



Vibrant Group Limited

# BUILDING OUR **FUTURE**

Annual Report **2016**

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For Vibrant Group,

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### **BUILDING OUR FUTURE**

entails harnessing the expertise, technical edge and talent required to deliver only the best solutions to all customers.

For many years, we have been building on this value proposition and will continue to do so.

With diversified growth channels, proven capabilities, sound strategies and passionate people, Vibrant Group is poised to build a future of sustainable growth.

**VISION &  
MISSION**

BUILT ON A STRONG  
**COMMITMENT,**  
BUILT ON A SOLID  
**PLATFORM.**



**OUR VISION**

To be a world-class integrated service provider in logistics, real estate and financial services



**OUR MISSION**

- We harness the synergistic effects of our capabilities in logistics, real estate and financial services
- We provide reliable and innovative services to our customers
- We deliver credible and sustainable business growth



## CORPORATE PROFILE



### ABOUT VIBRANT GROUP LIMITED

Listed on SGX-ST in 1995, Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited) is a leading logistics, real estate and financial services group headquartered in Singapore. It offers a comprehensive range of integrated logistics services including international freight forwarding, chemical storage and logistics,

warehousing and distribution, and record management. The Group is also engaged in real estate business in property management, development and investment.

Its financial services include fund management, financial leasing services, and asset and trust management. The Group is the sponsor and manager of Sabana Real Estate Investment Trust (REIT), the world's largest listed Shari'ah compliant REIT.

## OUR BUSINESS LINES

From a trusted global logistics solutions provider, we have grown and evolved into a dynamic company with a suite of complementary business lines.

## Real Estate

Our Property Development, Investment and Management Capabilities

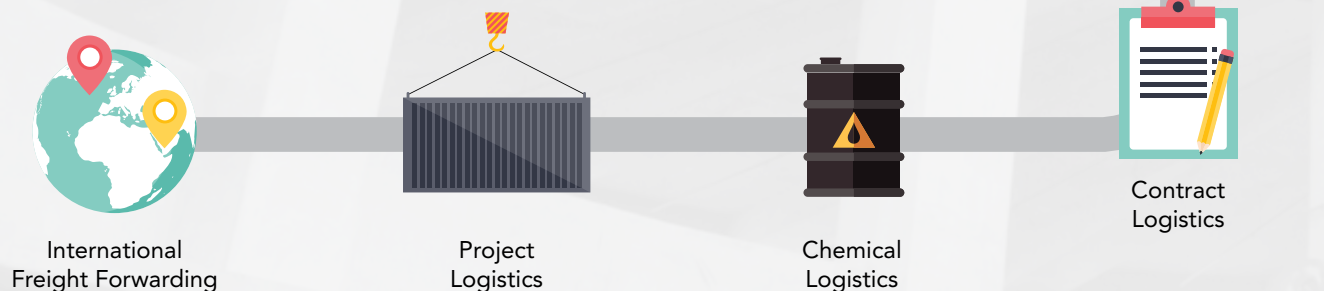


## Integrated Logistics Services

For many years, we have carved a strong reputation as a reliable global provider of integrated logistics solutions.

Our Group designs, engineers and manages total logistics solutions, leveraging on its in-depth domain knowledge, innovative capabilities and global logistics infrastructure, powered by information technology and automation.

Our Integrated Logistics Capabilities



## Our Network

Through its global network, the Group is able to connect its customers to over 600 destinations throughout the world. The Group's international freight forwarding business is supported by operations in Malaysia, Thailand, Hong Kong, Korea, China and Dubai and strong strategic partnerships with over 120 freight forwarding agents worldwide.



## Financial Services

### Sponsorship of Sabana REIT

Vibrant Group is the sponsor and largest unit holder of the Sabana Shari'ah Compliant Real Estate Investment Trust, the world's largest listed Shari'ah compliant REIT, with total assets exceeding S\$1.0 billion.

### Sentosa Asian Credit Fund

Vibrant Group invested US\$30.0 million in Sentosa Asian Credit Offshore Feeder Fund Limited, a liquid Asian ex-Japan credit fund investing in both hard currency bonds (US\$/G3) and local currency denominated Asian bonds.

### Sinolink Financial Leasing Co., Ltd

Vibrant Group's financial leasing services include hire purchase, equipment financing, shipping loans, working capital loans, letters of credit, project and receivables financing to potential customers in the equipment manufacturing, petroleum and gas, medical, education and construction industries in the PRC.



**A MESSAGE  
TO THE  
SHAREHOLDERS**

BUILT FOR

# GROWTH,

**"OUR DIVERSIFIED PORTFOLIO  
IN FREIGHT AND LOGISTICS, REAL  
ESTATE, AS WELL AS FINANCIAL  
SERVICES PUT US IN A GOOD  
POSITION TO BRAVE THROUGH  
THE STORM AHEAD."**

**Khua Hock Su**  
Group Chairman

**Financial Year 2016**

In this significant year, as Vibrant Group Limited celebrates our 35<sup>th</sup> anniversary, I am delighted to announce our record breaking revenue of \$280.7 million. Despite strong headwinds, the Group has managed to secure a 38.2% increase in revenue, from \$203.2 million in financial year (FY) 2015, marking another important milestone in the Group's growth. Diversification efforts into real estate business have made the Group resilient to the global economic slowdown, offsetting the decline from freight and logistics business, as well as financial services.



# BUILT FOR THE LONG HAUL.

The Group achieved a net profit attributable to shareholders of \$10.0 million for the financial year ended 30 April 2016, translating into earnings per share of 1.86 cents. As at 30 April 2016, the Group holds a net asset value of \$371.2 million or 67.02 cents as per ordinary share and a net gearing of 1.15 times.

## Notable Developments

Vibrant Group Limited is proud to showcase the following developments in FY2016:

- The redevelopment of a 6-storey ramp-up chemical warehouse including indoor dangerous goods (DG) ISO tanks storage at 146 Gul Circle was completed and the temporary occupation permit (TOP) was obtained on 19 February 2016. This facility has a gross floor area (GFA) of approximately 45,000 square metres. In this facility, we are proud to feature Singapore's first indoor automated ISO tank storage system. Space efficiency is also maximised by using the roof top for heavy vehicle parking.
- Changshu Fervent Industrial Park, a high-tech industrial park located in Jiangsu, China, was completed in December 2015. With a GFA of 67,900 square metres, the project comprises six blocks of standard factory and a five-storey multi-purpose facility. As at 30 April 2016, approximately 50% of the rentable space has been taken up by MNC tenants from the USA, Italy, Japan and Germany.
- The resettlement housing project in Jiangyin, China, was completed on 25 December 2015 and was handed over to the government under the Build-and-Transfer model. With a built-up area of 42,000 square metres, this project comprises one block of 33-storey residential flat and one block of 14-storey residential flat with a basement carpark and civil defence shelter.
- In May 2015, we also secured another local government-approved resettlement housing development project in Zhu Jia Wan, Jiangyin, China.



This project has an estimated built-up area of 124,884 square metres. It comprises five blocks of 11-storey high residential flat and five blocks of 18-storey high residential flat with a total of 928 residential units. This project is expected to complete by the end of 2016.

All the property development projects in Jiangsu, China, are jointly developed with the Group's associated company, Figtree Holdings Limited, which is listed on Singapore Stock Exchange (SGX) Catalist Board.

- GSH Plaza (formerly known as Equity Plaza), located at 20 Cecil Street, is a 28-storey building with 259 strata-titled office units, two floors of retail space and food and beverages outlets. The Group's associate, Plaza Venture Pte. Ltd., has shown promising result towards share of Group's profit from associate mainly due to the sales of the strata office units in GSH Plaza.
- On 22 October 2015, the Group successfully consolidated every five existing shares into one consolidated share. With this consolidation exercise, the total number of issued shares as at 30 April 2016 is 556,707,762. This share consolidation exercise will facilitate the Group's compliance with the SGX's minimum trading price requirement of \$0.20 per share for Mainboard-listed issuers.

## A MESSAGE TO THE SHAREHOLDERS



Changshu Fervent Industrial Park



146 Gul Circle

### Prioritising Shareholders

The management and the Board continues to remain focused on growing long-term shareholders' value through the development of the Group's organic business, as well as strategic investments and the implementation of effective cost management measures.

### Dividend

Based on our financial performance, the Board has recommended a first and final tax-exempt one-tier dividend of 1.80 cents per ordinary share after share consolidation. This proposed dividend amounts to a total dividend payment of \$9.968 million, subject to the shareholders' approval in the forthcoming Annual General Meeting.

Alike previous years, the Group will pay the dividend fully either through an allotment of ordinary shares or fully in cash at the election or choice of shareholders.

### Building Our Future

With unanticipated event like the Brexit occurring around the world, the uncertain global economic conditions are likely to persist. Coupled with the slowdown of regional giant economies like China, the Group is inevitably affected. However, our diversified portfolio in Freight and Logistics, Real Estate, as well as Financial Services, put us in a good position to brave through the storms ahead. On one hand, whilst the Group engages in proactive developments to enhance the value of service

provided by our organic businesses, we will remain open, while adopting a conservative approach, to strategic investments locally, as well as abroad. On the other hand, the Group will exercise prudence in our cost control measures. With close monitoring of global developments and versatile culture which the Group has built over the past 35 years, I am confident the Group will continue to deliver outstanding performance over the long term.

### Appreciation

On behalf of the Board, I would like to express my heartiest gratitude to all valued customers, clients, shareholders, partners and business associates for their unwavering support and trust. I would like to also take this opportunity to thank all my fellow Board members, management and all staff for their tireless effort and the significant contribution, hard work and dedication to the Group.

With effect from 1 July 2016, I will retire as Chairman of the Board and assume the role of Group Advisor. I would like to welcome Sebastian Tan Cher Liang as the new Chairman of the Board. I am certain that under his leadership, the Group will excel towards greater achievements.

