabana REIT units classified as available-for-sale financial assets.

24 Acquisition of subsidiary

In August 2010, the Company has subscribed for 51% equity interest in Sabana Investment Partners Pte Ltd. (SIP), a provider of business and management consultancy services. SIP is regarded as a subsidiary as the Company owns more than half of the voting rights and has control over the composition of its board of directors.

Taking control of SIP will enable the Group to participate in the Real Estate Investment Trust (REIT) Manager, Sabana Real Estate Investment Management Pte Ltd, and the Property Manager, Sabana Property Management Pte Ltd of the Sabana REIT. The acquisition is expected to provide the Group with positive impact in the earning of the Group.

From the acquisition date to 30 April 2011, SIP contributed revenue of $9.1 million and net profit of $5.8 million to the Group's results.

The consideration transferred was for an aggregate cash of $51.

The recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	$'000
Other receivables	4,144
Cash and cash equivalents	451
Loans and borrowings	(3,760)
Other payables	(1,760)
Total identifiable net liabilities	(925)

24 Acquisition of subsidiary (cont'd)

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	$'000
Total consideration transferred	–
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	(453)
Fair value of identifiable net liabilities	925
Goodwill	472

The goodwill is mainly attributable to the intangible assets that do not qualify for separate recognition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of $159,000 related to external legal and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's income statement.

25 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

25 Financial risk management (cont'd)

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows for a period of 60 days.

The Group funds its operations through a mix of internal funds and bank borrowings, and reviews regularly its liquidity reserves comprising free cash flows from its operations and undrawn facilities from banks.

The Group has been maintaining a cash pooling system where excess liquidity is equalised internally through intercompany accounts. Depending on specifics of each funding requirement, funding for its operating subsidiaries may be sourced directly from the Group's bankers or indirectly through the Company.

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, foreign exchange rates, equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group's policy is to manage interest cost by using a mix of fixed and variable rate debts.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents, and trade and other trade payables that are denominated in currencies other than the respective functional currencies of Group entities. The Group operates internationally and is exposed to foreign currency risks arising from various currency exposures. The Group's exposure to foreign currency receivables is significantly matched by its exposure to foreign currency payables, both predominantly denominated in United States dollar (USD), Chinese renminbi (RMB) and Australian dollar (AUD).

Equity securities price risk

The Group is exposed to equity securities price risk because of the investments held by the Group which are classified as available-for-sale or financial assets at fair value through profit or loss.

26 Financial instruments

Accounting classifications and fair values

Set out below is an analysis of the Group's and the Company's financial instruments:

Group	Note	Loans and receivables $'000	Available -for-sale financial assets $'000	Financial assets at fair value through profit or loss $'000	Liabilities at amortised costs $'000	Total carrying amount $'000	Fair value $'000
30 April 2011							
Assets							
Associates	8	22,501	–	–	–	22,501	22,501
Trade and other receivables excluding prepayments, advances and consumables	10	31,461	–	–	–	31,461	31,461
Other investments excluding club membership	9	127	26,984	93,877	–	120,988	120,988
Cash and cash equivalents	11	28,612	–	–	–	28,612	28,612
		82,701	26,984	93,877	–	203,562	203,562
Liabilities							
Loans and borrowings	15	–	–	–	11,779	11,779	11,779
Trade and other payables excluding deferred revenue	16	–	–	–	28,406	28,406	28,406
		–	–	–	40,185	40,185	40,185
30 April 2010							
Assets							
Associates	8	28,033	–	–	–	28,033	28,033
Trade and other receivables excluding prepayments, advances and consumables	10	34,137	–	–	–	34,137	34,137
Other investments excluding club membership	9	–	–	193	–	193	193
Cash and cash equivalents	11	38,517	–	–	–	38,517	38,517
		100,687	–	193	–	100,880	100,880
Liabilities							
Loans and borrowings	15	–	–	–	57,503	57,503	56,926
Trade and other payables excluding deferred revenue	16	–	–	–	31,675	31,675	31,675
		–	–	–	89,178	89,178	88,601

