STEADFAST
IN GROWTH

FREIGHT LINKS EXPRESS HOLDINGS LIMITED
ANNUAL REPORT 2012

CONTENTS

WHO WE ARE

ABOUT FREIGHT LINKS GROUP

Established in 1981 and listed on the Mainboard of the SGX-ST in 1995, Freight Links has grown over the years to become a leading logistics solution provider, real estate fund and property management, and investment group.

GROUP BUSINESS PROFILE

Freight Links Express Holdings Limited is an investment holding company listed on the mainboard of the Singapore Exchange. Over the years, the Group has evolved beyond its traditional freight forwarding and logistics activities into new business areas as opportunities for growth and diversification emerged.

Through its subsidiaries and associates, the Group is engaged in diversified business activities such as:

- International freight forwarding
- Chemical storage & logistics
- Warehousing & distribution
- Document storage & management
- Financial services
- Other investments

INTERNATIONAL FREIGHT FORWARDING

Freight Links is a market leader in the NVOCC business supported by a global network of owned offices and some 120 agents reaching out to more than 600 destinations worldwide. It provides ocean & air freight services, consolidation and deconsolidation, transhipment, project cargo management, shipment documentation, customs clearance as well as land transportation.

CHEMICAL STORAGE & LOGISTICS

As a leading chemical logistics solution provider, Freight Links caters to global players in the petrochemical industry. This business is supported by the technical knowledge of its well-trained workforce, as well as infrastructure at two chemical warehouse hubs with 12,000 pallet positions, 218 DG licensed trucks, 781 trailers and more than 400 ISO-tanks.

This business sector offers warehousing and storage facilities for dangerous goods, drumming, container haulage, goods transportation, plant management logistics, emergency recovery services and safety escort services.

WAREHOUSING & DISTRIBUTION

By harnessing information technology and automation such as the Automated Storage and Retrieval System (ASRS), Freight Links provides integrated logistics services at its strategically located facilities in Singapore, Malaysia, Dubai, Korea and China. Its range of supply chain management services includes vendor hub services, air-conditioned storage, transportation and distribution, track and trace, customs brokerage and online inventory management.

DOCUMENT STORAGE & MANAGEMENT

Freight Links offers document storage and retrieval, safe document destruction and urgent document retrieval. Freight Links's record management system generates bar code label at carton level and keeps relevant information such as the customer's name, storage location and contents. Being web-based, it also allows our customers to know the documents that are stored in our storage centre and to retrieve them as and when required.

FINANCIAL SERVICES

Freight Links is the sponsor and largest unit holder of the Sabana Shari'ah Compliant Real Estate Investment Trust (in short Sabana REIT) which is the world's largest listed Shari'ah compliant REIT, with total assets exceeding S$1.0 billion. It was established principally to invest in income-producing real estate and real estate-related assets in line with Shari'ah investment principles.

Freight Links provides real estate fund and property management services to Sabana REIT through its majority control of Sabana Investment Partners Pte Ltd.

As Islamic finance and investment is growing in importance across Asia and globally, Sabana REIT's compliance with Shari'ah investment principles provides it wider access to Islamic equity funding and broader investor appeal from Islamic investors.

Freight Links also has an interest in a fund management company Sentosa Capital Pte Ltd whose principal objective is to seek and maximize absolute returns in the Asian credit markets through multi-currency debt instruments.

OTHER INVESTMENTS

The Group also engages in proprietary investing activities. It has a portfolio comprising listed and unlisted securities, structured equity and debt products.

SERVICING WORLDWIDE

WITH OUR STRATEGIC PARTNERS WORLDWIDE, WE'LL CONTINUE TO DELIVER RELIABLE AND STEADFAST LOGISTICS SOLUTIONS TO OUR BROAD BASED CLIENTELE.

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
  - 50% Muto Global 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
- 100% Freight Links Properties Pte Ltd
- 65.5% Freight Links (Jiangsu) Co., Ltd
  - 100% Jiangyin Huan Lian International Trade Co., Ltd
- 100% San Lu Logistics 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
- 100% Singapore Enterprises Pte Ltd

ASSOCIATES

- 25% Equity MFL Logistics LLC
- 20% Equity Freight Management Holdings Bhd
- 20% Equity Busan Cross Dock Co., Ltd
- 30% Equity Sentosa Capital Pte Ltd
- 25.5% Equity China Southwest Energy Corporation Limited
- Convertible preference shares China GSD Logistics Pte Ltd
- Convertible loans Fudao Petrochemicals Group Pte Ltd

CHAIRMAN'S MESSAGE 主席致辞

In view of the good results, the Board has recommended a first and final tax-exempt one-tier dividend of 0.45 cent per ordinary share which will amount to a total dividend payment of $10.325 million, subject to the shareholders' approval at the forthcoming Annual General Meeting. This will be the highest dividend payout to the shareholders since its listing in 1995.

PERFORMANCE REVIEW

It gives me great pleasure to report that the Group's net profit attributable to shareholders surged by 97.8% to $32.2 million for the financial year ended 30 April 2012, from a year ago. Earnings per share rose 95.9% to 1.43 cents from 0.73 cent the previous year.

The higher net profit was attributed to the increased dividend income from quoted investments, excess of deferred revenue over lease payments on the sale and leaseback of the properties, higher share of profits of associated companies, fair value gain on marketable securities and gains on foreign exchange. As at 30 April 2012, the Group has a healthy balance sheet with a negligible net gearing of 0.08 times and a total net assets value of $183.4 million, representing a net asset value of 7.99 cents per ordinary share.

CORPORATE DEVELOPMENT

The construction of the Group's new integrated multi-storey Chemical Logistics Hub at Banyan Drive, Jurong Island with a total gross floor area of approximately 696,000 square feet is progressing as planned. It is expected to receive the TOP (Temporary Occupation Permit) in the third quarter of 2013. The Group will continue to seek the right opportunities to grow our logistics infrastructure by constantly looking out for land with development potential as well as to redevelop our existing warehouse facilities.

In September 2011, the Group invested RMB14.1 million for a 100% stake in San Lu Logistics Co., Ltd, wholly foreign-owned enterprise in the People's Republic of China. San Lu is principally engaged in provision of warehousing operations, storage and transportation services. San Lu owns a piece of industrial land and a bonded warehouse located in Jiangyin, Republic of China which is on a long term lease to Jiangyin Bonded Logistics Centre.

In April 2012, the Group has also formed joint venture with two Korean partners to expand our ISO tank business and freight agency. Our joint venture in Dubai has invested AED 5.5 million in a dedicated container freight station in Jebel Ali free zone with a bonded area of about 62,968 square feet to cater for the distribution services in UAE.

CREATING SHAREHOLDER VALUE

Although there are uncertainties in the global economy, we are happy to deliver a good set of results through our investments. To improve performance, the Company has embarked on new investments to complement its existing core businesses. Our results are a testament to management's foresight in diversifying into potential growth areas of investment. This has resulted in increasing shareholder value which is always our top priority.

DIVIDEND

In view of the good results, the Board has recommended a first and final tax-exempt one-tier dividend of 0.45 cent per ordinary share which will amount to a total dividend payment of $10.325 million, subject to the shareholders' approval at the forthcoming Annual General Meeting. This will be the highest dividend payout to the shareholders since its listing in 1995.

This proposed dividend represents 31.5% of our earnings per share of 1.43 cents and is 12.5% higher than last year's dividend of 0.4 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 in view of the on-going sovereign debt crisis in Europe. With these uncertainties in mind, the Management and the Board will continue to work closely on their business strategy to further enhance our operational efficiencies and to leverage on the Group's financial strength. The Group will continue to look into strengthening and expanding its business in its core competencies as well as to explore other related business activities.

Thank you.

KHUA HOCK SU
Group Chairman

业绩回顾

我很高兴在此宣布截至2012年4月30日，本财政年度集团股东营业净利润激增了97.8%，达到了3220万元。每股盈利上升95.9%，相比去年的0.73分增长到1.43分。

净利润的增长主要来自于投资的股息收入增长，产业售后回租的递延收入、联营公司的利润增加、以及上市股票的公平值收益及外汇收益。截至2012年4月30日，本集团资产负债状况良好，负债率仅只是0.08，净资产总值高达1.834亿元，相当于每普通股7.99分的净资产值。

企业发展

位于裕廊岛邦岩道，在兴建中的多层综合化工物流枢纽，总面积约696,000平方尺，正按计划如期进行，预计将会在2013年第三季竣工获得临时可用许可证。本集团将继续寻找合适的机会，扩充物流基础设施建设，发展具备潜力的土地，以及改建现有的仓储设施。

在2011年9月，集团投资人民币1410万元收购三陆物流公司100%股权。三陆物流公司是一家全外商投资的中国企业，主营仓库装卸操作、仓储、运输服务。三陆物流公司在中国江苏省江阴市拥有工业用地和一座保税仓库。目前，该座保税仓库长期租赁给江阴保税物流中心。

在2012年4月，集团与韩国伙伴合作，扩大罐式集装箱（ISO tank）及货运代理业务。同时，位于迪拜的合资企业也投资了AED550万在杰贝阿里自由贸易区（Jebel Ali free zone）建立集装箱货运站，总面积达到约62,968平方尺。

增加股东价值

虽然全球经济不明朗，集团在投资方面取得良好成果。为了提升公司业绩，集团将会探索新投资项目以巩固现有的核心业务。本着为股东创造价值的宗旨，管理层将继续不遗余力的拓展新业务。

股息

鉴于良好的业绩，董事会已建议每股税后股息0.45分，累计支付股息高达1032.5万元。本建议将提交年股东大会批准，如果实施将是公司自1995年上市以来分派给股东的最高股息。

这次股息建议是每股收益1.43分的31.5%。相对去年的每股0.4分高了12.5%。此外，根据集团股息方案（2010年8月31日的特别会议上通过）股东可以选择全现金方式或以全新发额普通股兑现。

致谢

在此，我谨代表董事会向我们尊敬的客户、股东、合作与业务伙伴致谢，感谢他们对公司的信任与支持。同时，我也要感谢董事会、管理层和所有员工们，感谢他们为集团发展付出的努力与奉献精神。

展望未来

在欧洲主权债务危机持续的情况下，全球经济前景仍旧不明朗。以不稳定因素为考量轴心，董事会与管理层会充分利用集团的财务实力，继续实行谨慎有效的经营策略，以创造来年更为优异的业绩。

谢谢！

柯福赐
集团主席

A STABLE AND FLEXIBLE FINANCIAL CAPABILITY

AS A COMPANY DRIVEN BY A LONG-TERM GROWTH, OUR STRATEGIC INVESTMENTS WILL PROVIDE A SECURE AND FINANCIAL FLEXIBILITY IN ADDITION TO BEING THE TOTAL LOGISTICS SOLUTION PROVIDER.

REVIEW OF OPERATIONS

INTERNATIONAL FREIGHT FORWARDING

Asian economies continue to be the anchor of stability while the Europe and United states face economic slowdown. Some Asian economies, including China and Singapore, have started to experience slower growth, especially in the first quarter of 2012. Against this challenging economic backdrop, total TEUs handled by us in Singapore declined by 3.1%. The turnover from our freight forwarding business decreased by 6.8% or $4.7 million to $64.1 million compared to $68.8 million a year ago.

Going forward, the NVOCC industry is not expected to show better performance as global growth is forecasted to range between 2.5% and 4.2% with ocean cargoes expecting another year of marginal growth. In anticipation of this, the group has taken steps to focus on key growth areas, new products and services to broaden and diversify our revenue base in the past year.