Thank you.

**Khua Hock Su**  
Group Chairman

“集团在物流业，房地产，以及金融服务业的投资组合使得我们能够以很好的状态来迎接即将到来的挑战。”

#### 2016财政年度

我很高兴地宣布今年辉联集团在庆祝成立35周年之际，集团营业收入突破2亿8,000万新元，刷新记录。尽管遇到激烈的市场竞争环境中，集团营业收入同比去年财政年度的2亿320万新元，依然增长38.2%，是集团发展过程的另一个里程碑。多元化的投资发展使得集团更好地应对全球经济缓慢，也抵消了货运物流业务下降以及金融服务业务下降带来的影响。

截至财政年度2016年4月30日，集团归属于股东的净利润达1,000万新元，相等于每股盈利1.86分。截至2016年4月30日，辉联集团拥有净资产值为3亿7,120万新元，相等于每股资产净值67.02分，净负债比率为1.15倍。

#### 主要发展项目

辉联集团很荣幸地宣布2016财政年度的以下项目的重要发展：

- 位于新加坡尔圈146号已完成1栋6层楼坡道式化工物流仓库的重建工作，并在2016年2月取得临时使用许可证。这个仓库建筑面积有4万5000平方米，是新加坡首个室内自动化灌式集装箱（ISO tank）储藏库，仓库楼顶可停泊重型车辆。
- 位于中国常熟市高新技术工业区的标准厂房项目已于2015年12月竣工。这个厂房拥有6万7900平方米的建筑面积，包括6栋标准工业厂房和1栋5层楼的综合楼。截至2016年4月30日，50%面积已经承租给来自美国，日本，德国和意大利的跨国企业。
- 位于中国江苏江阴市的拆迁安置房项目也在2015年12月竣工。项目已按照政府回购合约，交割给地方政府。此项目有4万2000平方米的建筑面积，包括1栋33层及1栋14层的住宅楼，并设有地下停车库。

- 2015年5月，集团获得另一个江阴市朱家湾的拆迁安置房的发展项目。总建筑面积为12万4884平方米，包括5栋11层及5栋18层的住宅楼，共计928个住宅单位。此项目预计在2016年底竣工。

集团在中国江苏省的所有房地产开发项目皆与集团联营的斐格瑞控股有限公司（新加坡交易所凯利板上市公司）共同开发。

- 位于新加坡中央商务区丝丝街20号的GSH大厦(原名Equity Plaza)是一栋28层楼的商务大厦，共有259间办公室单位和两层零售与餐饮单位。集团关联企业Plaza Venture 私人有限公司已开盘销售单位，并在集团关联利润中作出贡献。
- 为符合新加坡证券交易所对主板上市公司最低交易价0.20新元的要求，集团已在2015年10月成功完成合并每伍(5)普通股合并为壹(1)普通股。截至2016年4月30日，合并后总发行股数为556,707,762普通股。

#### 创造股东价值

董事会和管理层将会继续努力发展集团核心业务，战略投资以及有效的成本管理长期为股东创造价值。

#### 股息

董事会建议每普通股（合并后）派发税后股息新币1.80分，总额高达996万新元。此建议将提交股东大会批准，与往年相同，股东可以选择全现金或全发行普通股方式兑现。

#### 展望未来

全球出乎意料事件如英国脱欧等屡屡发生，全球经济依然不明朗，加上经济巨头中国的缓慢增长，业务将受影响。集团将加强物流，房地产及金融服务的核心业务组合，预备集团以最佳状态来克服未来的挑战。集团将继续努力开拓业务，提高核心业务服务价值。集团会密切地关注全球经济波动，保持乐观和谨慎态度面对海内外的战略投资，继续加强成本管理，巩固集团建立35年的基础，为集团获取长期利益。

#### 致谢

在此，我谨代表董事会向我们尊敬的客户，股东和合作伙伴们给予我们的支持、帮助与厚爱，表示诚挚的谢意。同时，我也衷心感谢董事会成员，管理层以及全体员工长久以来对集团所付出的积极努力与贡献。

2016年7月1日起，我将退休辞去董事局主席职位，担任集团顾问。我欢迎陈之亮先生接任为董事会新主席。我坚信在他的领导下，集团会取得更大的成就。

谢谢！

**柯福赐**  
集团主席



## OUR MILESTONES

BUILDING ON OUR

# HISTORY

### EXPANSION & STRENGTHENING CORE CAPABILITIES

- Moved to SGX Main Board in 1997
- Acquired LTH Logistics to provide chemical logistics services
- Maiden investment into PRC to expand distribution network
- Strategic 20% stake in Freight Management Holdings Berhad



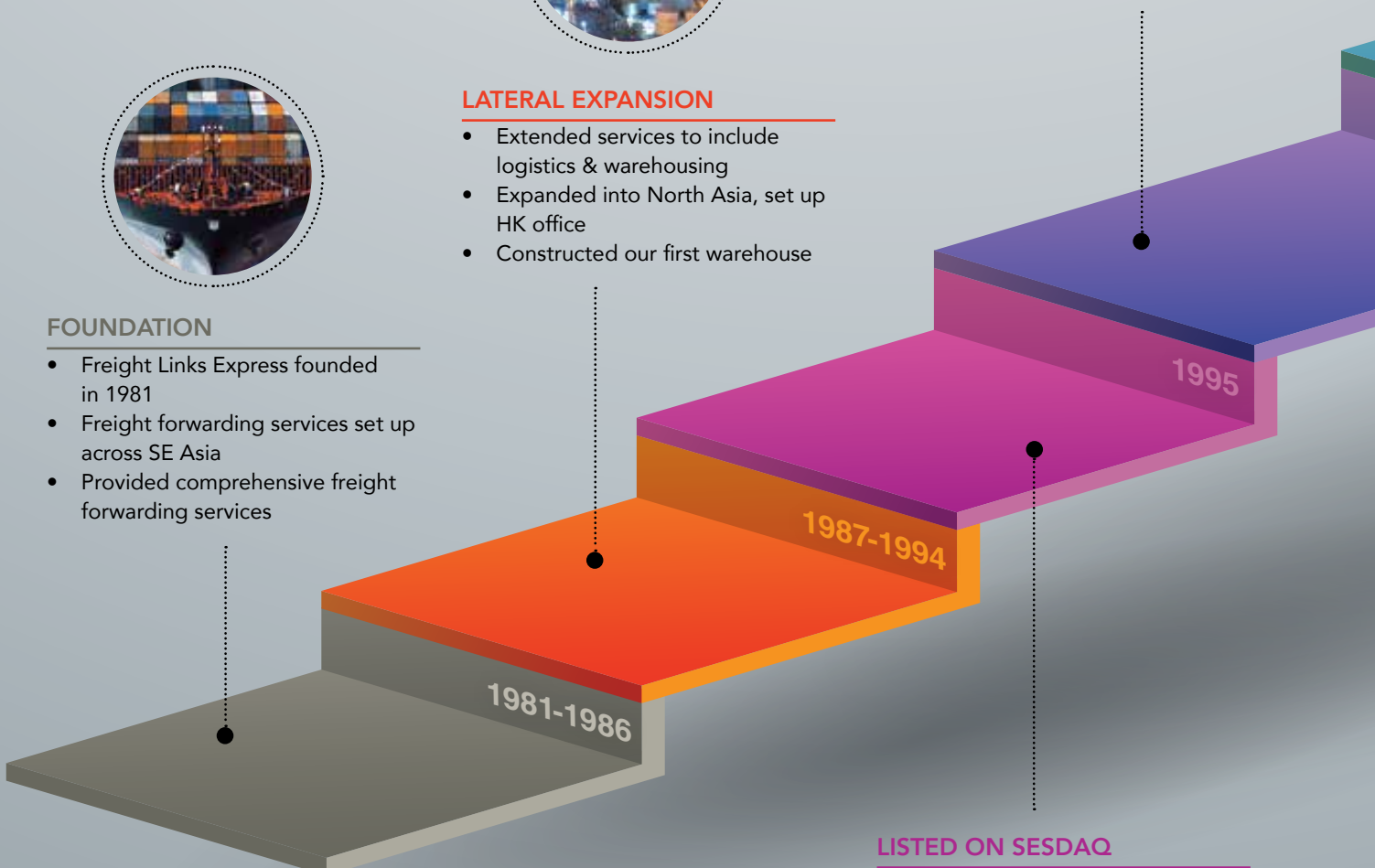
### LATERAL EXPANSION

- Extended services to include logistics & warehousing
- Expanded into North Asia, set up HK office
- Constructed our first warehouse