26 Financial instruments (cont'd)

Company	Note	Loans and receivables $'000	Financial assets at fair value through profit or loss $'000	Liabilities at amortised costs $'000	Total carrying amount $'000	Fair value $'000
30 April 2011						
Assets						
Associates	8	20,460	–	–	20,460	20,460
Trade and other receivables excluding prepayments	10	117,758	–	–	117,758	117,758
Other investments excluding club membership	9	–	71,340	–	71,340	71,340
Cash and cash equivalents	11	5,202	–	–	5,202	5,202
		143,420	71,340	–	214,760	214,760
Liabilities						
Loans and borrowings	15	–	–	10	10	10
Trade and other payables	16	–	–	125,840	125,840	125,840
		–	–	125,850	125,850	125,850
30 April 2010						
Assets						
Associates	8	25,873	–	–	25,873	25,873
Trade and other receivables excluding prepayments	10	88,962	–	–	88,962	88,962
Cash and cash equivalents	11	21,316	–	–	21,316	21,316
		136,151	–	–	136,151	136,151
Liabilities						
Loans and borrowings	15	–	–	13,893	13,893	13,846
Trade and other payables	16	–	–	24,934	24,934	24,934
		–	–	38,827	38,827	38,780

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

26 Financial instruments (cont'd)

Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 April 2011				
Available-for-sale financial assets	26,748	–	–	26,748
Financial assets at fair value through profit or loss	31,120	62,757	–	93,877
	57,868	62,757	–	120,625
30 April 2010				
Financial assets at fair value through profit or loss	193	–	–	193

During the financial year, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed and sell in a variety of end markets. The Group's historical experience in the collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

The maximum exposure to credit risk for loans and receivables at the reporting date (by business activities) is as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Freight forwarding	8,557	8,968	539	744
Warehousing and logistics	7,091	12,118	35,244	66,537
Chemical storage and logistics	12,687	10,499	9,425	10,715
Management fees business	874	–	–	–
Others	2,252	2,552	72,550	10,966
	31,461	34,137	117,758	88,962

Impairment losses

The aging of loans and receivables at the reporting date is:

	Gross 2011 $'000	Impairment Losses 2011 $'000	Gross 2010 $'000	Impairment Losses 2010 $'000
Group				
No credit terms	5,789	–	5,191	–
Not past due	17,413	–	21,467	–
Past due 0 – 30 days	4,431	–	3,621	(3)
Past due 31 – 120 days	3,455	(236)	3,511	–
More than 120 days	961	(352)	1,013	(663)
	32,049	(588)	34,803	(666)
Company				
No credit terms	1,008	–	1,845	–
Not past due	206,870	(90,867)	196,866	(110,667)
Past due 0 – 30 days	42	–	54	–
Past due 31 – 120 days	129	–	142	–
More than 120 days	576	–	722	–
	208,625	(90,867)	199,629	(110,667)

26 Financial instruments (cont'd)

The change in impairment losses in respect of loans and receivables during the year is as follows:

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
At 1 May	666	729	110,667	115,964
Impairment loss recognised	75	10	–	–
Impairment loss utilised	(141)	(27)	–	–
Impairment loss written back	(12)	(22)	(19,800)	(5,297)
Disposal of subsidiary	–	(24)	–	–
At 30 April	588	666	90,867	110,667

The Group evaluates whether there is any objective evidence that trade receivables are impaired, and determines the amount of impairment loss as a result of the inability of the customers or counterparties to make required payments. The Group determines the estimates based on the ageing of trade receivables, credit-worthiness, and historical write-off experience. Management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's loans and receivables. If the financial conditions of the customers or counterparties were to deteriorate, actual write-offs would be higher than estimated.

Liquidity risk

The following are the expected contractual undiscounted cash inflows (outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	Cash flows			
		Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
2011					
Non-derivative financial liabilities					
Finance lease liabilities	2,901	(3,220)	(1,397)	(1,823)	–
Term loans	7,936	(8,595)	(603)	(2,346)	(5,646)
Bank overdrafts	942	(942)	(942)	–	–
Trade and other payables*	28,406	(28,907)	(27,087)	(1,072)	(748)
	40,185	(41,664)	(30,029)	(5,241)	(6,394)
2010					
Non-derivative financial liabilities					
Finance lease liabilities	3,642	(4,114)	(1,517)	(2,597)	–
Term loans	53,309	(57,998)	(9,192)	(30,725)	(18,081)
Bank overdrafts	552	(552)	(552)	–	–
Trade and other payables*	31,675	(31,675)	(31,675)	–	–
	89,178	(94,339)	(42,936)	(33,322)	(18,081)