One of the key areas of focus and diversification in FY2012 was Project Logistics. Leveraging on our good reputation and global network, the project division performed exceptionally well in FY2012 with volume handled increased from 49,042 Revenue Tons in FY2011 to 130,892 Revenue Tons in FY2012, a remarkable increase of 167%. The main projects executed in FY2012 include providing logistical support to Infrastructure Development, Oil & Gas and Power Plant projects, mostly in developing countries in the region e.g., Cambodia, Sri Lanka, Brunei, Thailand, Papua New Guinea & Vietnam.

Another new area of focus was the newly opened airfreight office in the air cargo agent building. It has turned in a profit within the first year of operation. This is not a new product offering to our customers. However, by setting up our own airfreight office, we are able to offer our customers better and more reliable airfreight services. We anticipate the revenue from airfreight services to improve further especially during the peak seasons. We intend to push our sea-air transhipment services aggressively to our agents and attract more business by taking advantage of our unique strength in both LCL consolidation and airfreight.

Our newly acquired warehouse in Dubai is already operating at full capacity. As a result, we were able to achieve record volume in April and May 2012. With the dawn of the Arab Spring, the Middle East market is expected to recover and new construction projects will again be requiring logistical support.

CHEMICAL STORAGE & LOGISTICS

Our chemical logistics business segment continued to grow in FY2012, albeit capped by the limited warehouse space that we operate. Revenue grew by 3.1% to $51.8 million. The licensed hazardous material warehouse is operating at full capacity and the chemical logistics division is experiencing strong demand from many major chemical MNCs. The state-of-the-art Dangerous Goods (DG) warehouse under construction on Jurong Island is on schedule to cope with the strong demands. The warehouse is expected to be completed by 3Q 2013.

LTH continued to achieve a good standing in the chemical community in FY2012 by winning the Singapore Chemical Industry Council (SCIC)'s Responsible Care Gold award for Community Awareness and Emergency Response Code and Achievement award for the Distribution Code in 2012.

WAREHOUSE PROPERTY & LOGISTICS

Warehousing and logistics business had another good year with revenue growing by 7.3% or $1.6 million to $23.8 million as compared to last financial year.

Warehouses under the group maintain a healthy occupancy rate of over 98% of its total warehouse space with increasing demands for extra space.

The property team is currently developing a ramp up DG (dangerous goods) modern chemical facility and storage yard at Jurong Island for LTH. Concurrently, Property Division will continue to review the Group's property portfolio to increase its yield and tenure through possible redevelopment.

Freight Links Logistics has formed a joint venture to become an ISO tank operator with two Korean partners. At the same time, Freight Links Logistics has purchased 200 newly built T11 ISO tanks and the JV signed a 10-year lease for the 200 new tanks. The plan is to acquire and lease additional new ISO tanks to the JV within the next 2 years. This is part of the Group's efforts to create new services and revenue streams to diversify our revenue base.

The operation of our JV in China continued to perform well. The warehouse in Jiangyin is operating near full capacity. It has also managed to take on higher yield business that require heavy lifts e.g., steel pipes, windmill fan blades etc. in the open yard, instead of storing minerals and metals previously. In September 2011, we successfully acquired 100% of San Lu Logistics Co., Ltd located in Jiangyin. This has elevated our service capability to include bonded warehouse and logistics services.

OTHER SERVICES

Management Fee Business

Management fees business recorded a revenue of $7.9 million mainly contributed by a 51% subsidiary, Sabana Investment Partners Pte Ltd (SIP). The higher management fees of $9.1 million in FY2011 was due to acquisition of portfolio of industrial properties for the listing of Sabana REIT in November 2010. This segment posted a net profit of $3.4 million in FY2012.

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.

Document Storage

Freight Links Express Archivers (FLEAR) continues to enjoy a strong storage growth since its relocation and consolidation of operations to a purpose-built Records Management & Document Storage Centre at our Tuas facility.

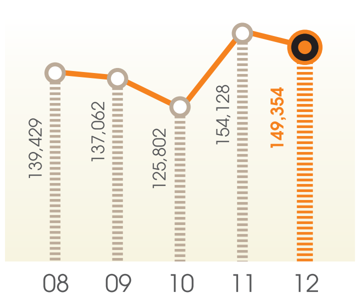
The team had completed several government projects in Records Management and continues to be a strong provider of the service in Singapore with more recognition and contracts by MNCs, Government Agencies and GLCs. With the presence of a delivery vehicle, FLEAR is able to provide better service for its customers which leads to an increasing demand for other related services.

GROUP FINANCIAL **HIGHLIGHTS**

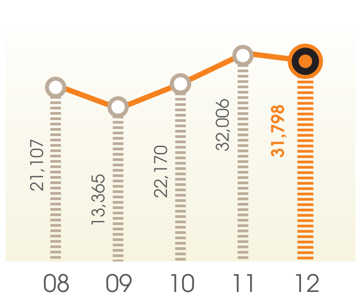
5-YEAR FINANCIAL SUMMARY

	FY2008	FY2009	FY2010	FY2011	FY2012
Operating Results					
Revenue ($'000)	139,429	137,062	125,802	154,128	149,354
EBITDA ($'000)	21,107	13,365	22,170	32,006	31,798
Pretax profit/(loss) ($'000)	18,632	9,985	17,306	25,709	37,963
Net profit ($'000)	17,538	8,784	13,851	16,286	32,214
EBITDA margin (%)	15.14	9.75	17.62	20.77	21.29
Pretax margin (%)	13.36	7.29	13.76	16.68	25.42
Net margin (%)	12.58	6.41	11.01	10.57	21.57
Cash and Cash equivalents	43,266	33,863	38,517	28,612	29,297
Financial Position					
Total assets ($'000)	276,460	280,681	248,464	303,133	344,692
Total debt ($'000)	90,219	81,613	57,503	11,779	44,730
Debt/Assets (%)	32.63	29.08	23.14	3.89	12.98
Shareholders' equity ($'000)	126,649	129,758	145,280	156,098	183,404
Return on Assets (%)	6.34	3.13	5.57	5.37	9.35
Return on Equity (%)	13.85	6.77	9.53	10.43	17.56
Net debt : equity (times)	0.37	0.37	0.13	-	0.08
Per Share Data					
Earnings (cents) - Basic	0.88	0.42	0.62	0.73	1.43
Earnings (cents) - Diluted	0.74	0.42	0.62	0.73	1.43
Dividend (cents)	0.25	-	0.35	0.40	0.45
Net tangible assets (cents)	5.98	6.10	6.77	6.96	7.95

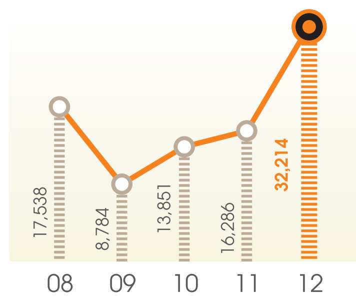
Revenue ($'000)



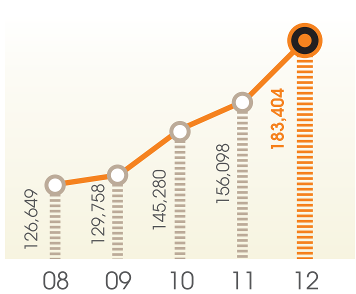
EBITDA ($'000)



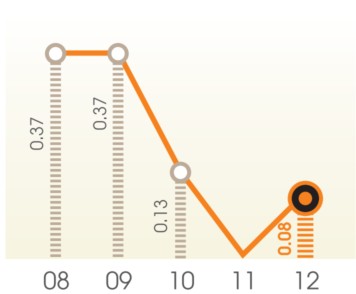
Net profit ($'000)



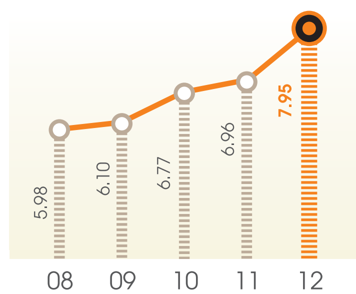
Shareholders' equity ($'000)



Net debt : equity (times)

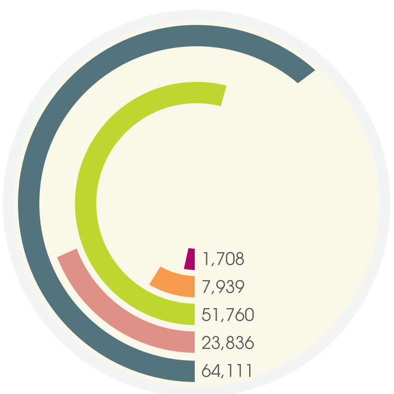


Net tangible assets per share (cents)

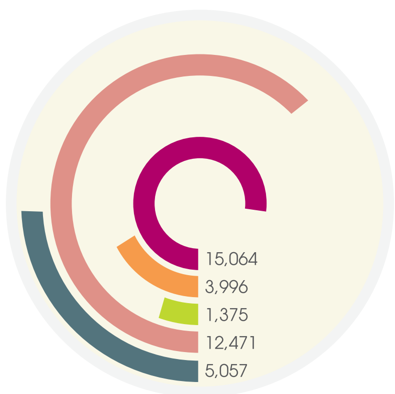


5-YEAR SEGMENTAL RESULTS

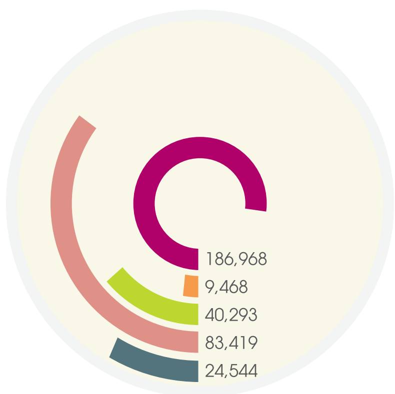
	FY2008 $'000	FY2009 $'000	FY2010 $'000	FY2011 $'000	FY2012 $'000
Revenue					
Freight forwarding	84,930	74,900	60,446	68,789	64,111
Warehousing and logistics	16,491	19,184	19,383	22,205	23,836
Chemical logistics	31,353	34,913	41,563	50,223	51,760
Management fees business	-	-	-	9,089	7,939
Others	6,655	8,065	4,410	3,822	1,708
	139,429	137,062	125,802	154,128	149,354
Pretax profit/(loss)					
Freight forwarding	4,427	7,280	4,295	5,333	5,057
Warehousing and logistics	15,511	2,880	9,480	21,490	12,471
Chemical logistics	51	(768)	2,837	2,255	1,375
Management fees business	-	-	-	6,787	3,996
Others	(1,357)	593	694	(10,156)	15,064
	18,632	9,985	17,306	25,709	37,963
Assets Employed					
Freight forwarding	18,992	17,976	18,712	20,229	24,544
Warehousing and logistics	147,157	138,383	125,532	67,654	83,419
Chemical logistics	25,207	31,147	41,249	29,570	40,293
Management fees business	-	-	-	7,750	9,468
Others	85,104	93,175	62,971	177,930	186,968
	276,460	280,681	248,464	303,133	344,692



Revenue 2012
($'000)



Pretax profit/(loss) 2012
($'000)



Assets Employed 2012
($'000)

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. He is also a patron at Telok Blangah Citizens' Consultative Committee.

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。柯先生也是直落布兰雅公民咨询委员会成员。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 joined the Group in May 1997 and has served as Chief Financial Officer until November 2010 before his current appointment as Chief Investment Officer. He also serves as an Executive Director of Freight Links Express Holdings Ltd 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 both the 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

Derek 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.

He 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.