### FOUNDATION

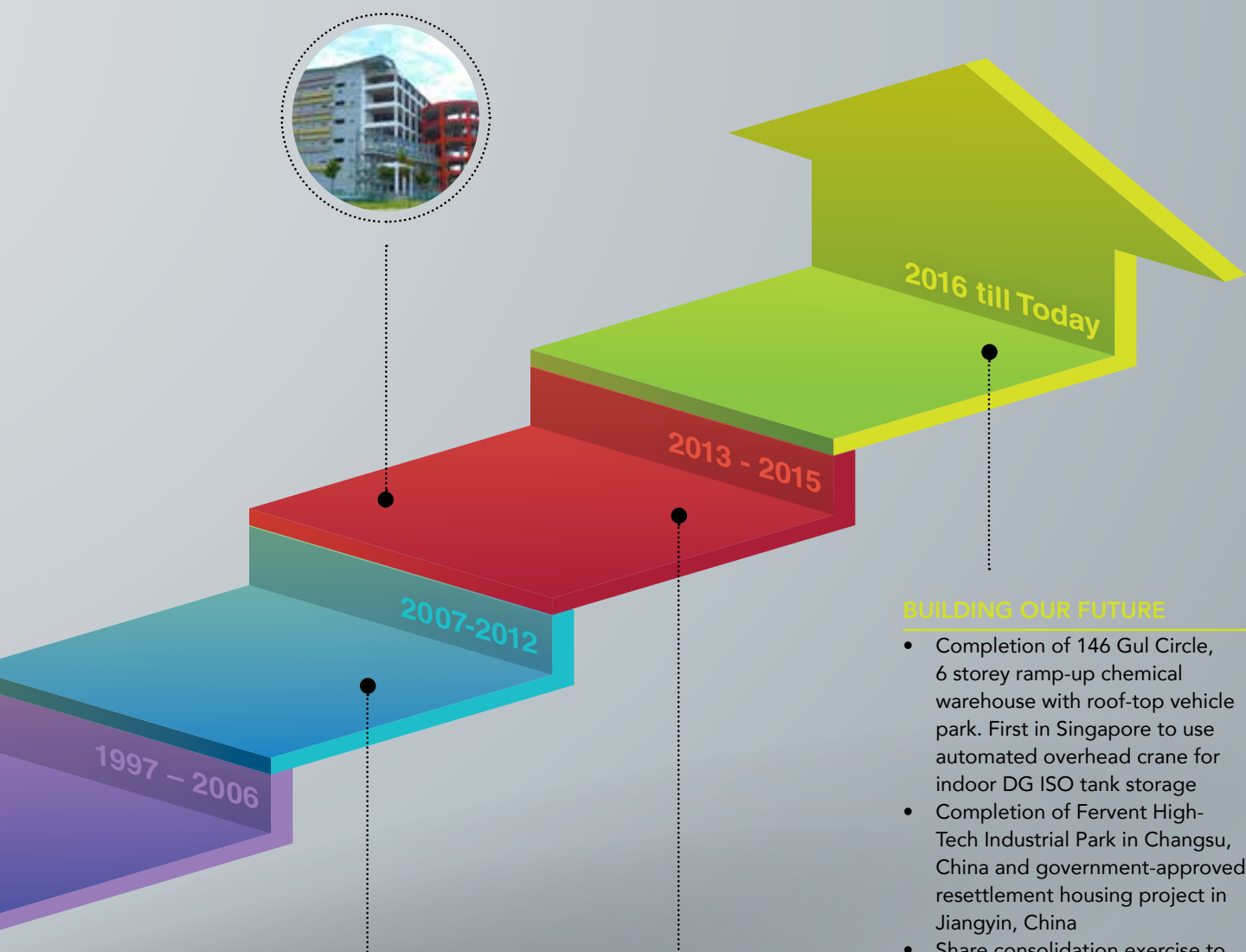
- Freight Links Express founded in 1981
- Freight forwarding services set up across SE Asia
- Provided comprehensive freight forwarding services



### LISTED ON SESDAQ

- Listed on the Singapore Stock Exchange secondary board





#### STRATEGIC ALLIANCES

- JV with Jiangyin Port to provide bonded warehouse services
- JV in Dubai, Freight Forwarding
- Investment stake of 20% of Busan Cross Dock, Korea
- Sponsor of Sabana REIT in Nov 2010 and owned 51% of Sabana Investment Partners Pte Ltd
- Investment in Sentosa Asian Credit Fund
- Obtain license to operate financial leasing business in China

#### A NEW ERA

- The Group changes its name from Freight Links to Vibrant Group to herald a new era of growth powered by its 3 key businesses
- Completion of chemical logistics hub in Jurong Island
- Investment stake of 20% in Figtree Holdings Ltd, a company listed on SGX Catalist
- Acquisition of Cecil House, 35% stake in GSH Plaza
- Development of government-approved resettlement housing in Jiangyin and high-tech industrial park in Changshu, China
- Awarded second government-approved resettlement housing project in Jiangyin, China

#### BUILDING OUR FUTURE

- Completion of 146 Gul Circle, 6 storey ramp-up chemical warehouse with roof-top vehicle park. First in Singapore to use automated overhead crane for indoor DG ISO tank storage
- Completion of Fervent High-Tech Industrial Park in Changsu, China and government-approved resettlement housing project in Jiangyin, China
- Share consolidation exercise to consolidate 5 shares into 1 share



## REVIEW OF OPERATIONS

### FREIGHT AND LOGISTICS SERVICES

Freight and Logistics segment remained the main contributor to the Group's revenue. However, the revenue for FY2016 decreased by 11.5% to \$158.9 million from \$179.6 million in the previous financial year mainly due to the disposal of loss making subsidiary and decrease in volume handled in freight and logistics business. Consequently, the segment profit after tax decreased by 83.7% or \$12.5 million to \$2.4 million in FY2016.

#### International Freight Forwarding

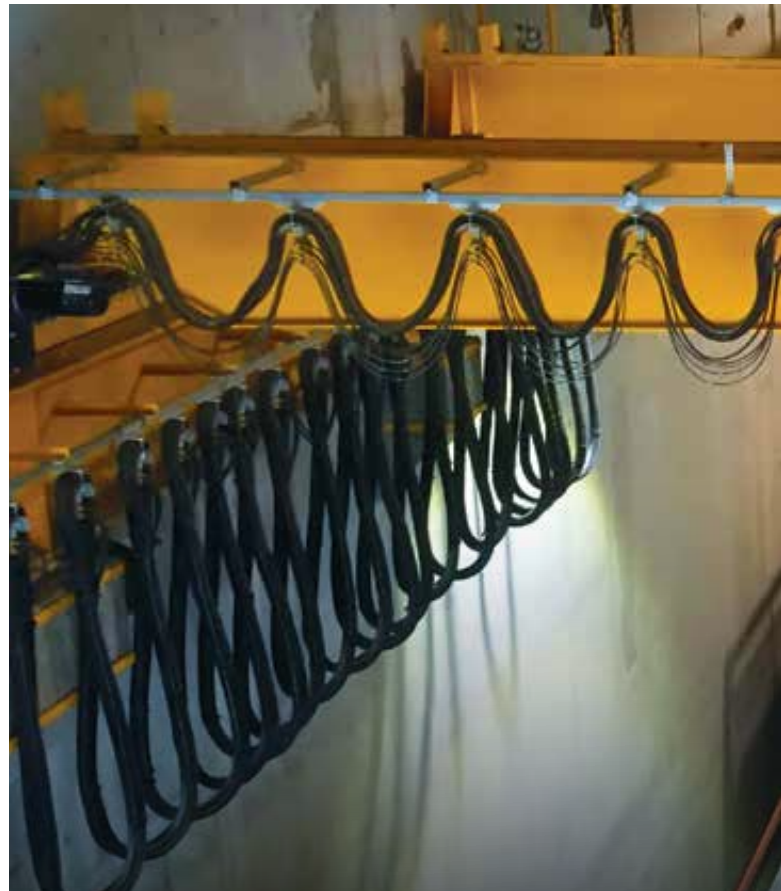
This year, the overall slowdown in the global economy has brought about numerous challenges to the shipping industry, effectuating a situation of overcapacity of vessel space. For our freight forwarding division, this has resulted in a decrease of revenue as global freight rates has broadly dropped.

However, we managed to increase our profit by expanding our focus on other segments of logistic services such as door-to-door delivery, and also by providing more value added services. Our project logistics continue to be an integral contributor to our business, supported by several ongoing project shipments.

In addition, we are currently actively establishing our businesses in the less developed countries in the South East Asia and Eastern Europe regions. The shipments to these relatively inaccessible places result in a better profit margin to our business.

As for our air freight segment, the business volume continues to increase as we widen our customer base.

In the coming year, as we further enhance our value added services offering and further develop our business volumes in the less developed countries, and as the global economy improves, we are optimistic that we will continue to achieve positive result.







BUILDING ON OUR

# STRATEGY



## REVIEW OF OPERATIONS

### Warehousing & Logistics

Our focus for the logistics services continues to target at the electronics, technology companies and healthcare segments. In addition, the Group is currently exploring on the fast-growing e-commerce segment and enhancing strategic partnerships across the board. An area of interest in consideration is to become the logistics enabler for e-commerce platform owners so as to improve their last mile delivery and order fulfilment requirements.

2016 continues to be a challenging year for the logistics industry. With the slowdown in global trade and an oversupply of industrial space in Singapore, our warehousing service segment is anticipating stronger headwinds. Thereby, the Group has implemented initiatives to consolidate local transportation services of internal business units to exercise more cost control and garner economies of scale from operations.

The logistics business unit has completed consolidation of operations from various external warehouses into our existing premises. The move has allowed occupancy to remain robust. Through our integrated design-build and operate model, we expect customers to reap the higher efficiency and productivity of operations from the all-round integrated service onsite.

To grow our transshipping business using Singapore's strategic position, we will be commencing our own new Container Freight Station in the Free Trade Zone at Keppel Distripark. The new service, expected in Q3-2016, will enable us to be a truly integrated logistics provider with warehousing and freight consolidation capabilities within the Free Trade Zone to handle transshipments via Singapore.

In February 2016, the redevelopment of our 6-storey chemical warehouse in 146 Gul Circle was completed. The commissioning of this warehouse allows consolidation of chemical logistics operations from third party warehouses into our premises. Included in this warehouse is Singapore's first and only indoor ISO tank storage yard which employs the state-of-the-art automated overhead crane system. This warehouse also has multiple modules of chemical warehouse on the first storey which complies with the stringent Singapore Standard (SS) 532, code of practice for the storage of flammable liquids. In addition, there is one mezzanine office floor and five floors of warehouse storage for general cargo. On the roof top,



it is designed for heavy vehicle parking which allows the maximum efficiency of space usage.

In FY2016, our logistics business in Jiangyin, China, has achieved the same level of revenue as compared to FY2015. In view of the effect of poor trade activities across the market in China, as well as highly competitive local transportation charges, the procurement logistics and transportation services were greatly impacted. Forging ahead, we will continue to focus on the core logistics activities. The strategies shall include expansion of service scopes and the provision of relevant value-added services to the F&B and FMCG industries.