26 Financial instruments (cont'd)

	Carrying amount	Cash flows			
	$'000	Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Company					
2011					
Non-derivative financial liabilities					
Finance lease liabilities	10	(11)	(11)	–	–
Trade and other payables	125,840	(126,171)	(894)	(124,917)	(360)
	125,850	(126,182)	(905)	(124,917)	(360)
2010					
Non-derivative financial liabilities					
Term loans	13,834	(14,512)	(2,616)	(11,896)	–
Finance lease liabilities	59	(66)	(55)	(11)	–
Trade and other payables	24,934	(24,934)	(852)	(24,082)	–
	38,827	(39,512)	(3,523)	(35,989)	–

* Excludes deferred revenue

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group's policy is to manage interest cost by using a mix of fixed and variable rate debts.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Fixed rate instruments				
Associates	22,501	28,033	20,460	25,873
Restricted fixed deposits	127	–	–	–
Loan to a related party	1,503	–	–	–
Debt securities	25,957	–	25,957	–
Deposits with banks	4,307	25,184	–	19,500
Term loans	–	(5,752)	–	–
Finance lease liabilities	(2,901)	(3,642)	(10)	(59)
	51,494	43,823	46,407	45,314
Variable rate instruments				
Loans to subsidiaries	–	–	126,911	90,591
Loan to an associate	–	1,367	–	1,367
Loans from subsidiaries	–	–	(121,815)	(22,308)
Term loans	(7,936)	(47,557)	–	(13,834)
Bank overdrafts	(942)	(552)	–	–
	(8,878)	(46,742)	5,096	55,816

26 Financial instruments (cont'd)

Sensitivity analysis

For variable rate financial assets and liabilities, a change of 100 basis points (bp) in interest rate at the reporting date would increase/(decrease) profit by the amounts shown. A decrease of 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group Profit $'000	Company Profit $'000
30 April 2011		
Variable rate instruments	(74)	42
30 April 2010		
Variable rate instruments	(388)	463

There is no impact on equity.

Foreign currency risk

The Group's and the Company's exposures to foreign currency risk are as follows:

	30 April 2011			30 April 2010		
	USD $'000	RMB $'000	AUD $'000	USD $'000	RMB $'000	AUD $'000
Group						
Convertible loans to an associate and RCCPS in an associate	12,796	9,705	–	14,148	13,885	–
Other investments	36,800	–	10,318	–	–	–
Trade and other receivables	2,595	2,695	–	3,736	2,360	166
Cash and cash equivalents	3,233	986	–	1,637	2,456	–
Trade and other payables	(3,399)	(1,214)	(222)	(3,055)	(657)	(354)
	52,025	12,172	10,096	16,466	18,044	(188)
Company						
Convertible loans to an associate and RCCPS in an associate	12,796	9,705	–	11,988	13,885	–
Other investments	36,800	–	–	–	–	–
Trade and other receivables	1,615	1,738	–	1,367	–	166
Cash and cash equivalents	1,315	–	–	126	–	–
	52,526	11,443	–	13,481	13,885	166

Sensitivity analysis

A 10% strengthening of Singapore dollar against the following currencies at the reporting date would increase/(decrease) profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

26 Financial instruments (cont'd)

	Group Profit $'000	Company Profit $'000
30 April 2011		
USD	(4,318)	(4,360)
RMB	(1,010)	(950)
AUD	(838)	–
30 April 2010		
USD	(1,367)	(1,119)
RMB	(1,498)	(1,152)
AUD	16	(14)

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

There is no impact on equity.

Equity securities price risk

The Group is exposed to equity securities price risk because of the investment held by the Group which are classified as available-for-sale or financial assets at fair value through profit or loss.

Sensitivity analysis

A 10% increase in the underlying equity prices at the reporting date, with all other variables held constant, would increase profit/equity by the following amount:

	Group $'000	Company $'000
30 April 2011		
Profit	900	713
Equity	255	–
30 April 2010		
Profit	2	–

A 10% decrease in the underlying equity prices would have had the equal but opposite effect to the amounts shown above. The analysis is performed on the same basis for 2010 and assumes that all other variables remain constant.

27 Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Equity and debt securities

The fair value of equity and debt securities is determined by reference to their quoted closing bid price at the reporting date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate.

27 Determination of fair value (cont'd)

Non-derivative financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, and interest-bearing borrowings) or those which reprices within six months are assumed to approximate their fair value because of the short period to maturity or repricing. All other financial assets and liabilities are discounted to determine their fair values.