Derek is also an Independent Director of Metech International Ltd and Vietnam Enterprise Investments Limited, a member of the Irish Stock Exchange. He is a member of the Board of Governors of Saint Joseph's Institution, Singapore and also a Trustee and a member of the Management Committee of the SJI Foundation.

SENIOR **EXECUTIVES**

CORPORATE

CHARLES CHAN CHOONG POH [1]
Chief Operating Officer
Freight Links Express Holdings Limited

Mr Charles Chan joined Freight Links Express Holdings as Chief Operating Officer on 2 July 2012. Mr Chan had more than 30 years of supply chain related experience in both MNCs and local companies. He had held various senior positions including SVP of ST Electronics, Deputy President & COO of SembCorp Logistics and GM of DHL Express International (Singapore).

Mr Chan holds a Bachelor of Science degree in Mechanical Engineering from the University of Strathclyde and a Master of Science degree in Distribution Technology and Management from Cranfield University, UK.

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 Sim has more than 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 in December 2006. In July 2008, he was re-designated to Senior Vice President (for Greater China) with Freight Links Express Holdings Limited.

Lawrence has more than 30 years of experience in operations, sales, marketing, business development and management from various industries. Prior to joining LTH, he also held senior management appointments with various MNC corporations where he spearheaded and successfully established multiple key strategic logistic centers in Vietnam where essential services include freight management, warehousing, transportation, distribution and customization.

As SVP for Freight Links' Greater China, Lawrence was instrumental for the transformation and enhancement of its logistics operations in meeting customers' expectation and ever changing market demands.

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

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

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

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

MICHELLE TAN [5]
Vice President (Human Resource)
Freight Links Express Holdings Limited

Ms Michelle Tan joined Freight Links Group in April 2004 and moved up the ranks to become the Vice President (HR) in 1 July 2011. She supports the Group's human resource functions for both local and oversea Group of companies.

Prior to joining the Group, Michelle has more than 10 years of human resource and administration exposure in both MNCs and local companies.

Michelle holds a Bachelor of Business (Business Administration) specializing in Human Resource from Royal Melbourne Institute of Technology.

INTERNATIONAL FREIGHT FORWARDING

ALEX NG BOON CHUAN [6]
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 28 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 [7]
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 30 years of experience in freight operations.

ADRIAN CHIA SENG CHYE [8]
Vice President (Sales & Marketing and Consolidation)
Freight Links Express Pte Ltd

Mr Adrian Chia is the Vice President (Sales & Marketing and Consolidation) of Freight Links Express Pte Ltd and is responsible for the sales and marketing activities of the Company. Mr Chia joined the company in September 1988 and has more than 23 years of experience in sales and marketing.

JAMES LEONG WENG YU [9]
Vice President (Consolidation)
Freight Links Express Pte Ltd

Mr James Leong has more than 37 years of experience in the freight forwarding industry. He is responsible for the freight consolidation activities of the company. Mr Leong joined Freight Links Express in November 1986 and has more than 26 years of experience in freight consolidation, operations, marketing and claims administration.

LAWRENCE LIM MENG JIOW [10]
Vice President (Sales & Marketing)
Freight Links Express Pte Ltd

Mr Lawrence Lim joined the company in July 1999 and has more than 15 years of experience in Marketing & Projects logistics. Prior to joining the group, Mr Lim has work in a leading Indonesia Food & Beverage company as Marketing Manager.

VINCENT YONG CHEE LEONG [11]
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. Mr Yong 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 [12]
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. Mr Lim has more than 38 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 [13]
Vice President
Freight Links Logistics Pte Ltd

Mr Vincent See joined the Group in January 1997 and has more than 33 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 [14]
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 Bachelor degree in Engineering with honours in Mechanical Engineering from University of Glasgow (UK).

CHEMICAL LOGISTICS DIVISION

DON TANG FOOK YUEN [15]
General Manager
LTH Logistics Group of Companies

Mr Don Tang joined the LTH Group of Companies as its General Manager in August 2011. Prior to joining the Group, he has held various senior management positions overseeing corporate strategy, business development, operations, human resource and finance functions in the manufacturing sector. He has also had previous work experience in the finance and publishing industries.

Mr Tang graduated from the National University of Singapore with a Bachelor of Business Administration degree before obtaining his Masters of Science in International Marketing from the University of Strathclyde.

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.)
80 Robinson Road
#02-00, Singapore 068898
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

DBS Bank Limited
Blk 531 Upper Cross Street
#01-51 Hong Lim Complex
Singapore 50531

CORPORATE DIRECTORY

CORPORATE HEAD OFFICE

Freight Links Express Holdings Limited
51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6262 6988 (30 Lines)
Fax : (65) 6267 5593
E-Mail : flesin@freightlinks.net
Web : www.freightlinks.net

SINGAPORE OFFICES

INTERNATIONAL FREIGHT FORWARDING

Freight Links Express Pte Ltd
51 Penjuru Road #03-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6267 5511 (20 Lines)
Fax : (65) 6267 5577
E-Mail : flesin@freightlinks.net
TOLL FREE LINE (65) 6566 2866

Crystal Freight Services Pte Ltd
51 Penjuru Road Mezzanine Floor
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6267 5622
Fax : (65) 6267 5623
E-Mail : crysfrt@crystalfrt.com.sg

WAREHOUSING PROPERTY AND LOGISTICS

Freight Links Logistics Pte Ltd
51 Penjuru Road #03-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6262 6988
Fax : (65) 6262 6928

Freight Links Express Logisticentre Pte Ltd
51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6262 6988
Fax : (65) 6262 6928

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

Freight Links Properties Pte Ltd
47 Changi South Avenue 2
Singapore 486148
Tel : (65) 6262 6988
Fax : (65) 6262 6928

Muto Global Pte Ltd
51 Penjuru Road #03-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6513 7164
Fax : (65) 6261 3775

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

DOCUMENTS MANAGEMENT SERVICES

Freight Links Express Archivers Pte Ltd
30 Tuas Avenue 10
Singapore 639150
Tel : (65) 6262 6966
Fax : (65) 6262 6928

CHEMICAL STORAGE AND LOGISTICS

LTH Logistics (Singapore) Pte Ltd
33/35 Penjuru Lane
Singapore 609200
Tel : (65) 6268 9595
Fax : (65) 6268 2617
E-Mail : enquiry@lthlogistics.com
Web : www.lthlogistics.com

LTH Distripark Pte Ltd
33/35 Penjuru Lane
Singapore 609200
Tel : (65) 6268 9595
Fax : (65) 6268 2617
E-Mail : lthlog@pacific.net.sg

Chemode Global Pte Ltd
33/35 Penjuru Lane
Singapore 609200
Tel : (65) 6513 7155
Fax : (65) 6261 3775

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.,
Jiangyin, Jiangsu Province
214442, P.R.C.
Tel : (86) 510 81662101/2/3
Fax : (86) 510 81662100

Sanlu Logistics Co., Ltd
18 Haigang road, Jiangyin city
(In the bonded logistics center warehouse no. 3)
214443, P.R.C.
Tel/Fax : (86) 510 81651828

MALAYSIA

Freight Links Express (M) Sdn Bhd
No. 105C (3rd Floor) Persiaran Pegaga
Taman Bayu Perdana, 41200 Klang
Selangor Darul Ehsan, West Malaysia
Tel : (60) 3 3324 4040
Fax : (60) 3 3324 2008
E-Mail : sales@freightlinks.net

Freight Links Express (Penang) Sdn Bhd
Level 11, Unit 11(B), Wisma Boon Siew
No. 1, Penang Road
10000 Penang, West Malaysia
Tel : (60) 4 263 4390
Fax : (60) 4 263 4392
E-Mail : flepng@freightlinks.net

Lee Thong Hung Trading & Transport Sdn Bhd
Pasir Gudang Office
Lot Plo 470 Jln Keluli 1
Pasir Gudang Ind Estate
81700 Pasir Gudang
Johor, West Malaysia
Tel : (60) 7 252 5575
Fax : (60) 7 252 4932

Kuantan Tank Containers & Logistics Sdn Bhd
East Coast Technology Park,
Lot 109A, Jalan Gebeng 1/6,
Kawasan Perindustrian Gebeng,
26080 Kuantan, Pahang, Malaysia
Tel : (60) 9 583 6987
Fax : (60) 9 583 7063

HONG KONG

Freight Links M&S (H.K.) Limited
Suite 1116, 11/F, Tower 3
China Hong Kong City
33 Canton Road, Tsimshatsui
Kowloon, Hong Kong
Tel : (852) 2826 9113
Fax : (852) 2868 9319
E-Mail : flms@flms.com.hk

THAILAND

Freight Links Express (Thailand) Co., Ltd
360/21-22 Moo-Ban Sri Krung,
Rama III Road, Yannawa,
Bangkok 10120, Thailand
Tel : (662) 285 3542 (20 lines)
Fax : (662) 285 3651
E-mail : flebkk@fleth.co.th
Web : www.fleth.co.th

ASSOCIATES

Freight Management Holdings Bhd
Lot 37, Lebuh Sultan Mohamad 1,
Kawasan Perindustrian Bandar Sultan Suleiman,
42000 Port Klang,
Selangor Darul Ehsan, Malaysia
Tel : (60) 3 3176 1111
Fax : (60) 3 3176 8634
E-mail : gen@fmmalaysia.com.my
Web : www.fmmalaysia.com.my

China GSD Logistics Pte Ltd c/o Shenzhen Gongsuda Logistics (Holdings) Co., Ltd
Block 139, 6th Floor, Liantang
Industrial Park Luohu District,
Shenzhen China, 518004
Tel : (86) 75 525821860
Fax : (86) 75 525821973
Web : www.gongsuda.com

Fudao Petrochemicals Group Pte Ltd
No. 18 Kaki Bukit Road 3 #04-15
Singapore 415978
Tel : (65) 6743 6678
Fax : (65) 6846 7977

MFL Logistics LLC
Sheikh Hamadan Complex
'B' Block, Office #501, 5th Floor
Jumeirah Beach Road
Dubai, United Arab Emirates
Tel : (971) 4 327 3333
Fax : (971) 4 327 4949
Web : www.mfldubai.com

Busan Cross Dock Co., Ltd
10th Floor, YooChang Building
Juangang-dong 4-ga
#25-2, Jung-gu
Busan, Korea
Tel : (051) 465 8040
Fax : (051) 466 3318/3308

Sentosa Capital Pte Ltd
3 Pickering Street, Nankin Row
#03-09 China Square Central
Singapore 048660
Tel : (65) 6225 1102
Fax : (65) 6225 8658

China Southwest Energy Corporation Limited
Rooms 905-907, 9th Floor,
Nan Fung Tower, 173 Des Voeux Road Central,
Hong Kong
Tel : (852) 2850 6336
Fax : (852) 2850 6086
c/o 华坪县永兴煤炭有限责任公司
云南省丽江市华坪县中心镇河东桥北小区18号 邮编: 674800
Tel : (86) 888-6122973
Fax : (86) 888-6126069

FINANCIAL REPORT 2012

CORPORATE GOVERNANCE REPORT

for the financial year ended 30 April 2012

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 2012.

BOARD MATTERS

Principle 1 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 2012 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 pages 14 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.

CORPORATE GOVERNANCE REPORT
for the financial year ended 30 April 2012

Directors Attendance at Board and Committee Meetings

The attendance of the Directors at Board and Committee meetings for the financial year ended 30 April 2012, 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	3	4	3	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

Principle 2 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.

Principle 3 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.

Principle 4 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)

CORPORATE GOVERNANCE REPORT
for the financial year ended 30 April 2012

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.