### Chemical Logistics

The slowdown in chemical logistics business in FY2016 was felt across the whole industry. The decline in oil price since mid-2015 has led to delays in project start-ups and affected overall business revenues. There was a general slowdown in the chemical sector, particularly in upstream activities for chemical manufacturers. Against a backdrop of this slowdown and increased competition from new and existing chemical logistics service providers in Singapore, LTH embarked on a series of cost containment strategies to effectively counter this slowdown. Our Malaysian operations have performed creditably, achieving double digit revenue growth from the year before. This was achieved through a combination of increased operating stability and consistent revenues from our existing customers as well as the securing new businesses.



LTH was presented with the Achievement Award for Distribution in this year's SCIC Responsible Care Awards ceremony. We also embarked on new corporate social responsibility and sustainability programs with a customer.

As uncertainties continue to reign in markets, LTH will embark on plans to contain operating costs through a consolidation of our warehouses and optimized use of all other assets. We will continue to work towards greater operational efficiency and productivity so as to remain competitive, as well as increased marketing efforts to boost revenues.

### REAL ESTATE BUSINESS

Revenue from Real Estate business contributed 37.2% or \$104.3 million to the Group turnover in FY2016 as compared to \$3.0 million in FY2015. The increase was primarily due to the completion of the first government-approved resettlement housing project and the revenue recognised using the percentage of completion method for the second housing development project, both in Jiangyin, China. The segment has turnaround from a loss of \$3.8 million in FY2015 to a profit after tax of \$33.8 million in FY2016. This was also due to the fair value gain on investment properties at 139 Cecil Street and Changshu Fervent Industrial Park.

The first government-approved resettlement housing project in Jiangyin, China was completed on 25 December 2015 and was handed over to the government under the Build-and-Transfer model. This project has a built-up area of 42,000 square metres and comprises a 33-storey block residential flat and a 14-storey block of residential flat with a basement car park and a civil defence shelter.

In May 2015, the Group has also secured second local government-approved resettlement housing development project in Jiangyin, which comprises five blocks of 11-storey high residential flats and five blocks of 18-storey high residential flats with a total of 928 residential units and an estimated build-up area of about 124,884 square metres. The completion of this project is expected by the end of 2016.

In December 2015, the Group had completed its first high-tech industrial park in Changshu, Jiangsu, China. Named the Changshu Fervent Industrial Park, this development has a total build up area of 67,900 square metres, consisting of six blocks of standard factory and a five-storey multi-purpose facility. Almost half of the rentable area has been leased to MNC tenants from the USA, Italy, Japan and Germany.

The redevelopment of GSH Plaza is progressing as planned and will be completed before end of 2016. We saw significant contributions from the initial launch of strata office units at GSH Plaza. GSH Plaza is a prestigious commercial and office tower located in Raffles Place – the heart of Singapore's Central Business District.

### FINANCIAL SERVICES

Revenue from Financial Services has decreased by 15.1% or \$3.1 million to \$17.5 million in FY2016 from \$20.6 million in FY2015. The decrease was primarily attributable to the reduction in management fee, dividend income, interest income from debt securities, and lower finance lease income. This segment reported a loss of \$11.6 million as compared to a segment profit of \$17.9 million in FY2015. The decrease was mainly due to impairment loss on the available-for-sale financial assets and the fair value loss on embedded derivative of convertible bond.

We provide asset management services to Sabana Real Estate Investment Trust ("Sabana REIT"), through our 51% controlling stake in Sabana Investment Partners Pte Ltd. We are also the sponsor and largest unit holders of 9.72% in Sabana REIT, with total assets exceeding \$1.0 billion. It was listed on the Singapore Exchange in November 2010.

Our fund management associate, Sentosa Capital Pte Ltd, whose assets under management, has grown close to US\$60 million. The fund has registered an annualized return of 8.93% since January 2012. We have invested US\$30 million in April 2011, and it has grown by 34.7% to US\$40.4 million as at 30 April 2016. In May 2015, Sentosa Capital won the Best Asian Hedge Fund ex-Japan and Best Asian Fixed Income Hedge Fund in Eurekahedge Asian Hedge Fund Awards 2015.



## GROUP FINANCIAL HIGHLIGHTS

### 5-YEAR FINANCIAL SUMMARY

	FY2012	FY2013	FY2014	FY2015	FY2016
<b>OPERATING RESULTS</b>					
Revenue (\$'000)	149,354	176,634	191,422	203,204	280,731
EBITDA (\$'000)	31,798	45,143	41,001	43,687	43,699
Pretax profit/(loss) (\$'000)	37,963	44,849	47,583	29,165	32,386
Net Profit (\$'000)	32,214	38,361	42,658	30,003	10,023
EBITDA margin (%)	21.29	25.56	21.42	21.50	15.57
Pretax margin (%)	25.42	25.39	24.86	14.35	11.54
Net margin (%)	21.57	21.72	22.28	14.76	3.57
Cash and Cash equivalents	29,297	39,175	82,982	23,260	23,088
<b>FINANCIAL POSITION</b>					
Total assets (\$'000)	344,692	452,157	700,586	933,512	1,044,330
Total debt (\$'000)	44,730	107,988	217,504	384,543	448,916
Debt/Assets (%)	12.98	23.88	31.05	41.19	42.99
Shareholders' equity (\$'000)	183,404	231,879	358,392	372,296	371,171
Return on Assets (%)	9.35	8.48	6.09	3.21	0.96
Return on Equity (%)	17.56	16.54	11.90	8.06	2.70
Net debt : Equity (times)	0.08	0.30	0.38	0.97	1.15
<b>PER SHARE DATA<sup>(1)</sup></b>					
Earnings (cents) - Basic	7.13	8.10	8.62	5.84	1.86
Earnings (cents) - Diluted	7.13	8.10	8.62	5.84	1.86
Dividend (cents)	2.25	2.50	2.75	2.75	1.80
Net tangible assets (cents)	39.76	47.63	71.08	71.31	66.94

<sup>(1)</sup> Figures restated as a result of Share Consolidation.

#### Revenue (\$'000)



#### EBITDA (\$'000)



#### Net profit (\$'000)



#### Shareholders' Equity (\$'000)



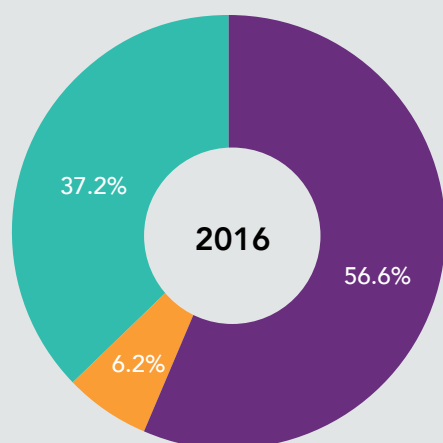
#### Net debt: Equity (times)



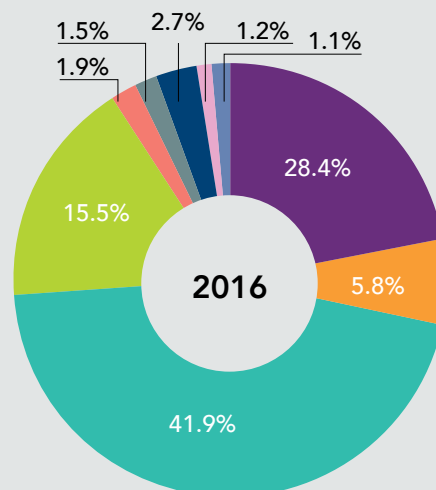
#### Net tangible assets (cents)



## SEGMENTAL RESULTS

REVENUE BY  
OPERATING SEGMENTS

Freight & Logistics  
Financial Services  
Real Estate

REVENUE BY  
GEOGRAPHICAL SEGMENTS

Singapore  
Malaysia  
People's Republic of China  
Rest of Asia  
United States of America  
Europe  
Oceania  
Middle East  
Others

**Note:**

The percentage (%) represents contribution of each segment to the Group's revenue.

## Freight &amp; Logistics

## Financial Services

## Real Estate



	FY2015 (\$'000)	FY2016 (\$'000)
Revenue	179,589	158,923
Profit after tax	14,988	2,439

	FY2015 (\$'000)	FY2016 (\$'000)
Revenue	20,582	17,478
Profit/(Loss) after tax	17,865	(11,613)

	FY2015 (\$'000)	FY2016 (\$'000)
Revenue	3,033	104,330
Profit/(loss) after tax	(3,826)	33,788