Interest rates used in determining fair values

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

	2011 %	2010 %
Term loans	1.31-1.33	1.36-5.50
Convertible loans to associate	10	10
Loans to associate	–	2.53-2.99
Bank overdraft	6.30-7.25	6.80-7.05
Finance lease liabilities	2.30-4.00	2.30-6.50

28 Commitments

Capital commitments

There was no outstanding capital commitment as at the end of this financial year.

Operating lease commitments

The Group leases a number of leasehold properties under operating leases. The leases typically run for an initial period of 1 to 10 years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

At 30 April 2011, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2011 $'000	2010 $'000
Within 1 year	27,289	11,890
After 1 year but within 5 years	66,890	17,094
After 5 years	15,981	41,201
	110,160	70,185

28 Commitments (cont'd)

The Group leases out its properties. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	2011	2010
	$'000	$'000
Within 1 year	12,934	10,041
After 1 year but within 5 years	21,261	16,318
After 5 years	7,128	9,684
	41,323	36,043

The Company has no significant capital and operating lease commitments at reporting date.

29 Contingent liabilities (unsecured)

Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of banking facilities amounting to $2,822,000 (2010: $41,899,000) to secure banking facilities provided to certain subsidiaries. The financial guarantees will expire when the loans have been paid and discharged and/or when the banking facilities are no longer available to the subsidiaries and the subsidiary of an associate. These financial guarantee contracts are accounted for as insurance contracts.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the subsidiaries which the guarantees were given on behalf of.

The intra-group financial guarantees for subsidiaries are eliminated in preparing the consolidated financial statements.

In addition, the Company has undertaken to provide financial support to certain of its subsidiaries for the next twelve months. The net liabilities of these entities which are included in the consolidated financial statements as at 30 April 2011 amounted to $106,287,000 (2010: $86,986,000).

30 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel of the Group and Company is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including directors and officers of the Group and Company.

Key management personnel compensation comprised:

	Group	
	2011	2010
	$'000	$'000
Short-term employee benefits	3,335	3,201
Long-term employee benefits	1,026	–
Defined contribution plans	157	139
	4,518	3,340

30 Related parties (cont'd)

Other related party transactions

During the year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties.

	Group	
	2011	**2010**
	$'000	**$'000**
Professional fees paid to TSMP Law Corporation	38	187
Disposal of a subsidiary to a minority shareholder of the subsidiary	–	372

Mr Derek Loh Eu Tse is a director of Freight Links Express Holdings Limited and is a shareholder and director of TSMP Law Corporation.

31 Subsequent events

(a) Subject to the approval by the shareholders at the next Annual General Meeting, the directors have proposed a first and final one-tier dividend of 0.40 cent per share amounting to approximately $8,892,000 for the financial year ended 30 April 2011. These financial statements do not reflect these proposed dividends, which will be accounted for in the statement of changes in equity as an appropriation of the accumulated profits in the financial year ending 30 April 2012.

(b) On 8 July 2011, LTH Logistics (Singapore) Pte Ltd had accepted JTC Corporation's (JTC) offer of 41,693 square metres of land at Banyan Drive, Jurong Island. The Group intends to develop the land into a multi-storey dangerous and non-dangerous chemical warehouse. The lease of land is subject to fulfilment of certain investment criteria stipulated by JTC.

1 Directors' remuneration

Company's directors receiving remuneration from the Group

	Number of directors	
	2011	2010
Remuneration of:		
$250,000 to below $500,000	3	3
Below $250,000	3	3
	6	6

SHAREHOLDERS' INFORMATION \\\

As At 20 July 2011

Issued and fully paid	2,223,000,782 ordinary shares
Class of Shares	Ordinary shares
Voting Right	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 – 999	422	2.96	116,982	0.01
1,000 – 10,000	6,576	46.12	39,874,044	1.79
10,001 – 1,000,000	7,167	50.27	577,007,796	25.96
1,000,001 – and above	93	0.65	1,606,001,960	72.24
Grand Total	**14,258**	**100.00**	**2,223,000,782**	**100.00**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

The percentage of shareholding held by the public is approximately 47.20%. Accordingly, Rule 723 of the Listing Manual has been complied with.