Principle 5 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 on an annual basis. Each director is required to complete Board performance evaluation forms to assess the overall effectiveness of the Board. The benchmark for the Board performance evaluation include the appropriate size and composition of the Board, access to information, processes and accountability, communication with Management and shareholders. The assessment of director is based on criteria such as relationship with the Company, experience in being a company 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.

Principle 6 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

Principle 7 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.

Principle 8 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.

CORPORATE GOVERNANCE REPORT

for the financial year ended 30 April 2012

Principle 9 Disclosure on Remuneration

The breakdown of the level and mix of remuneration of each Director and the top senior executives for the financial year ended 30 April 2012 are set out below. A significant portion of senior executives' remuneration is linked to corporate and individual performance.

	Mix of Remuneration by %			
	Salary	**Bonus**	**Directors' fees**	**Total**
Directors				
$500,000 to $750,000				
Eric Khua Kian Keong	91.9	7.3	0.8	100
$250,000 to $499,999				
Henry Chua Tiong Hock	91.8	7.2	1.0	100
Thomas Woo Sai Meng	92.2	6.8	1.0	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	92.2	7.8	-	100
Simon Sim Geok Beng	87.3	12.7	-	100
Philip Lim Kok Tong	92.2	7.8	-	100
Alex Ng Boon Chuan	85.2	14.8	-	100
Lim Song Wang	90.5	7.9	1.6	100
Lawrence Sim Kay Sin	91.3	8.7	-	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 2012. Details of the Company's FLEH Share Option Scheme can be found on page 29 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

Principle 10 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.

CORPORATE GOVERNANCE REPORT

for the financial year ended 30 April 2012

Principle 11 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.

Principle 12 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.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls are adequate to address financial, operational and compliance risks.

Principle 13 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 & 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.

CORPORATE GOVERNANCE REPORT
for the financial year ended 30 April 2012

COMMUNICATION WITH SHAREHOLDERS

Principle 14 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.

Principle 15 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 2012, 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 89 of the Annual Report are not interested person transactions within the ambit of Chapter 9 of the Listing Manual.

DIRECTORS' REPORT

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 2012.

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	Holdings at 21 May 2012
Khua Hock Su			
The Company			
- ordinary shares			
- deemed interests	1,119,415,147	1,184,580,595	1,184,580,595
Vibrant Capital Pte Ltd			
- ordinary shares			
- deemed interests	49,000	49,000	49,000
Lian Hup Holdings Pte Ltd			
- ordinary shares			
- interests held	4,200,000	4,200,000	4,200,000
Eric Khua Kian Keong			
The Company			
- ordinary shares			
- interests held	50,735,455	56,810,706	57,010,706
- deemed interests	1,119,388,556	1,184,554,004	1,184,554,004
Vibrant Capital Pte Ltd			
- ordinary shares			
- interests held	51,000	51,000	51,000
- deemed interests	49,000	49,000	49,000
Lian Hup Holdings Pte Ltd			
- ordinary shares			
- interests held	5,600,000	5,600,000	5,600,000
Henry Chua Tiong Hock			
The Company			
- ordinary shares			
- interests held	3,304,187	3,544,492	3,544,492
Thomas Woo Sai Meng			
The Company			
- ordinary shares			
- interests held	256,387	275,033	275,033

DIRECTORS' REPORT

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.

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.

DIRECTORS' REPORT

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 and 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.

DIRECTORS' REPORT

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	**Thomas Woo Sai Meng**
Director	*Director*

23 July 2012

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 34 to 89 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 2012 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	**Thomas Woo Sai Meng**
Director	*Director*

23 July 2012

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 statements of financial position of the Group and the Company as at 30 April 2012, 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 34 to 89.

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 statement of financial position 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 2012 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
23 July 2012

STATEMENT OF FINANCIAL POSITION

As at 30 April 2012

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Assets					
Property, plant and equipment	4	91,104	64,154	540	340
Intangible assets	5	969	1,454	–	–
Subsidiaries	7	–	–	12,249	14,249
Associates	8	60,315	51,573	38,353	37,980
Other investments	9	31,625	27,161	–	22
Other receivables	10	90	164	134,326	115,862
Deferred tax assets	17	267	–	–	–
Non-current assets		184,370	144,506	185,468	168,453
Other investments	9	95,080	93,877	66,918	71,340
Trade and other receivables	10	35,945	36,138	1,807	1,917
Cash and cash equivalents	11	29,297	28,612	4,398	5,202
Current assets		160,322	158,627	73,123	78,459
Total assets		344,692	303,133	258,591	246,912
Equity					
Share capital	12	84,467	80,149	84,467	80,149
Other reserves	13	5,801	6,145	6,691	7,082
Accumulated profits	13	93,136	69,804	42,557	33,509
Equity attributable to owners of the Company		183,404	156,098	133,715	120,740
Non-controlling interests		12,001	8,724	–	–
Total equity		195,405	164,822	133,715	120,740
Liabilities					
Loans and borrowings	15	21,966	9,118	2,548	–
Other payables	16	52,857	72,092	104,574	124,946
Deferred tax liabilities	17	672	204	4	4
Non-current liabilities		75,495	81,414	107,126	124,950
Trade and other payables	16	47,486	49,077	2,618	894
Loans and borrowings	15	22,764	2,661	14,442	10
Current tax payable		3,542	5,159	690	318
Current liabilities		73,792	56,897	17,750	1,222
Total liabilities		149,287	138,311	124,876	126,172
Total equity and liabilities		344,692	303,133	258,591	246,912

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

CONSOLIDATED INCOME STATEMENT
Year ended 30 April 2012

	Note	Group 2012 $'000	Group 2011 $'000
Revenue	18	149,354	154,128
Other income	21	11,948	19,089
Accretion of deferred revenue		21,990	11,089
Freight and related costs		(70,720)	(73,734)
Rental expenses on operating leases		(33,134)	(24,403)
Warehouse upkeep and related costs		(8,112)	(7,173)
Exhibition design and build costs		(848)	(2,388)
Staff costs		(29,002)	(25,825)
Depreciation of property, plant and equipment	4	(5,354)	(8,473)
Other operating expenses		(9,018)	(17,925)
Results from operating activities		27,104	24,385
Finance income		2,524	873
Finance costs		(868)	(1,076)
Net finance income/(costs)	19	1,656	(203)
Share of profit of associates, net of tax		9,203	1,527
Profit before income tax		37,963	25,709
Income tax expense	20	(3,256)	(5,560)
Profit for the year	21	34,707	20,149
Profit attributable to:			
Owners of the Company		32,214	16,286
Non-controlling interests		2,493	3,863
Profit for the year		34,707	20,149
Earnings per share			
Basic earnings per share (cents)	22	1.43	0.73
Diluted earnings per share (cents)	22	1.43	0.73

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 April 2012

	Group	
	2012	**2011**
	$'000	**$'000**
Profit for the year	34,707	20,149
Other comprehensive income		
Net changes in fair value of available-for-sale financial assets	642	(2,949)
Foreign currency translation differences relating to foreign operations	(556)	(158)
Other comprehensive income for the year, net of tax	86	(3,107)
Total comprehensive income for the year	34,793	17,042
Total comprehensive income attributable to:		
Owners of the Company	32,261	13,245
Non-controlling interests	2,532	3,797
Total comprehensive income for the year	34,793	17,042

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 April 2012

Group	Share capital $'000	Treasury shares $'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 interests in subsidiaries									
Acquisition of non-controlling interest	–	–	–	–	–	–	–	(433)	(433)
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 CHANGES IN EQUITY
Year ended 30 April 2012

Group	Share capital $'000	Treasury shares $'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 2011	80,149	–	7,082	(2,949)	2,012	69,804	156,098	8,724	164,822
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	32,214	32,214	2,493	34,707
Other comprehensive income									
Net changes in fair value of available-for-sale financial assets	–	–	–	526	–	–	526	116	642
Foreign currency translation differences relating to foreign operations	–	–	–	–	(479)	–	(479)	(77)	(556)
Total other comprehensive income	–	–	–	526	(479)	–	47	39	86
Total comprehensive income for the year	–	–	–	526	(479)	32,214	32,261	2,532	34,793
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Dividends relating to 2011	–	–	–	–	–	(8,882)	(8,882)	–	(8,882)
Issue of new shares	4,318	–	–	–	–	–	4,318	–	4,318
Purchase of treasury shares	–	(391)	–	–	–	–	(391)	–	(391)
Total contributions by and distributions to owners of the Company	4,318	(391)	–	–	–	(8,882)	(4,955)	–	(4,955)
Changes in ownership interests in subsidiaries									
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	(490)	(490)
Acquisition of non-wholly owned subsidiary	–	–	–	–	–	–	–	745	745
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	490	490
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	745	745
At 30 April 2012	84,467	(391)	7,082	(2,423)	1,533	93,136	183,404	12,001	195,405

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

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 30 April 2012

	Note	Group 2012 $'000	Group 2011 $'000
Cash flows from operating activities			
Profit before income tax		37,963	25,709
Adjustments for:			
Depreciation of property, plant and equipment	4	5,354	8,473
Gain on disposal of property, plant and equipment	21	(125)	(2,934)
Property, plant and equipment written off	21	10	4
(Gain)/Loss on fair value of marketable securities	21	(1,875)	3,237
Loss on fair value of foreign currency forward contracts	21	117	–
Gain on disposal of marketable securities	21	(13)	(59)
Loss on disposal of club membership	21	5	–
Loss on disposal of subsidiaries	21	116	–
Share of profit of associates		(9,203)	(1,527)
Accretion of deferred revenue		(21,990)	(11,089)
Dividend income from financial assets at fair value through profit or loss	21	(2,434)	(41)
Dividend income from available-for-sale financial assets	21	(2,748)	(821)
Impairment loss on leasehold properties written back	4	(2,338)	(13,988)
Impairment loss on goodwill	21	982	–
REIT management fee received/receivable in units		(3,957)	(1,233)
Finance costs	19	868	1,076
Finance income	19	(2,524)	(873)
Interest income on convertible loans to associate	21	(660)	(852)
Foreign exchange (gain)/loss		(776)	6,349
		(3,228)	11,431
Changes in working capital:			
Trade and other receivables		1,252	(1,809)
Trade and other payables		1,732	455
Cash generated from operating activities		(244)	10,077
Income taxes refunded		359	189
Income taxes paid		(5,006)	(2,315)
Net cash (used in)/from operating activities		(4,891)	7,951
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		608	159,803
Proceeds from sale of investment properties		–	36,909
Purchase of property, plant and equipment		(28,849)	(21,377)
Acquisition of shares in associates		(502)	(17,519)
Acquisition of subsidiaries, net of cash acquired	(i)	–	(1,289)
Repayment of loan by associates		1,001	1,226
Redemption of convertible loan to an associate		2,251	1,625
Dividends received			
- financial assets at fair value through profit or loss		1,972	41
- available-for-sale financial assets		2,832	–
- an associate		502	436
Purchase of other investments		(4,152)	(127,684)
Proceeds from sale of other investments		5,135	522
Proceeds from disposal of subsidiaries, net of cash disposed		(27)	–
Finance income received		2,459	918
Loan to associates		(1,685)	–
Loans to related parties		(4,293)	(1,737)
Repayment of loan by related parties		4,094	2,117
Receipt of interest income on loans to associates		208	–
Net cash (used in)/from investing activities		(18,446)	33,991

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Year ended 30 April 2012

	Note	Group 2012 $'000	Group 2011 $'000
Cash flows from financing activities			
Purchase of treasury shares		(391)	–
Proceeds from borrowings		32,502	13,213
Repayment of loan to a director		–	(580)
Repayment of borrowings		(901)	(59,963)
Payment of finance lease liabilities		(1,612)	(1,431)
Dividend paid to shareholders of the Company	(ii)	(4,564)	(2,427)
Dividend paid to non-controlling interests of subsidiaries		(490)	–
Finance costs paid		(856)	(1,198)
Net cash from/(used in) financing activities		23,688	(52,386)
Net increase/(decrease) in cash and cash equivalents		351	(10,444)
Cash and cash equivalents at beginning of year		27,670	37,965
Effect of exchange rate fluctuations on cash and cash equivalents		(76)	149
Cash and cash equivalents at end of year	11	27,945	27,670

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

	Group 2012 $'000	Group 2011 $'000
Cash and cash equivalents	–	471
Other receivables	1,490	4,144
Other creditors	–	(1,760)
Loans and borrowings	–	(3,760)
Non-controlling interests	(745)	433
Net identifiable assets/(liabilities) acquired	745	(472)
Goodwill	497	472
Total purchase consideration	1,242	–
Loan from the Company to subsidiary prior to acquisition	–	1,760
Less: Cash of subsidiaries acquired	–	(471)
Less: Cash consideration not yet paid	(1,242)	–
Cash outflow on acquisition	–	1,289

(ii) Significant non-cash transaction:
During the year, the Company issued new ordinary shares for value of $4,317,902 (2011: $5,032,934) by way of offsetting the dividend payables to the shareholders (see note 12).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 July 2012.