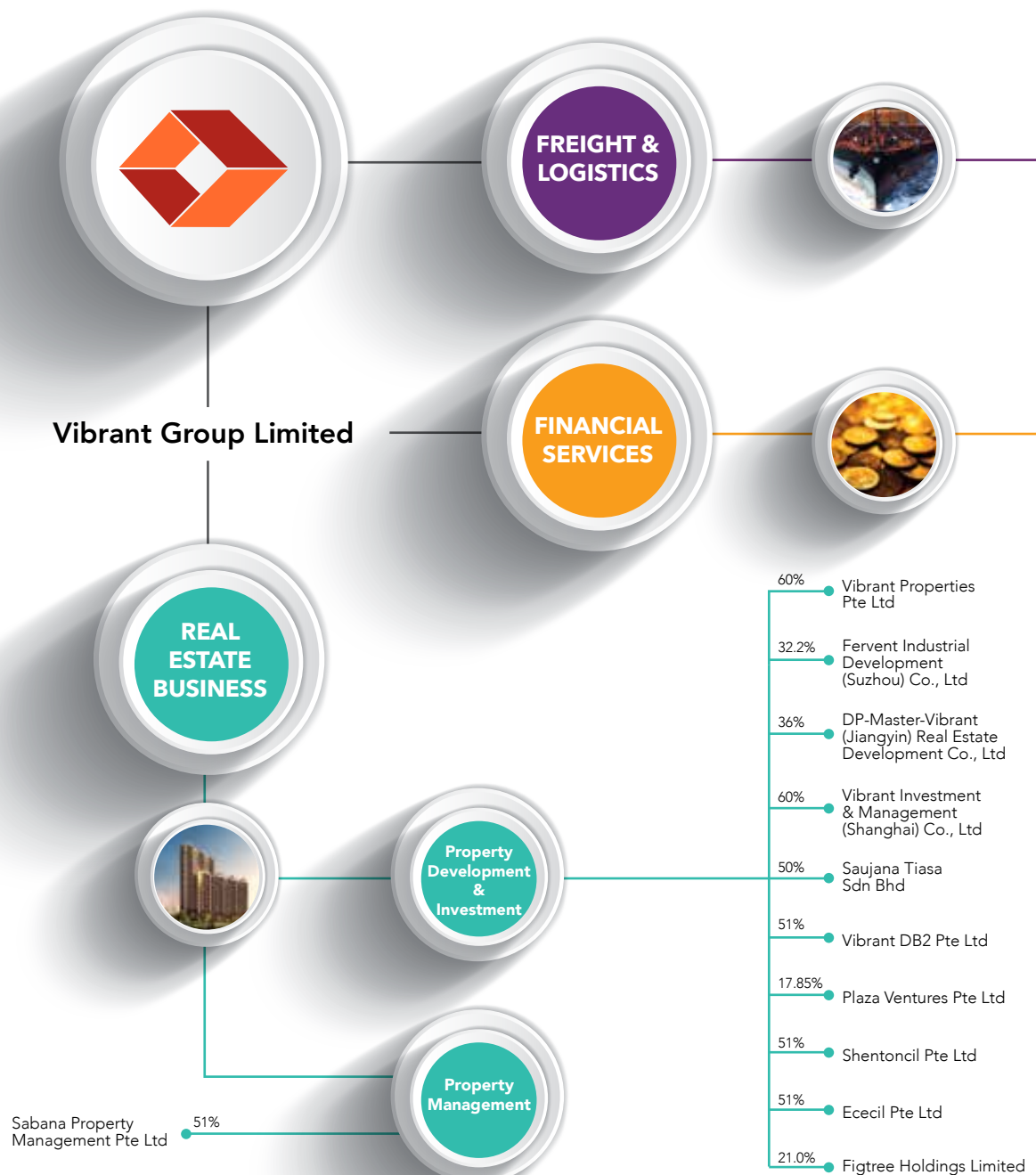
**Note:**

These segmental results exclude unallocated corporate costs and share of profits of associates.

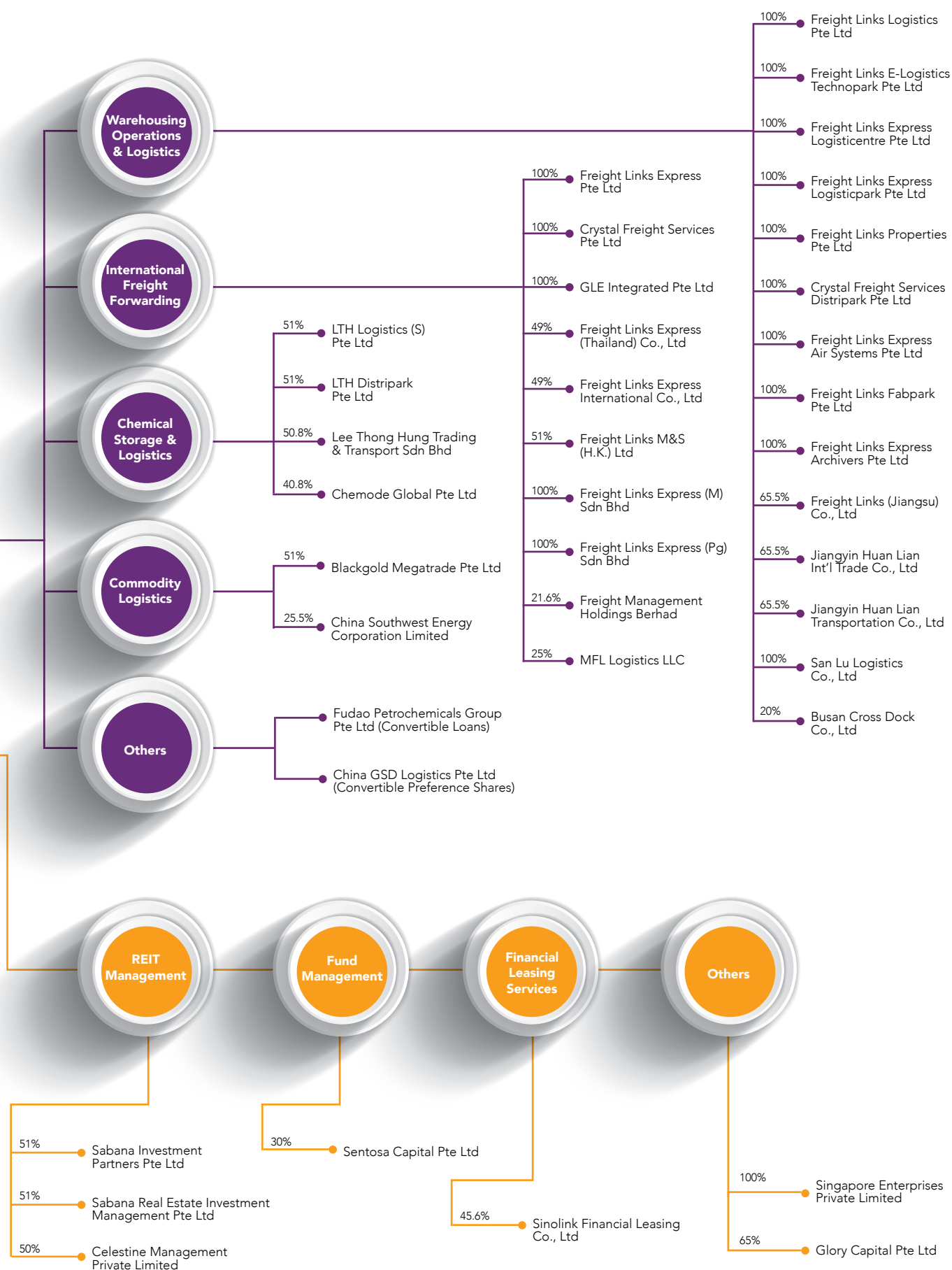
## GROUP CORPORATE STRUCTURE

From our leadership to all our team members, our people are our best asset.

And underpinning all our actions is a passion for excellence that we share as a team and live as a company.







Note: The percentage (%) represents effective interest held by the Vibrant Group Limited

BOARD OF  
DIRECTORS



*(from left)*

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

**KHUA HOCK SU*****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 the Remuneration Committee.

Mr Khua is currently the Group Chairman of Lian Hup Group, which was founded in 1952. With over 55 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 serves as honorary president at Singapore Buddhist Lodge and Nanyang Kuah Si Association. He is an honorary committee member of the Singapore Metal and Machinery Association.

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

executive committee member at Singapore Ann Kway Association.

Mr Khua is board chairman of Fujian Anxi No. 8 Middle School, vice-president of World Quanzhou Youth Friendship Association, vice-president of Anxi Charity Federation and Anxi Fenglai Guitou Charity Federation. In 2009, He was awarded "Outstanding Charitable Works Contribution" by Fujian Provincial Government, People's Republic of China.

柯建强是新加坡五金机械公会前会长，新加坡中华总商会董事，新加坡中国商会副会长，新加坡同济医院常务董事兼外事组主任。柯先生也是直落布兰雅公民咨询委员会委员。

同时，柯先生也担任新加坡南洋柯氏公会会长，新加坡培童小学咨询委员会副主席，新加坡公教中学管理委员会委员及新加坡安溪会馆执行委员兼文书股主任。

在中国福建省，柯先生是福建省安溪第八中学校董会会长，世界泉州青年联谊会副会长，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》。

**ERIC KHUA KIAN KEONG*****Executive Director and Chief Executive Officer***

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, United States in 1987.

Mr Khua is a past president of the Singapore Metal and Machinery Association, a council member of the Singapore Chinese Chamber of Commerce and Industry, vice-chairman of Singapore-China Business Association, a board member and head of External Affairs at Singapore Thong Chai Medical Institute. He also serves as a patron at Telok Blangah Citizens' Consultative Committee.

In addition, Mr Khua is the president of Nanyang Kuah Si Association, a vice-president at the Pei Tong Primary School advisory committee, and a member of the school management committee of Catholic High School. He is an

**HENRY CHUA TIONG HOCK*****Executive Director and Chief Corporate Development Officer***

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 Group.

Previously, he represented the Group as a director in listed subsidiaries, Freight Links Express Holdings (Australia) Limited, Freight Links Express Holdings (Hong Kong) Limited and Cybermast Limited.

He designed and built the Group's first warehouse at Toh Guan Road in 1989 and has recently completed the 9th project at Gul Circle.

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.

## BOARD OF DIRECTORS

### THOMAS WOO SAI MENG

#### *Executive Director and Chief Investment Officer*

Mr Woo is Executive Director & Chief Investment Officer of Vibrant Group Ltd. He joined the Group in May 1997 and was its Chief Financial Officer until November 2010 before his current appointment as Chief Investment Officer. Mr Woo was appointed an Executive Director in September 2001 and concurrently sits on the board of a number of the Group's subsidiaries and associates. He is also a non-executive director of Figtree Holdings Ltd, a company listed on Catalist in Nov 2013.