TWENTY LARGEST SHAREHOLDERS

S/N	Name of Shareholders	No. of Shares	% of Holdings
1	Vibrant Capital Pte Ltd	527,474,919	23.73
2	Mayban Nominees (Singapore) Pte Ltd	225,484,601	10.14
3	CIMB Nominees (Singapore) Pte Ltd	187,731,818	8.44
4	Hong Leong Finance Nominees Pte Ltd	184,076,909	8.28
5	United Overseas Bank Nominees (Private) Limited	71,987,840	3.24
6	Citibank Nominees Singapore Pte Ltd	65,717,292	2.96
7	DBS Nominees Pte Ltd	49,412,596	2.22
8	OCBC Nominees Singapore Private Limited	30,238,123	1.36
9	UOB Kay Hian Pte Ltd	20,433,383	0.92
10	OCBC Securities Private Limited	19,539,168	0.88
11	Wuhan Construction Pte Ltd	13,000,000	0.58
12	CIMB Securities (Singapore) Pte Ltd	12,968,030	0.58
13	Zhang Renfa	9,372,927	0.42
14	HL Bank Nominees (Singapore) Pte Ltd	8,824,382	0.40
15	Kim Eng Securities Pte. Ltd.	8,804,181	0.40
16	Andrew Lim Chee Seng	7,000,000	0.31
17	Phillip Securities Pte Ltd	5,849,431	0.26
18	Huang Yipeng	5,814,545	0.26
19	Yeo Swee Kiang	5,599,000	0.25
20	Sok Hang Chaw Or Sok Enwei	5,500,000	0.25
	Total:	**1,464,829,145**	**65.88**

SHAREHOLDERS' INFORMATION \\\

As At 20 July 2011

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders

		Number of Shares	
Name of Substantial Shareholders	**Notes**	**Direct Interest**	**Deemed Interest**
Vibrant Capital Pte Ltd	–	1,119,388,556	Nil
Eric Khua Kian Keong	1	50,735,455	1,119,388,556
Lian Hup Holdings Pte Ltd	2	Nil	1,119,388,556
Khua Hock Su	3	Nil	1,119,415,147
Vincent Khua Kian Ann	4	Nil	1,119,388,556
Khua Kian Hua	4	Nil	1,119,388,556

Notes:

1) Mr Eric Khua Kian Keong is deemed to be interested in 1,119,388,556 shares held by Vibrant Capital Pte Ltd ("Vibrant") by virtue of his controlling interest in Vibrant.

2) Lian Hup Holdings Pte Ltd ("Lian Hup") is deemed to be interested in 1,119,388,556 shares held by Vibrant by virtue of its shareholding interest in Vibrant.

3) Mr Khua Hock Su is deemed to be interested in a total of 1,119,415,147 shares, of which 1,119,388,556 shares are held by Vibrant by virtue of his shareholding interests in Lian Hup and 26,591 shares are held directly by his wife, Madam Lee Siew Geok.

4) Messrs Vincent Khua Kian Ann and Khua Kian Hua are deemed to be interested in 1,119,388,556 shares held by Vibrant by virtue of their respective shareholding interests in Lian Hup.

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

Company Registration No. 198600061G
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Freight Links Express Holdings Limited will be held at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143, on **Monday, 29 August 2011 at 9:30 a.m**. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended 30 April 2011 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a First and Final Dividend of 0.4 cent per ordinary share for the year ended 30 April 2011. (2010: First & Final 0.25 cent & Special Dividend 0.1 cent). **(Resolution 2)**

3. To approve the Directors' Fees of S$150,000/- for the year ended 30 April 2011 (2010: S$120,000/-). **(Resolution 3)**

4. To re-elect Mr Henry Chua Tiong Hock as a Director retiring under Article 94 of the Articles of Association of the Company. **(Resolution 4)**

5. To re-elect Mr Khua Hock Su as a Director retiring under Article 94 of the Articles of Association of the Company. **(Resolution 5)**

6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without amendments, as Ordinary Resolutions:

7. **Authority to issue Shares up to 50 per centum (50%) of the issued shares in the Capital of the Company**

   (a) THAT pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

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

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

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

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

   provided that:

   (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the Capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of the Instruments or any convertible securities that have been issued pursuant to any previous shareholders' approval and which are outstanding as at the date of the passing of this Resolution;

(ii) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

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

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

(4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.
(Resolution 7)

8. **Authority to allot and issue shares under FLEH Share Option Scheme**

That:-

(a) approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the FLEH Share Option Scheme; and

(b) approval be and is hereby given to the Directors to exercise full powers of the Company to issue, allot or otherwise dispose of shares in the Company as may be required to be issued, allotted or disposed, in connection with or pursuant to the exercise of the options granted under the FLEH Share Option Scheme.