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 2012 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

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 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.

2.4 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 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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

Measurement of non-controlling interests in business combinations

From 1 May 2011, the Group has applied the amendments to FRS 103 *Business Combinations* resulting from the *Improvements to FRSs 2010* in measuring at the acquisition date, non-controlling interests that are not present ownership interests and do not entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Such non-controlling interests are now measured as fair value (see note 3.1).

Previously, the Group has elected on a transaction-by-transaction basis whether to measure non-controlling interests that are not present ownership interest and do not entitle holders to non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets at the acquisition date.

This 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.

Identification of related party relationships and related party disclosures

From 1 May 2011, the Group has applied the revised FRS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) has not resulted in additional parties being identified as related to the Company.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) 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 2.5, which addresses changes in accounting policies.

3.1 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 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. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 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.

3.3 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 statement of financial position 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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.

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 statement of financial position 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 3.9), 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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 statement of financial position 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.

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.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 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 operating expenses 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and 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.

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.

3.6 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.

3.7 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 statement of financial position.

3.8 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

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.

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.

3.10 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. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 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.

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.

3.12 Government grants

Jobs Credit Scheme

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

3.13 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.

3.14 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Tax (cont'd)

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.

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.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when the Group believes that certain positions may not be fully sustained upon review by tax authorities, despite the Group's belief that its tax return positions are supportable. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgements about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.15 Earnings per share

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.

3.16 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.

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 May 2011, 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

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 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
Additions	–	6,607	3,131	8,201	666	13,333	31,938
Disposals/Write-offs	–	–	(3,258)	(5,944)	(260)	–	(9,462)
Disposal of subsidiary	–	–	–	(138)	(112)	–	(250)
Translation differences	–	43	(101)	(20)	3	–	(75)
Reclassifications	–	–	–	–	80	(80)	–
At 30 April 2012	–	74,973	13,273	21,155	6,628	13,472	129,501
Accumulated depreciation and impairment losses							
At 1 May 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
Depreciation for the year	–	1,909	1,256	1,391	798	–	5,354
Impairment losses written back	–	(2,338)	–	–	–	–	(2,338)
Disposals/Write-offs	–	–	(1,679)	(5,841)	(227)	–	(7,747)
Disposal of subsidiary	–	–	–	(138)	(83)	–	(221)
Translation differences	–	232	(51)	(29)	1	–	153
At 30 April 2012	–	20,144	4,368	9,242	4,643	–	38,397
Carrying amount							
At 1 May 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
At 30 April 2012	–	54,829	8,905	11,913	1,985	13,472	91,104

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

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 2010	757	224	37	1,018
Additions	–	11	–	11
Disposals	–	(10)	–	(10)
At 30 April 2011	757	225	37	1,019
Additions	387	20	–	407
Disposals	(375)	(20)	–	(395)
At 30 April 2012	769	225	37	1,031
Accumulated depreciation				
At 1 May 2010	364	195	36	595
Depreciation for the year	76	18	–	94
Disposals	–	(10)	–	(10)
At 30 April 2011	440	203	36	679
Depreciation for the year	77	13	–	90
Disposals	(258)	(20)	–	(278)
At 30 April 2012	259	196	36	491
Carrying amount				
At 1 May 2010	393	29	1	423
At 30 April 2011	317	22	1	340
At 30 April 2012	510	29	1	540

Construction work-in-progress

Cost of construction work-in-progress comprises:

	Group 2012 $'000	Group 2011 $'000
Development costs	11,511	80
Leasehold land rental	362	–
Property taxes, interest and other overheads	1,420	139
Heavy and warehouse equipment	179	–
	13,472	219

During the year, the Group has accepted JTC Corporation's offer of 41,963 square metres of land at Banyan Drive, Jurong Island with the intention of constructing a new multi-storey dangerous and non-dangerous chemical warehouse on the site. The Group has commenced construction of the new warehouse, with costs capitalised up to the reporting date totalling $13,152,000 (2011: nil).

During the year, interest expense of approximately $193,000 (2011: nil) was capitalised by the Group as cost of construction work-in-progress. The capitalisation rate was based on the cost of borrowing of 2.5% (2011: not applicable).

In 2011, three properties at 51 Penjuru Road, 33 & 35 Penjuru Lane and 18 Gul Drive with total 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

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 4 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, Wuxi You Xin Asset Appraisers Co. Ltd and Chesterton Suntec International Pte Ltd, close to the reporting date.

Based on management's assessment, the Group wrote back impairment losses of $2,338,000 relating to a property at 30 Tuas Avenue 10 and the reversal was recorded under other income in profit or loss (2011: $13,988,000).

Assets under finance leases

The Group leases motor vehicles, trucks and prime movers under a number of finance lease agreements. As at 30 April 2012, the net carrying amount of leased plant and equipment was $7,109,000 (2011: $5,425,000).

During the year, the Group acquired property, plant and equipment with an aggregate cost of $31,938,000 (2011: $16,720,000), of which $3,185,000 (2011: $509,000) 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 the Company and certain subsidiaries as set out in note 15:

	Group	
	2012	**2011**
	$'000	**$'000**
Net book value		
Leasehold properties	48,016	47,456

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.

In 2011, 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

5 INTANGIBLE ASSETS

Group	Note	Goodwill on consolidation $'000
Cost		
At 1 May 2010		1,127
Acquisition through business combinations	24	472
At 30 April 2011		1,599
Acquisition through business combinations	24	497
At 30 April 2012		2,096
Accumulated impairment losses		
At 1 May 2010 and 30 April 2011		145
Impairment loss		982
At 30 April 2012		1,127
Carrying amount		
At 1 May 2010		982
At 30 April 2011		1,454
At 30 April 2012		969

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 2012 $'000	2011 $'000
Chemical and storage business	–	982
Management fees business	472	472
Warehousing and logistics business	497	–
	969	1,454

The recoverable amount of the chemical and storage business, and management fee business was determined based on its value in use. The value in use was calculated by discounting the future cash flows to be generated from the continuing use of the CGU.

The value in use was based on discounted cash flow projections over a period of 5 years using the actual result for 2012 as the baseline year. Growth in sales of 3% was assumed for the 5 years and no terminal growth rate was considered.

A pre-tax discount rate of 7.9% was applied in determining the recoverable amount (2011: 9.6%).

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 carrying amount of the chemical and storage business was determined to be higher than its recoverable amount and an impairment loss of $982,000 (2011: nil) was recognised. The impairment loss was allocated fully to goodwill, and is included in other operating expenses in profit or loss.

Goodwill allocated to the warehousing and logistics business arose from the acquisition of Muto Global Pte Ltd (MGPL) (see note 24). The recoverable amount of MGPL was determined based on its fair value less costs to sell. Management is of the view that the acquisition cost of MGPL is representative of MGPL's fair value less costs to sell given that there were no significant changes in value arising from factors since acquisition date of 26 April 2012 to 30 April 2012.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

6 INVESTMENT PROPERTIES

	Group 2012 $'000	Group 2011 $'000
At beginning of the year	–	25,700
Disposals	–	(25,700)
At end of the year	–	–

In 2011, 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 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 $2,313,000 (2011: $2,282,000). The leases contain initial non-cancellable periods of 3 to 10 years. Subsequent renewal is negotiable with the lessees.

7 SUBSIDIARIES

	Company 2012 $'000	Company 2011 $'000
Equity investments, at cost	18,362	18,362
Less: Accumulated impairment losses		
At beginning of the year	(4,113)	(4,099)
Impairment losses recognised	(2,000)	(14)
At end of the year	(6,113)	(4,113)
	12,249	14,249

Details of significant subsidiaries of the Group are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group 2012 %	Effective equity held by the Group 2011 %
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
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 (SIP)	Singapore	51	51
Sabana Real Estate Investment Management Pte Ltd	Singapore	51	51
Sabana Property Management Pte Ltd	Singapore	51	51
Muto Global Pte Ltd (MGPL)	Singapore	50	–

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

7 SUBSIDIARIES (CONT'D)

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 Trading and Transport Sdn. Bhd. are audited by Zhonghua Certified Public Accountants and SE Lai Associates, respectively.

Although the Group owns less than or only half of the voting rights of Freight Links Express (Thailand) Co., Ltd and MGPL, respectively, the Group is able to govern the financial and operating policies and control the composition of the board of directors by virtue of the shareholders' agreements. Consequently, the Group consolidates its investments in these companies as subsidiaries of the Group.

The recoverable amounts of the investments in subsidiaries were determined based on the estimated net selling price of the subsidiaries which approximates the net assets 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 $2,000,000 (2011: $14,000) to the Company's profit or loss.

8 ASSOCIATES

	Group		Company	
	2012 $'000	**2011 $'000**	**2012 $'000**	**2011 $'000**
Convertible loans to an associate	8,489	9,705	8,489	9,705
Redeemable cumulative convertible preference shares in an associate	12,961	12,796	10,845	10,755
Loans and receivables	21,450	22,501	19,334	20,460
Investment in associates	38,865	29,072	19,019	17,520
	60,315	51,573	38,353	37,980

Convertible loans to an associate

	Group and Company	
	2012 $'000	**2011 $'000**
At beginning of the year	9,705	13,885
Redemption	(2,251)	(1,625)
Interest income	660	852
Unrealised exchange gain/(loss) recognised in profit or loss	375	(3,407)
At end of the year	8,489	9,705

(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

* Goh Nigap Suan & Co is the auditor of Fudao.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

8 ASSOCIATES (CONT'D)

(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% (2011: 10%) per annum. The effective interest rate is 10% (2011: 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 $8,489,000 (2011: $9,705,000).

Redeemable cumulative convertible preference shares (RCCPS) in an associate

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of the year	12,796	14,148	10,755	11,988
Unrealised exchange gain/(loss) recognised in profit or loss	90	(1,233)	90	(1,233)
Exchange gain/(loss) recognised in equity for RCCPS held by a foreign subsidiary	75	(119)	–	–
At end of the year	12,961	12,796	10,845	10,755

(a) Details of the associate are as follows:

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

* Goh Nigap Suan & Co is the auditor of GSD.