As Chief Investment Officer, Mr Woo's current responsibilities include identifying, evaluating and executing investment opportunities with a view to growing and enhancing the Group's asset, business and investment portfolio for higher returns. He is also involved in charting the Group's strategies and corporate restructuring activities.

Prior to joining the Group, Mr Woo has held senior managerial appointments with a number of private sector organizations across a wide spectrum of industries. He has extensive experience in finance and commerce covering financial management and corporate strategy, securities trading & investment, management consulting, operations management 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.

Mr Woo is a fellow member of both the CPA Australia and the Institute of Singapore Chartered Accountants.

### SEBASTIAN TAN CHER LIANG

#### *Independent Non-Executive Director*

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

In May 2000, he co-founded Boardroom Limited, a company listed on the Singapore Exchange. He was the Managing/Finance Director of Boardroom Limited from May 2000 to March 2013. Having retired from Boardroom Limited, he continues to be an Advisor. Prior to May 2000, he was with Ernst & Young Singapore and its affiliates since September 1973.

Mr Tan is currently an Independent Non-Executive Director of Ezra Holdings Limited, Jumbo Group Limited, Kingsmen Creatives Ltd and Wilton Resources Corporation Ltd. He is also a Trustee of Kwan Im Thong Hood Cho Temple and a director of D S Lee Foundation, EtonHouse Community Fund Ltd and Children's Charities Association.

He is a qualified financial professional from the Association of Certified Accountants of the United Kingdom. He was conferred the Public Service Medal (PBM) in 1996.

### DEREK LOH EU TSE

#### *Independent Non-Executive Director*

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

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

Mr Loh is also an Independent Director of Vietnam Enterprise Investments Limited, Metech International Ltd and Adventus Holdings Ltd. He is a member of the Board of Governors of Saint Joseph's Institution ("SJI") in Singapore and also a trustee and a member of the Management Committee of the SJI Foundation.



## SENIOR EXECUTIVES



### Vibrant Group Limited

(From left): Charles Chan, Simon Sim, Michelle Tan, Lawrence Sim, John Lim, Kow Jiann Luen

#### **CHARLES CHAN CHOONG POH** *Chief Operating Officer*

Mr Chan joined the Group as Chief Operating Officer in July 2012 to oversee its operations management, business development and technology deployment. Preceding this appointment, Mr Chan has more than 37 years of working experience in the public and private sectors. He has held various senior positions in the defence, supply chain management, international air express and IT industries. When he was the General Manager of a leading air express MNC, he set up its first express logistics centre in South East Asia. At another leading logistics company, he headed a team responsible for establishing a nation-wide warehousing and distribution network in China which covered more than 1,000 cities and towns.

Mr Chan obtained a Bachelor of Science degree (Hons) in Mechanical Engineering from the University of Strathclyde and a Master of Science degree in Distribution Technology and Management from Cranfield University, both in the UK.

#### **SIMON SIM GEOK BENG** *Chief Financial Officer*

Mr Sim was appointed as Chief Financial Officer on 1 December 2010. Before this appointment, he served as Senior Vice President, Finance, from 1 July 2005 and Vice-President, Finance when he joined on 12 June 2000. He sits on the board of a number of the Group's subsidiaries and associates.

Mr Sim has more than 29 years of working experience in finance, taxation and accounting, of which 22 years were spent holding senior positions. Prior to joining the Group, Mr Sim had related experience in various industries ranging from audit, insurance, airfreight, logistics, manufacturing and trading.

Mr Sim is a member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of

Chartered Certified Accountants, UK. He holds a Bachelor of Science (Economics) in Management Studies from the University of London.

#### **LAWRENCE SIM KAY SIN** *Senior Vice President*

Mr 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 Vibrant.

Mr Sim has had more than 35 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 MNCs where he spearheaded and successfully established multiple key strategic logistic centres in Vietnam where essential services include freight management, warehousing, transportation, distribution and customization.

As Senior Vice President for Greater China, Mr Sim was instrumental in the transformation and enhancement of Vibrant's logistics operations and the recent real estate development in China.

#### **JOHN LIM SUI SEN** *Senior Vice President (Projects)*

Mr Lim is the Senior Vice President (Projects) of Vibrant Group 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 12 years in the area of credit management, operations and projects.

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

## SENIOR EXECUTIVES

### MICHELLE TAN

*Vice President (Human Resource)*

Ms Tan joined the Group in April 2004 and moved up the ranks to become Vice President (Human Resource) on 1 July 2011. She supports the Group's human resource functions for the Group's local and overseas subsidiaries.

Prior to joining the Group, Ms Tan has more than 12 years of human resource and administration exposure in both MNCs and local companies.

Ms Tan holds a Bachelor of Business (Business Administration) specialising in Human Resource from Royal Melbourne Institute of Technology.

### KOW JIANN LUEN

*Vice President (IT)*

Mr Kow joined the Group in June 2013 as a Vice President of IT and is responsible in overseeing the entire IT infrastructure and streamlining the IT operations to align with the business objectives.

He holds a Bachelor of Science (B.Sc.) Computer Science from University of Nebraska-Lincoln and has more than 18 years of experiences in software solution and development. Prior to joining the group, Mr Kow had worked with a leading local Singapore based 3PL in areas of product development of logistics software.



## Freight & Logistics

(From left): Lawrence Lim, Lee Seng Hock, Alex Ng, Adrian Chia, James Leong

### FREIGHT AND LOGISTICS

#### ALEX NG BOON CHUAN

*Director/Executive Vice President  
Freight Links Express Pte Ltd*

Mr Ng is the Executive Vice President of Freight Links Express Pte Ltd ("Freight Links Express") and has more than 32 years of experience in sales and marketing, agency and market development. He is responsible for the overall freight forwarding operations of Freight Links Express. His knowledge and experience is drawn from the long-standing career he has established in Freight Links Express since joining in August 1984.

#### PAUL LIU

*Senior Vice President  
Freight Links Logistics Pte Ltd*

Mr Liu heads the Logistics Division and is responsible for business development and operations of integrated logistics services. He joined the Group in May 2015

and has more than 28 years of experience in freight forwarding, corporate marketing, logistics and supply chain management. Mr Liu has held senior management appointments at various global logistics service providers in which he has successfully advanced the development of total supply chain solutions encompassing air & sea freight transportation, warehousing and express services.

Mr Liu holds a Business of Science (Business Administration) degree majoring in Finance from The Ohio State University, USA. Prior to joining the Group, Mr Liu was the Director of Contract Logistics Asia Pacific at a major MNC.

#### DON TANG FOOK YUEN

*General Manager  
LTH Logistics Group of Companies*

Mr 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

## SENIOR EXECUTIVES

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.

### LEE SENG HOCK

*Senior Vice President (Operations)  
Freight Links Express Pte Ltd*

Mr Lee is the Senior Vice President of Freight Links Express and is overall responsible for the freight and operations of Freight Links Express. He joined Freight Links Express in October 1982 and has more than 34 years of experience in freight operations.

### ADRIAN CHIA SENG CHYE

*Vice President (Consol & Marketing)  
Freight Links Express Pte Ltd*

Mr Chia is the Vice President (Consol & Marketing) of Freight Links Express and is responsible for the Consol and marketing activities of Freight Links Express. Mr Chia joined Freight Links Express in September 1988 and has more than 27 years of experience in sales and marketing.

### JAMES LEONG WENG YU

*Vice President (Consolidation)  
Freight Links Express Pte Ltd*

Mr Leong has more than 41 years of experience in the freight forwarding industry. He is responsible for the freight consolidation activities of Freight Links Express. Mr Leong joined Freight Links Express in November 1986 and has more than 30 years of experience in freight consolidation, operations, marketing and claims administration.

### LAWRENCE LIM MENG JIOW

*Vice President (Marketing & Projects)  
Freight Links Express Pte Ltd*

Mr Lim joined Freight Links Express in July 1999 and has more than 19 years of experience in Marketing & Projects logistics. He is responsible for the sales and marketing activities of Freight Links Express. Prior to joining the Group, Mr Lim worked in a leading Indonesian food and beverage company as Marketing Manager.

### VINCENT YONG CHEE LEONG

*Vice President  
Crystal Freight Services Pte Ltd*

Mr Yong joined Freight Links Express in August 2003 as a Sales and Marketing Executive. Prior to joining the Group, Mr Yong worked in a leading trading firm and was also stationed in a few countries, namely Moscow and Ho Chi Minh City. Mr Yong was promoted to head Crystal Freight Services Pte Ltd ("Crystal Freight Services") in July 2009 and he is responsible for sales and marketing, business development, total logistics services, overall growth, and expansion of Crystal Freight Services.

### VINCENT SEE CHIN HOK

*Vice President  
Freight Links Logistics Pte Ltd*

Mr See joined the Group in January 1997 and has more than 37 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 Macquarie University, Australia, and a Bachelor of Business from the former Royal Melbourne Institute of Technology.

### SIM EE HUEY

*Assistant Vice President  
Warehousing Property  
Freight Links Express Archivers Pte Ltd*

Mr Sim joined the Group in July 2003 and moved up the ranks within the Group's logistics division to become Assistant Vice President in July 2012. He is currently responsible for business development and overall management of the warehousing property operations and concurrently for documents management services.

### MELVIN LAW TECK WAH

*Chief Executive Officer  
GLE Integrated Pte Ltd*

Mr Law is the Chief Executive Officer of GLE Integrated Pte Ltd. With more than 20 years of executive management experience in Supply Chain, Logistics, Transport and Freight Forwarding industry, Mr Law possesses a unique range of skills and experience delivering best practice management and leadership.

Prior to joining Vibrant Group limited, Mr Law spearheaded the company's expansion from a local company into businesses in many other countries. He is a hands-on leader working with his team from the company's offices in Malaysia, Vietnam, China and Indonesia.

Mr Law is now responsible for the business development and operations and logistics services.