Provided that the aggregate number of shares to be issued and allotted pursuant to the FLEH Share Option Scheme shall not exceed 15 percent of the total number of issued shares of the Company from time to time.
(Resolution 8)

9. **The Proposed Renewal of the Share Buyback Mandate**

That:-

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the **"Companies Act"**), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the **"Shares"**) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) an on-market purchase (**"On-Market Purchase"**) transacted through the SGX-ST's Central Limit Order Book trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or

(ii) an off-market purchase (**"Off-Market Purchase"**) pursuant to an equal access scheme(s) (as defined in Section 76C of the Act) as may be determined or formulated by the Directors as they consider fit, of which such scheme(s) shall satisfy all the conditions pursuant to the Share Buyback Mandate,

and otherwise in accordance with all other laws and regulations and rules of SGX-ST as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Buyback Mandate"**);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held;

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting; or

(iv) the date on which the share purchases pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"Maximum Limit" means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage fees, stamp duties payable, applicable goods and services tax and other related expenses) to be paid per Share for any Share buybacks shall be determined by the Directors, subject always to a maximum price ("**Maximum Price**") which:-

(i) in the case of an On-Market Purchase, shall mean the price per Share based on not more than 5% above the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, shall mean the price per Share based on not more than 10% above the Average Closing Price.

Where:

"Average Closing Price" means the average of the closing market prices of a Share over the 5 consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the on-market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant 5 day period; and

"date of the making of the offer" means the date on which the Company makes an offer for an off-market purchase, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.
(Resolution 9)

10. **Modification to the Freight Links Express Holdings Limited Scrip Dividend Scheme**

That:-

(a) approval be and is hereby given to the Directors to amend the Freight Links Express Holdings Limited Scrip Dividend Scheme which was approved by Shareholders at an Extraordinary General Meeting on 31 August 2010, such that the Freight Links Express Holdings Limited Scrip Dividend Scheme shall provide Shareholders with the option to elect to receive Shares in lieu of all (and not part only) of the cash amount of any dividend (including any interim, final, special or other dividend) declared on their holding of Shares; and

(b) approval be and is hereby given to any Director(s) to:-

(i) execute and issue, on behalf of the Company, all notices, documents, instruments, certificates or agreements as may be necessary, desirable or expedient in connection with the subject matter of this Resolution 10 including, without any limitation, the approval and issue of any SGXNET announcement; and

(ii) do all such acts and deeds on behalf of the Company as he may deem necessary, desirable or expedient to perfect, give effect to or implement the subject matter of this Resolution 10.

(Resolution 10)

11. **Authority to allot and issue ordinary shares pursuant to the Freight Links Express Holdings Limited Scrip Dividend Scheme**

That authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary shares (pursuant to Section 161 of the Companies Act) as may be required to be allotted and issued pursuant to the Freight Links Express Holdings Limited Scrip Dividend Scheme (as amended pursuant to Resolution 10 above).

(Resolution 11)

12. To transact any other business that can be transacted at an Annual General Meeting of which due notice shall have been given.

BY ORDER OF THE BOARD

DOROTHY HO / NANCY QUEK
Company Secretaries

Singapore, 12 August 2011

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. Such proxy need not be a member of the Company and where there are two proxies, the number of shares to be represented by each proxy must be stated.

2. The instrument appointing a proxy must be deposited at the Company's Registered Office at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143, not less than 48 hours before the time appointed for the Meeting.

Explanatory Notes:

(1) Resolution 7 proposed in item 7 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting to issue shares and convertible securities in the Company, without seeking any further approval from the shareholders at a general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider in the interests of the Company. This proposed Resolution, if passed, will authorise and empower the Directors of the Company to issue up to a number not exceeding, in total 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other that on a pro-rata basis to existing shareholders of the Company.

(2) Resolution 8 proposed in item 8 above, is to empower the Directors to grant options, allot and issue shares pursuant to the exercise of options under the FLEH Share Option Scheme, provided that the aggregate number of shares to be issued under the FLEH Share Option Scheme does not exceed fifteen per cent (15%) of the total number of issued shares of the Company from time to time.