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) 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% (2011: 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 reporting date is approximately $12,961,000 (2011: $12,796,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

8 ASSOCIATES (CONT'D)

Investment in associates

Details of significant associates are as follows:

Name of associate	Country of incorporation	Effective equity held by the Group 2012 %	2011 %
Freight Management Holdings Bhd (FMHB)*	Malaysia	20	20
China Southwest Energy Corporation Ltd (China SW)**	Hong Kong	25.5	24
Sentosa Capital Pte Ltd***	Singapore	30	30

* Audited by BDO Kuala Lumpur
** Audited by PWC Shanghai
*** Audited by Entrust Public Accounting Corporation

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 preferred 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; the Company did not redeem the preferred shares on 1 February 2012.

(b) In the event that the Company does 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

8 ASSOCIATES (CONT'D)

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	
	2012	**2011**
	$'000	**$'000**
Assets and liabilities		
Total assets	383,830	316,460
Total liabilities	136,697	164,268
Results		
Revenue	271,472	246,269
Profit after tax	38,318	54,085

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	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Non-current investments				
Available-for-sale financial assets				
- quoted equity securities	31,288	26,748	–	–
- unquoted equity securities	245	236	–	–
Restricted fixed deposits	80	127	–	–
Club membership	12	50	–	22
	31,625	27,161	–	22
Current investments				
Financial assets at fair value through profit or loss				
- quoted equity securities	36,882	31,120	8,720	8,583
- unquoted equity securities	36,661	36,800	36,661	36,800
- debt securities	21,537	25,957	21,537	25,957
	95,080	93,877	66,918	71,340
	126,705	121,038	66,918	71,362

Interest-bearing debt securities of the Group and the Company with a carrying amount of $21,537,000 at 30 April 2012 (2011: $25,957,000) have stated interest rates of 4.85% (2011: 4% to 4.85%) per annum and mature in 1 year (2011: 2 to 3 years).

The quoted equity securities of $45,538,000 (2011: nil) have been pledged as security to secure bank loans and other credit facilities extended to the Company as set out in note 15.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

10 TRADE AND OTHER RECEIVABLES

		Group		Company	
		2012	2011	2012	2011
	Note	$'000	$'000	$'000	$'000
Non-current assets					
Non-trade amounts due from subsidiaries	(a)	–	–	80,131	79,818
Loans to subsidiaries	(b)	–	–	134,444	126,911
Impairment losses		–	–	(80,249)	(90,867)
Net receivables		–	–	134,326	115,862
Deposits		70	54	–	–
Loans and receivables		70	54	134,326	115,862
Prepayments		20	110	–	–
		90	164	134,326	115,862
Current assets					
Trade receivables					
- subsidiaries		–	–	721	883
- third parties		24,239	25,245	–	–
		24,239	25,245	721	883
Impairment losses		(664)	(588)	–	–
Net trade receivables		23,575	24,657	721	883
Loan to an associate	(c)	683	–	–	–
Amounts due from related parties	(d)	2,758	1,652	211	5
Loan to a related party	(e)	1,960	1,503	–	–
Deposits		414	1,422	2	2
Tax recoverable		12	30	–	–
Interest receivables		572	712	525	705
Other receivables		2,693	1,431	322	301
Loans and receivables		32,667	31,407	1,781	1,896
Advances		4	31	–	–
Consumables		149	175	–	–
Other prepayments		3,125	4,525	26	21
		35,945	36,138	1,807	1,917

(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 1.23% (2011: 1.24%) per annum.

(c) Loan to an associate bears interest at 9.75% per annum, is unsecured and repayable on demand.

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

(e) Loan to a related party bears interest at 9.77% per annum and the amount is due in August 2012.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

11 CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Cash at bank and in hand	22,759	24,305	3,898	5,202
Deposits with banks	6,538	4,307	500	–
Cash and cash equivalents	29,297	28,612	4,398	5,202
Bank overdrafts (note 15)	(1,352)	(942)		
Cash and cash equivalents in the consolidated statement of cash flows	27,945	27,670		

Included in cash and cash equivalents are amounts of $2,348,000 (2011: $724,000) 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 0.06% to 3.35% (2011: 0.10% to 2.75%). Interest rates reprice at intervals of three months.

12 SHARE CAPITAL

	Group and Company	
	2012 No. of shares '000	2011 No. of shares '000
Fully paid ordinary shares, with no par value:		
At beginning of the year	2,223,001	2,131,493
Issue of new shares	78,507	91,508
At end of the year	2,301,508	2,223,001

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 21 October 2011 and 22 October 2010, the Company issued 78,507,355 (2011: 91,507,897) new ordinary shares for value of $4,317,902 (2011: $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 2011 and 30 April 2010, respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

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 2012, the Group achieved a ROE of 17.6% (2011: 10.4%).

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 net debt-to-equity ratio was 0.08 as at 30 April 2012 (2011: not applicable). The Group was in a net cash position of $16,833,000 as at 30 April 2011.

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	
	2012	**2011**
	$'000	**$'000**
First and final dividend paid in respect of the previous financial year of 0.40 cent (2011: 0.25 cent) per share	8,882	5,329
Special dividend paid in respect of the previous financial year of nil cent (2011: 0.10 cent) per share	–	2,131
	8,882	7,460

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These dividends have not been provided for in the financial statements.

	Group and Company	
	2012	**2011**
	$'000	**$'000**
First and final dividend paid in respect of the current financial year of 0.45 cent (2011: 0.40 cent) per share	10,325	8,882

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

13 RESERVES

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Fair value reserve	(2,423)	(2,949)	–	–
Foreign currency translation reserve	1,533	2,012	–	–
Treasury shares	(391)	–	(391)	–
Capital reserve	7,082	7,082	7,082	7,082
	5,801	6,145	6,691	7,082
Accumulated profits	93,136	69,804	42,557	33,509
	98,937	75,949	49,248	40,591

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.

The treasury shares reserve comprises the cost of the Company's shares held by the Group. On 30 April 2012, the Group held 7,120,000 of the Company's shares.

Capital reserve arises from the issue and exercise of warrants.

The accumulated profits of the Group include an amount of $14,088,000 (2011: $4,885,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

14 SHARE OPTIONS (CONT'D)

FLEH Share Option Scheme (cont'd)

Person who is 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.

No share option has been issued under the Scheme.

15 LOANS AND BORROWINGS

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Non-current liabilities					
Floating rate term loans		19,260	7,430	2,548	–
Finance lease liabilities		2,706	1,688	–	–
		21,966	9,118	2,548	–
Current liabilities					
Bank overdrafts	11	1,352	942	–	–
Floating rate term loans		2,236	506	742	–
Fixed rate term loans		17,620	–	13,700	–
Finance lease liabilities		1,556	1,213	–	10
		22,764	2,661	14,442	10
		44,730	11,779	16,990	10

The term loans of the Company and certain subsidiaries of $26,051,000 (2011: $7,558,000) are secured by legal mortgages over the leasehold properties of the Group as disclosed in note 4. The term loan of the Company of $11,000,000 is secured by the quoted equity securities as disclosed in note 9.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

15 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

	Nominal interest rate %	Year of maturity	2012 Face value $'000	2012 Carrying amount $'000	2011 Face value $'000	2011 Carrying amount $'000
Group						
	1.00% – 2.00% above SIBOR rate	2015 – 2021	10,339	10,339	7,936	7,936
Floating rate	1.55% above bank's 3 months cost of funds	2019	3,157	3,157	–	–
term loans	1.25% – 2.00% above swap rate	2013 – 2015	8,000	8,000	–	–
Fixed rate term loans	1.41% - 8.27%	2013	17,620	17,620	–	–
Finance lease liabilities	2.00% – 4.70%	2012 – 2018	4,262	4,262	2,901	2,901
Bank overdrafts	6.30% – 7.85%	–	1,352	1,352	942	942
			44,730	44,730	11,779	11,779
Company						
Floating rate term loans	2.00% above SIBOR rate	2015	3,290	3,290	–	–
Fixed rate term loans	1.41% – 2.31%	2013	13,700	13,700	–	–
Finance lease liabilities	2.30%	2012	–	–	10	10
			16,990	16,990	10	10

Finance lease liabilities

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

	Principal 2012 $'000	Interest 2012 $'000	Payments 2012 $'000	Principal 2011 $'000	Interest 2011 $'000	Payments 2011 $'000
Group						
Repayable within one year	1,556	216	1,772	1,213	184	1,397
Repayable after one year but within five years	2,706	200	2,906	1,688	135	1,823
Total	4,262	416	4,678	2,901	319	3,220
Company						
Repayable within one year	–	–	–	10	1	11

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

16 TRADE AND OTHER PAYABLES

		Group		Company	
		2012	2011	2012	2011
		$'000	$'000	$'000	$'000
Non-current liabilities					
Non-trade amounts due to subsidiaries	(a)	–	–	3,202	2,105
Loans from subsidiaries	(b)	–	–	99,036	121,815
Deferred revenue	(c)	50,217	70,773	–	–
Long-term employee benefits	(d)	2,640	1,319	2,336	1,026
		52,857	72,092	104,574	124,946
Current liabilities					
Trade payables		11,822	12,635	–	–
Deposits and advances		5,647	6,587	–	–
Deferred revenue	(c)	20,556	21,990	–	–
Amount due to related parties		956	1,648	–	–
Other payables		2,404	564	1,465	82
Accrued operating expenses		6,101	5,653	1,153	812
		47,486	49,077	2,618	894
Total trade and other payables		100,343	121,169	107,192	125,840

(a) The non-trade amounts due to subsidiaries are unsecured and interest-free, and are 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 1.23% (2011: 1.24%) 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 $21,990,000 (2011: $11,089,000) 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

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 2010 $'000	Recognised in profit or loss (note 20) $'000	Exchange differences $'000	At 30 April 2011 $'000	Recognised in profit or loss (note 20) $'000	Exchange differences $'000	At 30 April 2012 $'000
Deferred tax assets							
Property, plant and equipment	90	–	–	90	98	–	188
Provisions	63	56	–	119	(37)	(3)	79
Other items	95	(84)	(3)	8	(3)	–	5
Total	248	(28)	(3)	217	58	(3)	272
Deferred tax liabilities							
Property, plant and equipment	(755)	328	10	(417)	(259)	3	(673)
Other items	(4)	–	–	(4)	–	–	(4)
Total	(759)	328	10	(421)	(259)	3	(677)

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

	Company 2012 $'000	Company 2011 $'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 statements of financial position as follows:

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Deferred tax assets	267	–	–	–
Deferred tax liabilities	(672)	(204)	(4)	(4)
	(405)	(204)	(4)	(4)

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

	Group 2012 $'000	Group 2011 $'000
Capital allowances	5,224	16,277
Tax losses	16,017	6,389
	21,241	22,666

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 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 3.14.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

18 REVENUE

	Group	
	2012	2011
	$'000	$'000
Freight forwarding	64,111	68,789
Warehouse and logistics	23,836	22,205
Chemical storage and logistics	51,760	50,223
Management fees business	7,939	9,089
Other services rendered	1,708	3,822
Total revenue	149,354	154,128

19 FINANCE INCOME AND COSTS

	Group	
	2012	2011
	$'000	$'000
Interest income:		
- other receivables	896	144
- finance lease assets	311	–
- bank deposits	120	118
- loans to associates	109	42
- debt securities	1,088	569
Finance income	2,524	873
Interest expense:		
- term loans	(497)	(762)
- bank overdrafts	(91)	(52)
- finance lease liabilities	(280)	(259)
- others	–	(3)
Finance costs	(868)	(1,076)
Net finance income/(costs)	1,656	(203)