## SENIOR EXECUTIVES



### Freight & Logistics

(From left): Sim Ee Huey, Don Tang, Melvin Law, Paul Liu, Vincent Yong, Vincent See

### REAL ESTATE

#### ERIC KHUA KIAN KEONG

*Executive Director and Chief Executive Officer*

Mr Khua has more than 20 years of experience in real estate investment, having developed and completed numerous residential and industrial projects in Singapore. He provides and implements key strategies on corporate development for the Group.

Mr Khua's academic qualifications include Bachelor of Science in Electrical Engineering and graduated cum laude from the University of the Pacific, USA.

#### HENRY CHUA TIONG HOCK

*Executive Director and Chief Corporate Development Officer*

Mr Henry Chua has more than 22 years of experience in property development within the Group and has been involved in property development projects of the Group during his tenure.

Mr Chua is responsible for the design and development of the Company's first property located at 5 Toh Guan Road East and all property development projects of the Group. He also oversees the completion of a 7 storey ramp up warehouse complex at Gul Circle in February 2016.

Mr Chua participates in the REIT management and property management of 21 properties in Sabana REIT.

### FINANCIAL SERVICES

#### KEVIN XAYARAJ

*Chief Executive Officer and Executive Director Sabana Real Estate Investment Management Pte Ltd*

Mr Xayaraj is the Co-founder, CEO and Executive Director of the Sabana Real Estate Investment Management Pte Ltd ("Manager"). Since the successful listing of Sabana REIT in November 2010, Mr Xayaraj has led the Manager to achieve the goals set for the Trust at the time of the listing. He also develops and implements key strategies, as well as manages the overall operations of the Manager. Mr Xayaraj has more than 24 years of experience in real estate investment, development and asset management in many property markets.

Mr Xayaraj holds a Bachelor of Applied Science (Honours) degree from the University of Windsor and a Master of Business Administration from the Imperial College, University of London.

#### BRAD LEVITT

*Chief Executive Officer Sentosa Capital (Pte) Ltd*

Mr Levitt is the Chief Executive Officer of Sentosa Capital (Pte) Ltd ("SCPL") and is qualified Chartered Financial Analyst. Prior to joining SCPL, he was the Global Head of Capital Markets at Standard Chartered Bank, and was the founder and managing director of Standard Chartered Bank's fixed income business.

Mr Levitt graduated with Bachelor of Economics from the University of California, Davis and with an MBA in Finance from the University of California, Los Angeles.



**CORPORATE  
SOCIAL  
RESPONSIBILITY**

BUILDING OUR  
**SUSTAINABLE  
COMMUNITY**



This year, Vibrant Group's theme "Building Our Future" encompasses the building of our business, as well as our community. Vibrant Group recognises the significance of corporate governance, social and environmental responsibility on the sustainability of our business. We continue to strike towards the betterment of our community in multiple aspects.

In conjunction to SG 50, Vibrant Group has taken this opportunity to show our appreciation towards the pioneer generation who has selflessly contributed towards our nation-building. The group has generously supported beneficiaries including Singapore Thong Chai Medical Institution, Thye Hua Kwan Nursing Home and many others. We believe that the support given to these organisations will directly aid the elderly in alleviating the burden of medical cost and open doors of medical assistance to the less fortunate.

As in previous years, we have also been pro-actively participating in various charity events ranging from Singapore Island Country Club May Day Charity 2016 to UOB Chinese New Year Charity 2016. Such initiative highlights Vibrant Group's commitment in supporting public welfare causes.

Vibrant Group also believes in human resource development and investment in human capital. Significant efforts have been catered towards the development of our next generation workforce. For instance, Vibrant Group has supported Catholic High School's Fund Raising Programme to enhance the holistic development of their students. We believe that every student should be given an equal opportunity, as well as a levelled platform to pursue their interest and develop their talents.

## CORPORATE SOCIAL RESPONSIBILITY



In addition, Vibrant Group extends our warmest welcome as we hosted educational tours for three groups of students from Chihlee Institute of Technology, Hamburg School of Business Administration and London School of Business & Finance. Students from Taiwan, Germany and Singapore respectively are given an opportunity to observe our very own warehouse operations, understand the advance technologies employed and experience real-life working environments. Such exposures will definitely be valuable to the students in terms of appreciating concepts covered in their syllabus.

### Workplace, Health and Safety

Vibrant Group places health and safety of our employees as top priority. We believe that having a conducive working environment will not only improve the quality of work, but also instil confidence in our employees. This goes a long way to cultivate a winning and inclusive culture within the company.

A report released by HERO wellness study 2016 reflects the correlation of investment in wellness programmes to the performance of the company. Vibrant Group acknowledges this fact and has adopted an active workforce culture. A healthy lifestyle will contribute to the high moral of the workplace and keep employees driven. A series of wellness programmes like Zumba classes has been organised to introduce employees to various ways of maintaining a healthy lifestyle.

A healthy body starts from a healthy diet. The SRC members ensure that a balance diet is maintained by providing healthy snacks for the employees once a month. Such healthy snacks range from fresh fruits to breakfast cereals. Their little effort helps to bring employees towards a routine of healthy diet lifestyle.

In Vibrant Group, we establish that the best gift we can give to employees' family and friends is for them to return home safely every day. As such, we spare no effort when it comes to achieving excellence in safety management. LTH Logistics (S) Pte Ltd (LTH), one of the Group's subsidiaries specialising in chemical warehousing and transportation, has once again received the Distribution Code Achievement Award from the Singapore Chemical Industry Council (SCIC). This award certifies the adherence to Employees Health and Safety Code. SCIC Responsible Care Award was first established in 2001 to introduce the Responsible Care Code of Practices and award companies which comply with the code. LTH has taken a strong stance to integrate the code's practices into daily operations through their Standard Operating Procedures (SOP). The aim is to cultivate a workplace which regards safety practices as second nature.

Vibrant Group continues to devote every effort to maintain excellence in our workplace. We believe that by giving the best to our employees, it will motivate and drive the team to attain greater success. Beyond that, we will extend our reach to engage and lend a helping hand to the community and the less fortunate.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Chairman

Sebastian Tan Cher Liang, PBM  
(appointed since 1 July 2016)

#### Executive

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

#### Non-Executive

Khua Hock Su

#### 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  
Theng Searn Por

### 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: 6261 3316

### AUDITORS

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

Ling Su Min, Partner-in-charge  
(appointed since FY2015)

### 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 Ltd  
12 Marina Boulevard  
Marina Bay Financial Centre  
Singapore 018982

## CORPORATE GOVERNANCE REPORT

The Board of Directors and Management are committed to ensuring and maintaining high standards of corporate governance in accordance with the principles and guidelines set out in the Code of Corporate Governance 2012 ("the Code") to enhance long-term shareholders' value through enhancing corporate performance and accountability.

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 2016.

### BOARD MATTERS

#### Principle 1 Board's Conduct of Affairs

The Board is responsible in overseeing the Group's overall strategic and business direction and is collectively responsible for the Group's long-term success. The principal duties of the Board include, *inter alia*, providing entrepreneurial leadership, setting strategic objectives and to ensure necessary financial and human resources are in place, establishing a framework of prudent and effective controls for risk management, safeguarding shareholder's interests and the Group's assets as well as setting values and standards (including ethical standards) for the Group. The Board is also providing guidance on sustainability issues, such as environmental and social factors, as part of the Group's overall business strategy.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to make objective decisions in the interest of the Group. The Board is also responsible to set values and standards (including ethical standards) for the Group and is mindful of the Group's social responsibilities.

Presently, the Board is supported by a number of committees to assist it in the discharge of its responsibilities and to enhance the Company's corporate governance framework. These committees include the Audit Committee ("AC"), Nominating Committee ("NC") and the Remuneration Committee ("RC"). Each Board committee has its own specific duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

The Board meets on a quarterly basis to review and approve the release of the Group's quarterly results and additional meetings are convened as and when circumstances warrant. On occasions when Directors were unable to attend meetings in person, telephonic or video-conference means were used as allowed under the Company's Constitution.

The attendance of the Directors at Board and Committee meetings for the financial year ended 30 April 2016, as well as the frequency of such meetings is disclosed below.

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

The Board of directors objectively take decisions in the interests of the Group. Matters requiring the Board's specific approval are those involving material acquisition and disposal of assets/investments, corporate or financial restructuring, corporate exercises and budgets.

Upon appointment of each Director, a letter setting up his/her duties and responsibilities is issued to the Director. To enhance effectiveness of the Board, a newly appointed director receives a briefing by existing directors on the Group's businesses and recent financial performance.

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

For the financial year ended 30 April 2016, no new Director was appointed during the year under review.

## CORPORATE GOVERNANCE REPORT (cont'd)

### Principle 2 Board Composition and Guidance

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

The Board members for the financial year ended on 30 April 2016 are as follows:

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

The Board comprises directors who as a group, has core competencies and diversity of experience to enable them to lead and control the Company effectively. Such competencies and experiences include industry knowledge, strategic planning, business management, finance and accounting, and human resources. Profiles of directors are found on page 20 of this Annual Report.

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.

With effect from 1 July 2016, the Chairman has retired from the Board and become a Non-executive Director and also assumes the role of Group Advisor, and Mr Sebastian Tan Cher Liang has been appointed as Chairman of the Board. With the change, the Group Chairman is an independent director and is not related to the Chief Executive Officer.

Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse have served on the Board beyond the suggested nine year period from the date of their first appointment. The Board has observed their performance at Board Meetings and other occasions and have no reasons to doubt their independence in the course of discharging their duties. The Board felt that the two Independent Directors had continued to exhibit strong independent business judgment on corporate affairs; of which the Board valued their contributions and expertise. In addition, the two Independent Directors are not related to any substantial shareholders or directors and have no shares, no business dealings or any conflict of interest with the Group. The Board is satisfied that the independency of these two board members had not been compromised despite their long service on the Board.