(3) Resolution 9 proposed in item 9 above, is to renew the mandate to empower Directors of the Company to make purchases or otherwise acquire the Company's issued ordinary shares from time to time subject to and in accordance with the guidelines set out in Appendix A of the Company's Letter to Shareholders dated 12 August 2011 accompanying this Notice of Annual General Meeting. This authority will expire at the conclusion of the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

(4) Resolution 10, proposed in item 10 above, is intended to empower the Directors of the Company to amend the Freight Links Express Holdings Limited Scrip Dividend Scheme (which was previously approved by the Shareholders at the Company's Extraordinary General Meeting on 31 August 2010), such that Shareholders shall have the option to elect to receive Shares in lieu of all (and not part only) of the cash amount of any dividend (including any interim, final, special or other dividend) declared on their holding of Shares.

(5) Resolution 11 proposed in item 11 above, is to empower the Directors to issue ordinary shares pursuant to the Freight Links Express Holdings Limited Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

NOTICE OF BOOKS CLOSURE \\\

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from 5.00 pm on 8 September 2011 for the purpose of determining shareholders' entitlements to a First & Final Dividend of 0.4 cent per share for the financial year ended 30 April 2011 ("Dividend 2011") to be proposed at the Annual General Meeting of the Company to be held on 29 August 2011.

Shareholders whose shares of the Company ("FLEH shares") are deposited with The Central Depository (Pte) Limited ("CDP") and whose securities accounts with CDP are credited with FLEH Shares as at 5.00 p.m. on 8 September 2011 will be entitled to the Dividend 2011 on the basis of the FLEH Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. on such date.

Duly completed registrable transfer of shares received by the Company's Registrar, Tricor Barbinder Share Registration Services at 8 Cross Street, #11-00 PWC Building, Singapore 048424 up to 5.00 p.m. on 8 September 2011 will be registered to determine shareholders' entitlements to Dividend 2011.

The Freight Links Express Holdings Limited Scrip Dividend Scheme as approved by shareholders of the Company on 31 August 2010 will apply to the Dividend 2011 which will provide the entitled shareholders with the option to elect to receive new ordinary shares in the capital of the Company in lieu of the cash amount of the Dividend 2011 declared on shares held by them.

Dividend payment date will be announced upon the despatch of the notices of election to entitled members of the Company.

BY ORDER OF THE BOARD

DOROTHY HO / NANCY QUEK
Company Secretaries

Singapore, 12 August 2011

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FREIGHT LINKS EXPRESS HOLDINGS LIMITED

Company Registration No. 198600061G

PROXY FORM

Annual General Meeting to be held on 29 August 2011

I/We ____

of (full address) ____

being member/members of the abovenamed Company hereby appoint the Chairman of the Meeting or

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 29 August 2011 at 9:30 a.m. and at any adjournment thereof in the manner indicated below. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

		To be used on a show of hands		**To be used in the event of a Poll**	
No.	**Resolutions**	**For***	**Against***	**No. of Votes For ****	**No. of Votes Against ****
	ORDINARY BUSINESS:				
1.	Adoption of Directors' Report and Audited Accounts				
2.	Declaration of First & Final Dividend				
3.	Approval of Directors' Fees				
4.	Re-election of Mr Henry Chua Tiong Hock				
5.	Re-election of Mr Khua Hock Su				
6.	Re-appointment of Auditors				
	SPECIAL BUSINESS:				
7.	Authority to issue shares				
8.	Authority to allot and issue shares under FLEH Share Option Scheme				
9.	Renewal of the Share Buyback Mandate				
10.	Modification to the Freight Links Express Holdings Limited Scrip Dividend Scheme				
11	Authority to allot and issue ordinary shares pursuant to the Freight Links Express Holdings Limited Scrip Divident Scheme				

* Please indicate your vote "For" or "Against" with a "✓" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with a "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________day of __________2011

Total Number of Shares in	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of individual member(s)/
Common Seal of Corporate Shareholder

Important: Please Read Notes Overleaf

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50) you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143 not less than 48 hours before the time set for the Meeting.

4. Where a Member appoints two proxies, the appointments shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his holding to be represented by each proxy.

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

6. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Meeting as certified by CDP to the Company.

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

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Singapore 609143
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URL www.freightlinks.net

Co. Registration No. 198600061G