20 INCOME TAX

	Group	
	2012	2011
	$'000	$'000
Current tax expense		
Current year	2,733	4,841
Adjustment for prior years	322	1,019
	3,055	5,860
Deferred tax expense		
Reversal of temporary differences	(183)	(376)
Adjustment for prior years	384	76
	201	(300)
Income tax expense excluding share of income tax of associates	3,256	5,560
Share of income tax of associates	454	322
Total income tax expense	3,710	5,882

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

20 INCOME TAX (CONT'D)

	Group 2012 $'000	Group 2011 $'000
Reconciliation of effective tax rate		
Profit before income tax	37,963	25,709
Tax calculated using Singapore tax rate of 17%	6,454	4,371
Effect of different tax rates in other countries	239	83
Income not subject to tax	(5,652)	(2,139)
Expenses not deductible for tax purposes	1,893	102
Utilisation of previously unrecognised tax losses	(684)	(1,458)
Deferred tax assets not recognised	436	3,793
Underprovided in prior years	706	1,095
Tax incentive	(113)	–
Others	(23)	(287)
	3,256	5,560

21 PROFIT FOR THE YEAR

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

	Group 2012 $'000	Group 2011 $'000
Other income:		
Gain on fair value of marketable securities	1,875	–
Interest income on convertible loans to an associate	660	852
Impairment loss on receivables written back	26	12
Impairment loss on leasehold properties written back	2,338	13,988
Gain on disposal of property, plant and equipment	125	2,934
Gain on disposal of marketable securities	13	59
Jobs credit	–	64
Dividend income		
- financial assets at fair value through profit or loss	2,434	41
- available-for-sale financial assets	2,748	821
Gain on fair value of currency forward contract	682	–
Foreign exchange gain	986	–
Others	61	318
	11,948	19,089
Other expenses:		
Foreign exchange loss	–	7,113
Audit fees paid to:		
- auditors of the Company	403	367
- other auditors	34	33
Non-audit fees paid to:		
- auditors of the Company	37	32
- other auditors	9	8
Contributions to defined contribution plans included in staff costs	3,757	3,320
Property, plant and equipment written off	10	4
Loss on disposal of club membership	5	–
Loss on fair value of foreign currency forward contract	117	–
Impairment loss on goodwill	982	–
Impairment loss on receivables	182	75
Loss on disposal of subsidiaries	116	–
Loss on fair value of marketable securities	–	3,237

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

22 EARNINGS PER SHARE

	Group	
	2012	2011
	$'000	$'000
Basic earnings per share is computed based on:		
Net profit attributable to ordinary shareholders	32,214	16,286

	No. of shares '000	No. of shares '000
Issued ordinary shares at beginning of the year	2,223,001	2,131,493
Effect of own shares held	(4,457)	–
Effect of ordinary shares issued	41,613	91,508
Weighted average number of ordinary shares at end of the year	2,260,157	2,223,001

	$'000	$'000
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	32,214	16,286

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 2012 or 2011.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

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	Ware-housing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Revenue							
2012							
External revenue	64,111	23,836	51,760	7,939	1,708	–	149,354
Inter-segment revenue	1,741	5,633	6	–	1	(7,381)	–
Total revenue	65,852	29,469	51,766	7,939	1,709	(7,381)	149,354
Results							
Segment results	4,843	(9,801)	2,635	3,997	7,700	–	9,374
Unallocated corporate costs							
- other corporate costs							(3,938)
Impairment loss on goodwill	–	–	(982)	–	–	–	(982)
Accretion of deferred revenue	–	21,990	–	–	–	–	21,990
Results from operating activities							26,444
Interest income from an associate	–	–	–	–	660	–	660
Finance income	196	687	–	2	1,639	–	2,524
Finance costs	(2)	(405)	(278)	(3)	(180)	–	(868)
Share of profit of associates							9,203
Profit before income tax							37,963
Income tax expense	(963)	(78)	(1,103)	(573)	(539)	–	(3,256)
Profit for the year	4,074	12,393	272	3,423	9,280	–	34,707
Other segmental information							
Gain/(Loss) on disposal of subsidiary	–	–	4	–	(120)	–	(116)
Gain/(Loss) on disposal of property, plant and equipment	59	(57)	118	–	5	–	125
Write-back of impairment loss on leasehold properties	–	2,338	–	–	–	–	2,338

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

23 SEGMENT REPORTING (CONT'D)

Operating segments (cont'd)

	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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

23 SEGMENT REPORTING (CONT'D)

Operating segments (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 2012							
Segment assets	24,247	81,057	40,106	4,100	1,859	–	151,369
Tax recoverable							12
Associates							60,315
Other investments							126,705
Deferred tax assets							267
Other unallocated assets							
- cash and cash equivalents							4,398
- others							1,626
Total assets							344,692
Segment liabilities	7,634	79,659	6,575	894	625	–	95,387
Financial liabilities							44,730
Deferred tax liabilities							672
Income tax liabilities							3,542
Other unallocated liabilities							4,956
Total liabilities							149,287
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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

23 SEGMENT REPORTING (CONT'D)

Operating segments (cont'd)

	Freight forwarding $'000	Warehousing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Other segment information							
2012							
Capital expenditure	214	13,089	18,127	101	407	–	31,938
Depreciation	142	2,432	2,482	149	149	–	5,354
2011							
Capital expenditure	39	13,456	2,816	384	25	–	16,720
Depreciation	219	5,223	2,797	45	189	–	8,473

Geographical segments

	Singapore $'000	ASEAN (excluding Singapore) $'000	Asia $'000	America $'000	Oceania $'000	Europe $'000	Middle East $'000	Others $'000	Group $'000
2012									
Revenue from external customers	66,594	28,867	28,182	5,944	4,222	7,536	5,461	2,548	149,354
Non-current assets*	121,147	3,643	6,447	–	–	–	–	–	131,237
Capital expenditure	24,038	1,234	6,666	–	–	–	–	–	31,938
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

* Excluding convertible loans to an associate, RCCPS in an associate, investment classified as available-for-sale, restricted fixed and non-current deposits.

NOTES TO THE FINANCIAL STATEMENTS
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24 ACQUISITION OF SUBSIDIARY

Acquisition of MGPL

On 26 April 2012, the Group's wholly-owned subsidiary, Freight Links Logistics Pte Ltd (FLL), entered into a joint venture agreement to form a Singapore incorporated company, Muto Global Pte Lte (MGPL). FLL has subscribed for 50% equity interest in MGPL for a cash consideration of $1,242,000. The consideration was arrived at on a willing-buyer and willing-seller basis and after taking into account the transfer of existing tank business and trademarks from Muto Co., Ltd, a company incorporated in South Korea.

The principal business activities of MGPL are those relating to the provision of ISO tank business and acting as a tank operator.

Although the Group owns only half of the voting rights of MGPL, the Group is able to govern the financial and operating policies and control the composition of the board of directors by virtue of the shareholders' agreement. Consequently, the Group consolidates its investment in MGPL as a subsidiary of the Group.

Taking control of MGPL will enable the Group to enter into tank operation business with established agency network in the Asian Market.

Identifiable assets acquired and liabilities assumed

	2012 $'000
Other receivables	1,490
Total identifiable net assets	1,490

Goodwill

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

	2012 $'000
Total consideration transferred	1,242
Non-controlling interests, based on the proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	745
Fair value of identifiable net assets	(1,490)
Goodwill	497

The initial accounting for the acquisition of MGPL is incomplete for the purchase price allocation as the determination of the fair values to be assigned to the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of acquisition is still in process as at the reporting date. The amount recognised for the acquisition of MGPL has been determined only provisionally as at the reporting date. The Group expects to complete the initial accounting within twelve months from the acquisition date.

The Group will assess the identifiable intangible assets taking into account the fair value of existing contracts and customer relationships transferred from Muto Co., Ltd.

Goodwill is mainly attributable to the intangible assets that comprises customer relationships and the Muto brand name. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the acquisition date to 30 April 2012, MGPL contributed nil revenue and profit to the Group's results.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

24 ACQUISITION OF SUBSIDIARY (CONT'D)

Acquisition-related costs

The Group incurred acquisition-related costs of $9,000 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.

Acquisition of SIP

In August 2010, the Group has subscribed for 51% equity interest in 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:

	2011 **$'000**
Other receivables	4,144
Cash and cash equivalents	451
Loans and borrowings	(3,760)
Other payables	(1,760)
Total identifiable net liabilities	(925)

Goodwill

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

	2011 **$'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

In 2011, 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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

25 FINANCIAL RISK MANAGEMENT (CONT'D)

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.

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, investments, and borrowings that are denominated in currencies other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are United States dollar (USD), Chinese renminbi (RMB) and Australian dollar (AUD). The Group operates internationally and is exposed to foreign currency risks arising from various currency exposures. The Group reviews the net foreign currency balances to ensure that its exposure is kept to an acceptable level.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS

Accounting classifications and fair values

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

	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
Group							
30 April 2012							
Assets							
Associates	8	21,450	–	–	–	21,450	21,450
Other investments excluding club membership	9	80	31,533	95,080	–	126,693	126,693
Trade and other receivables excluding prepayments, advances and consumables	10	32,737	–	–	–	32,737	32,737
Cash and cash equivalents	11	29,297	–	–	–	29,297	29,297
		83,564	31,533	95,080	–	210,177	210,177
Liabilities							
Loans and borrowings	15	–	–	–	44,730	44,730	44,730
Trade and other payables excluding deferred revenue	16	–	–	–	29,570	29,570	29,570
		–	–	–	74,300	74,300	74,300
30 April 2011							
Assets							
Associates	8	22,501	–	–	–	22,501	22,501
Other investments excluding club membership	9	127	26,984	93,877	–	120,988	120,988
Trade and other receivables excluding prepayments, advances and consumables	10	31,461	–	–	–	31,461	31,461
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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS (CONT'D)

	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
Company						
30 April 2012						
Assets						
Associates	8	19,334	–	–	19,334	19,334
Other investments excluding club membership	9	–	66,918	–	66,918	66,918
Trade and other receivables excluding prepayments	10	136,107	–	–	136,107	136,107
Cash and cash equivalents	11	4,398	–	–	4,398	4,398
		159,839	66,918	–	226,757	226,757
Liabilities						
Loans and borrowings	15	–	–	16,990	16,990	16,990
Trade and other payables	16	–	–	107,192	107,192	107,192
		–	–	124,182	124,182	124,182
30 April 2011						
Assets						
Associates	8	20,460	–	–	20,460	20,460
Other investments excluding club membership	9	–	71,340	–	71,340	71,340
Trade and other receivables excluding prepayments	10	117,758	–	–	117,758	117,758
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

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS (CONT'D)

Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 April 2012				
Available-for-sale financial assets	31,288	–	–	31,288
Financial assets at fair value through profit or loss	36,882	58,198	–	95,080
	68,170	58,198	–	126,368
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

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 trade and other receivables* at the reporting date (by business activities) is as follows:

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Freight forwarding	11,332	8,557	473	539
Warehousing and logistics	8,630	7,091	39,159	35,244
Chemical storage and logistics	9,918	12,687	12,596	9,425
Management fees business	784	874	–	–
Others	2,073	2,252	83,879	72,550
	32,737	31,461	136,107	117,758

*Excludes prepayments, advances and consumables

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS (CONT'D)

Impairment losses

The aging of trade and other receivables* at the reporting date is:

	Gross 2012 $'000	Impairment losses 2012 $'000	Gross 2011 $'000	Impairment losses 2011 $'000
Group				
No credit terms	3,761	–	5,789	–
Not past due	19,835	(6)	17,413	–
Past due 0 – 30 days	4,333	(6)	4,431	–
Past due 31 – 120 days	3,961	(12)	3,455	(236)
More than 120 days	1,511	(640)	961	(352)
	33,401	(664)	32,049	(588)
Company				
No credit terms	849	–	1,008	–
Not past due	214,914	(80,249)	206,870	(90,867)
Past due 0 – 30 days	49	–	42	–
Past due 31 – 120 days	88	–	129	–
More than 120 days	456	–	576	–
	216,356	(80,249)	208,625	(90,867)

*Excludes prepayments, advances and consumables

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

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
At beginning of the year	588	666	90,867	110,667
Impairment loss recognised	182	75	–	–
Impairment loss utilised	(76)	(141)	–	–
Impairment loss written back	(26)	(12)	(10,618)	(19,800)
Translation differences	(4)	–	–	–
At end of the year	664	588	80,249	90,867

*Excludes prepayments, advances and consumables

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 aging 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 trade and other receivables. If the financial conditions of the customers or counterparties were to deteriorate, actual write-offs would be higher than estimated.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

The following are the contractual maturities of financial liabilities, including contractual 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					
2012					
Non-derivative financial liabilities					
Finance lease liabilities	4,262	(4,678)	(1,772)	(2,906)	–
Term loans	39,116	(40,450)	(20,361)	(14,511)	(5,578)
Bank overdrafts	1,352	(1,352)	(1,352)	–	–
Trade and other payables*	29,570	(29,980)	(26,930)	(1,626)	(1,424)
	74,300	(76,460)	(50,415)	(19,043)	(7,002)
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)
Company					
2012					
Non-derivative financial liabilities					
Term loans	16,990	(17,260)	(14,643)	(2,617)	–
Trade and other payables	107,192	(107,602)	(2,618)	(103,799)	(1,185)
	124,182	(124,862)	(17,261)	(106,416)	(1,185)
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)

*Excludes deferred revenue

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS (CONT'D)

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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Fixed rate instruments				
Associates	8,489	9,705	8,489	9,705
Restricted fixed deposits	80	127	–	–
Loan to an associate	683	–	–	–
Loan to a related party	1,960	1,503	–	–
Debt securities	21,537	25,957	21,537	25,957
Deposits with banks	6,538	4,307	500	–
Term loans	(17,620)	–	(13,700)	–
Finance lease liabilities	(4,262)	(2,901)	–	(10)
	17,405	38,698	16,826	35,652
Variable rate instruments				
Loans to subsidiaries	–	–	134,444	126,911
Loans from subsidiaries	–	–	(99,036)	(121,815)
Term loans	(21,496)	(7,936)	(3,290)	–
Bank overdrafts	(1,352)	(942)	–	–
	(22,848)	(8,878)	32,118	5,096

Sensitivity analysis

For variable rate financial assets and liabilities, an increase 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 2012		
Variable rate instruments	(190)	267
30 April 2011		
Variable rate instruments	(74)	42

There is no impact on equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk

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

		2012			2011	
	USD	**RMB**	**AUD**	**USD**	**RMB**	**AUD**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
Convertible loans to an associate and RCCPS in an associate	12,961	8,489	–	12,796	9,705	–
Other investments	36,661	–	16,391	36,800	–	10,318
Trade and other receivables	3,490	3,967	–	2,595	2,695	–
Cash and cash equivalents	3,255	2,929	–	3,233	986	–
Trade and other payables	(3,549)	(1,742)	–	(3,399)	(1,214)	(222)
Term loans	(6,446)	(3,920)	–	–	–	–
	46,372	9,723	16,391	52,025	12,172	10,096
Company						
Convertible loans to an associate and RCCPS in an associate	10,845	8,489	–	10,755	9,705	–
Other investments	36,661	–	–	36,800	–	–
Trade and other receivables	1,535	–	–	1,615	1,738	–
Cash and cash equivalents	209	–	–	1,315	–	–
Trade and other payables	(108)	–	–	–	–	–
Term loans	(3,289)	–	–	–	–	–
	45,853	8,489	–	50,485	11,443	–

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.

	Group Profit $'000	**Company Profit $'000**
30 April 2012		
USD	(3,849)	(3,806)
RMB	(807)	(705)
AUD	(1,360)	–
30 April 2011		
USD	(4,318)	(4,190)
RMB	(1,010)	(950)
AUD	(838)	–

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

26 FINANCIAL INSTRUMENTS (CONT'D)

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 2012		
Profit	6,876	4,538
Equity	3,129	–
30 April 2011		
Profit	6,409	4,538
Equity	2,675	–

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 2011 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.

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.

	2012 %	2011 %
Term loans	1.30 - 2.25	1.31 - 1.33
Convertible loans to associate	10	10
Finance lease liabilities	2.00 - 4.70	2.30 - 4.00

NOTES TO THE FINANCIAL STATEMENTS
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28 COMMITMENTS

Capital commitments

	Group	
	2012 **$'000**	**2011** **$'000**
Expenditure contracted for	33,154	–

The capital commitment relates to outstanding contracts in respect of the uncompleted chemical logistics hub on Jurong Island.

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 2012, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2012 **$'000**	**2011** **$'000**
Within 1 year	31,455	27,289
After 1 year but within 5 years	82,003	66,890
After 5 years	18,933	15,981
	132,391	110,160

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

	Group	
	2012 **$'000**	**2011** **$'000**
Within 1 year	10,154	12,934
After 1 year but within 5 years	19,822	21,261
After 5 years	5,233	7,128
	35,209	41,323

29 CONTINGENT LIABILITIES (UNSECURED)

Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of banking facilities amounting to $15,276,000 (2011: $2,822,000) 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. 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 2012 amounted to $92,314,000 (2011: $106,287,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2012

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	
	2012	**2011**
	$'000	**$'000**
Short-term employee benefits	3,852	3,335
Long-term employee benefits	1,310	1,026
Defined contribution plans	189	157
	5,351	4,518

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	
	2012	**2011**
	$'000	**$'000**
Professional fees paid to TSMP Law Corporation	33	38

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

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 0.45 cent per share amounting to approximately $10,325,000 for the financial year ended 30 April 2012. 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 2013.

SUPPLEMENTARY INFORMATION
(SGX Listing Manual disclosure requirements)

1 DIRECTORS' REMUNERATION

Company's directors receiving remuneration from the Group

	Number of directors 2012	2011
Remuneration of:		
$500,000 to below $750,000	1	–
$250,000 to below $500,000	2	3
Below $250,000	3	3
	6	6

SHAREHOLDERS' INFORMATION

As At 16 July 2012

Issued and fully paid	2,301,508,137 ordinary shares
Issued and fully paid (excluding treasury shares)	2,294,388,137 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	439	3.15	134,776	0.01
1,000 – 10,000	6,368	45.73	38,240,573	1.67
10,001 – 1,000,000	7,025	50.44	575,315,034	25.07
1,000,001 and above	95	0.68	1,680,697,754	73.25
Grand Total	**13,927**	**100.00**	**2,294,388,137**	**100.00**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

The percentage of shareholding held by the public is approximately 45.72%. 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	565,836,731	24.66
2	Mayban Nominees (Singapore) Pte Ltd	225,492,647	9.83
3	CIMB Securities (Singapore) Pte Ltd	212,895,071	9.28
4	Hong Leong Finance Nominees Pte Ltd	197,314,114	8.60
5	United Overseas Bank Nominees (Private) Ltd	70,260,299	3.06
6	Citibank Nominees Singapore Pte Ltd	67,722,043	2.95
7	DBS Nominees Pte Ltd	48,170,943	2.10
8	OCBC Nominees Singapore Private Limited	29,109,584	1.27
9	UOB Kay Hian Pte Ltd	18,998,350	0.83
10	OCBC Securities Private Ltd	18,128,615	0.79
11	Wuhan Construction Pte Ltd	13,000,000	0.57
12	Maybank Kim Eng Securities Pte Ltd	12,728,642	0.55
13	DBS Vickers Securities (Singapore) Pte Ltd	11,252,981	0.49
14	Phillip Securities Pte Ltd	8,116,052	0.35
15	Zhang Renfa	7,992,927	0.35
16	Andrew Lim Chee Seng	7,000,000	0.31
17	HL Bank Nominees (Singapore) Pte Ltd	6,824,382	0.30
18	Sok Hang Chaw Or Sok Enwei	5,500,000	0.24
19	Poh Boon Kher Melvin (Fu Wenke Melvin)	5,453,000	0.24
20	Lim & Tan Securities Pte Ltd	4,947,837	0.22
	Total:	**1,536,744,218**	**66.99**

SHAREHOLDERS' INFORMATION

As At 16 July 2012

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.	-	1,184,554,004	Nil
Eric Khua Kian Keong	1	57,010,706	1,184,554,004
Lian Hup Holdings Pte Ltd	2	Nil	1,184,554,004
Khua Hock Su	3	Nil	1,184,580,595
Vincent Khua Kian Ann	4	Nil	1,184,554,004
Khua Kian Hua	4	Nil	1,184,554,004

Notes :

1) Mr Eric Khua Kian Keong is deemed to be interested in 1,184,554,004 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 1,184,554,004 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 1,184,580,595 shares, of which 1,184,554,004 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 1,184,554,004 shares held by Vibrant by virtue of their respective shareholding interests in Lian Hup.

NOTICE OF ANNUAL GENERAL MEETING

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, 27 August 2012 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 2012 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a First and Final Dividend of 0.45 cent per ordinary share for the year ended 30 April 2012. (2011: First & Final 0.40 cent). **(Resolution 2)**

3. To approve the Directors' Fees of S$150,000/- for the year ended 30 April 2012 (2011: S$150,000/-). **(Resolution 3)**

4. To re-elect Mr Eric Khua Kian Keong as a Director retiring under Article 94 of the Articles of Association of the Company. **(Resolution 4)**

5. To re-elect Mr Thomas Woo Sai Meng 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,

NOTICE OF ANNUAL GENERAL MEETING

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)**

NOTICE OF ANNUAL GENERAL MEETING

9. **The proposed renewal of the Share Buyback Mandate**

That:-

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap 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 Companies 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.

NOTICE OF ANNUAL GENERAL MEETING

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. **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. **(Resolution 10)**

11. 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, 10 August 2012

NOTICE OF ANNUAL GENERAL MEETING

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 10 August 2012 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 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 p.m. on 31 August 2012 for the purpose of determining shareholders' entitlements to a First & Final Dividend of 0.45 cent per share for the financial year ended 30 April 2012 ("Dividend 2012") to be proposed at the Annual General Meeting of the Company to be held on 27 August 2012.

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 31 August 2012 will be entitled to the Dividend 2012 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 Service at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 31 August 2012 will be registered to determine shareholders' entitlements to Dividend 2012.

The Freight Links Express Holdings Limited Scrip Dividend Scheme as approved by shareholders of the Company on 31 August 2010 together with the modification on 29 August 2011 will apply to the Dividend 2012 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 2012 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, 10 August 2012

FREIGHT LINKS EXPRESS HOLDINGS LIMITED
(Company Registration No. 198600061G)

PROXY FORM
Annual General Meeting to be held on 27 August 2012

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, 27 August 2012 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.

No.	Resolutions	To be used on a show of hands		To be used in the event of a Poll	
		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 Eric Khua Kian Keong				
5.	Re-election of Mr Thomas Woo Sai Meng				
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 Share Buyback Mandate				
10.	Authority to allot and issue ordinary shares pursuant to the Freight Links Express Holdings Limited Scrip Dividend 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 ________ 2012

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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www.freightlinks.net

Co. Registration No. 198600061G