During the year, the Non-executive Directors constructively challenged and helped develop the Group's short-term and long-term business strategies and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

To facilitate a more effective check on Management, the Non-executive Directors may be called if necessary to formally meet without the presence of Management or Executive Director to review any matters that must be raised privately.

### Principle 3 Chairman and Chief Executive Officer

The Group has a separate Chairman and CEO. There is appropriate division of responsibilities between the Chairman and the CEO, which ensures a balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Chairman, Mr Khua Hock Su bears primary responsibility for the management of the Board. He leads the Board, encourages Board's interaction with Management, facilitates effective contribution of Non-Executive Directors, encourages constructive relations among the Directors, and promotes corporate governance. Prior to each Board meeting, the Chairman determines the agenda for the meeting and oversees the quality and timeliness of information flow between the Management and the Board. While his son, Mr Eric Khua Kian Keong, the CEO, is the most senior executive in the Company who has executive responsibility for the management of the Company and the Group businesses and is accountable to the Board. As reported in the earlier announcement, Mr Khua Hock Su has retired from the Board with effect from 1 July 2016 but remains as a Non-executive Director.

## CORPORATE GOVERNANCE REPORT (cont'd)

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 CEO. 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.

The Group currently have not appointed the lead independent director considering the Group's current business operations and the Board size of only six members with two being Independent Directors. The Group's Independent Directors conferred between themselves when necessary, without the presence of the other Directors, and the Independent Directors will provide feedback to the Chairman after such meetings as appropriate.

### Principle 4 Board Membership

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

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

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

Its principal function is to review the nominations for appointments or re-appointments of members of the Board of Directors and the members of the various Board committees for the purpose of proposing such nominations to the Board for its approval. The Board on the recommendation of the NC appoints new directors.

The Board has determined the maximum number of board appointments in listed companies that a director can hold shall not be more than six, so as to ensure that the directors are able to commit their time to effectively discharge their responsibilities. All the directors currently do not hold more than six listed company board representations.

Regulation 94 of the Company's Constitution requires one third of the Board with the exception of any Director appointed to fill casual vacancy pursuant to Regulation 76, to retire by rotation at every Annual General Meeting ("AGM"). Regulation 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 Regulation at the forthcoming AGM, for re-election.

Pursuant to Section 153 of the Companies Act (Cap. 50), Mr Khua Hock Su being above the age of 70 was re-appointed at the last AGM and his term of office will expire at the forthcoming AGM. The NC has recommended that Mr Khua Hock Su be re-appointed as a director at the forthcoming AGM.

The Company has in place a process for selecting and appointing new Directors. This process includes, an evaluation of the candidate's capabilities and how the candidate fits into the overall desired competency of the Board. The NC may recourse to both internal sources as well as external sources to draw up a list of potential candidates. Short-listed candidates would be required to furnish their curriculum vitae stating in detail their qualification, working experience, employment history, in addition to completing certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines.

For the year under review, no new Director was appointed to the Board.

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.

## CORPORATE GOVERNANCE REPORT (cont'd)

### Principle 6 Access to Information

Directors receive periodic financial and operational reports, budgets, forecasts and other disclosure documents on the Group's businesses prior to Board meetings. Senior Management who have prepared the papers, or who can provide additional insight into the matters to be discussed, are invited to present the paper or attend at the relevant time during Board and Board Committee meetings.

Directors have separate and independent access to the Company Management and Company Secretary at all times. The Company Secretary attends all Board meetings and advises the Board on all governance matters, as well as facilitating orientation and assisting with professional development. The appointment and the removal of the Company Secretary are subject to the Board's approval.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice where appropriate, with such expense borne by the Company.

### REMUNERATION MATTERS

#### Principle 7 Procedures for Developing Remuneration Policies

The 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 and key management personnel. 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 RC 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. A significant and appropriate proportion of Executive Directors and key management personnel remuneration is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration should be aligned with the interest of shareholders and promote the long-term success of the Group.

The Group does not have any long-term incentive scheme or schemes involving the offer of shares or grants of options or other forms of deferred remuneration.

The RC and the Board are of the view that the remuneration of Non-executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-executive Directors. The Group does not have any scheme to encourage Non-executive Directors to hold shares in the Group.

#### 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 2016 are set out below. A significant portion of senior executives' remuneration is linked to corporate and individual performance.

Having considered the sensitivity and confidentiality of remuneration matters and given that the Group operates in a highly competitive and challenging business environment, the Company believes that it is not in the best interest of the Group to fully disclose the details of remuneration of each individual Director and the CEO.

**CORPORATE GOVERNANCE REPORT (cont'd)**

	Mix of Remuneration by %			
	Salary	Bonus	Directors' fees	Total
<b>Directors</b>				
<b>\$500,000 to \$750,000</b>				
Eric Khua Kian Keong	90.8	8.3	0.9	100
<b>\$250,000 to \$499,999</b>				
Henry Chua Tiong Hock	79.9	6.8	13.3	100
Thomas Woo Sai Meng	82.4	6.9	10.7	100
<b>Below \$250,000</b>				
Khua Hock Su	-	-	100	100
Sebastian Tan Cher Liang	-	-	100	100
Derek Loh Eu Tse	-	-	100	100
<b>Senior Executives</b>				
<b>Below \$250,000</b>				
Charles Chan Choong Poh	90.3	9.7	-	100
Simon Sim Geok Beng	85.7	14.3	-	100
Alex Ng Boon Chuan	85.0	15.0	-	100
Lawrence Sim Kay Sin	89.5	10.5	-	100
Don Tang Fook Yuen	90.2	9.8	-	100

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

**Immediate family members of Directors**

	Mix of Remuneration by %			
	Salary	Bonus	Directors' fees	Total
<b>\$150,000 to \$200,000</b>				
Don Tang Fook Yuen	90.2	9.8	-	100

Don Tang Fook Yuen is the brother-in-law of CEO and son-in-law of the Chairman.

No stock options were granted to any employee during the financial year ended 30 April 2016.

**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 (cont'd)

### Principle 11 Risk Management and Internal Controls

The Group carries out periodic assessments of risk and controls to ensure the adequacy and effectiveness of the company's risk management, financial and operational controls and compliance with those policies, procedures and controls.

The Group has a system of risk management and internal controls 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, KPMG LLP, also conduct an annual review of the effectiveness of the Company's internal controls and recommendations for improvements are reported to the AC.

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.

The Board has received assurance from the CEO and Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances.

### Principle 12 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 members of the AC have the expertise and experience in the accounting, financial management and legal domains. The Board is satisfied that the AC members are appropriately qualified to discharge their responsibilities.

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 full access to and cooperation by the Management and auditors, and has full discretion to invite any Director or management executive to attend its meetings. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its functions properly.

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.

### Whistle Blowing Policy

The Group has put in place 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. All whistle blowing reports received and findings of the investigations are reported to the AC.

In addition to the activities undertaken to fulfill its responsibility, the AC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

## CORPORATE GOVERNANCE REPORT (cont'd)

### Principle 13 Internal Audit

The role of the internal auditors is to assist the AC to ensure that the Group 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 internal auditors have unrestricted access to all the company's documents, records, properties and personnel, including access to the AC. The Group has outsourced its internal audit function to independent professional firms, who will report directly to the Chairman of the AC. The external auditors will also perform operational and financial audit as required from time to time.

The AC reviews the adequacy of the internal audit function at least annually to ensure that the internal audits are conducted effectively and that Management provides the necessary co-operation to enable the internal auditors to perform its function.

### SHAREHOLDER RIGHTS AND RESPONSIBILITIES

#### Principle 14 Shareholders' Rights

All shareholders of the Company are informed of general meetings through reports/circulars sent to all shareholders in addition to notices published in the newspapers, Company's announcements via SGXNET and the Company's website.

The Company ensures that shareholders have the opportunity to participate effectively in and vote at the AGM. Shareholders are informed of the rules that govern general meeting of shareholders.

#### Principle 15 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.vibrant.com.sg](http://www.vibrant.com.sg) for disseminating information to and improving communication with shareholders.

#### Principle 16 Conduct of Shareholder Meetings

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 Constitution 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.

All Directors, including the Chairman of the Board and its committees attend all general meetings to address issues raised by shareholders. The Company's external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board are available to shareholders upon written request.

The Board is satisfied that shareholders have been given the opportunity to participate effectively and to vote in AGMs. The Company has implemented the system of voting by poll at its upcoming AGM. Results of each resolution put to vote at the AGM will be announced with details of percentages in favour and against.

**CORPORATE GOVERNANCE REPORT (cont'd)****SUPPLEMENTARY INFORMATION****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 2016, 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 37 on Page 128 of the Annual Report are not interested person transactions within the ambit of Chapter 9 of the Listing Manual.

# Statutory Financial Statements

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## DIRECTORS' STATEMENT

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 2016.

In our opinion:

- (a) the financial statements set out on pages 43 to 130 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and the financial performance, 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.

### DIRECTORS

The directors in office at the date of this statement 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 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 2016
<b>Khua Hock Su</b>			
The Company			
- ordinary shares			
- deemed interests	1,410,316,439	305,046,220	305,046,220
<b>Vibrant Capital Pte. Ltd.</b>			
- ordinary shares			
- deemed interests	49,000	49,000	49,000
<b>Lian Hup Holdings Pte Ltd</b>			
- ordinary shares			
- interests held	4,200,000	4,200,000	4,200,000
- deemed interests	4,200,000	4,200,000	4,200,000

**DIRECTORS' STATEMENT (cont'd)**

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year</b>	<b>Holdings at end of the year</b>	<b>Holdings at 21 May 2016</b>
<b>Eric Khua Kian Keong</b>			
The Company			
- ordinary shares			
- interests held	76,995,636	16,910,270	16,910,270
- deemed interests	1,410,287,749	305,040,015	305,040,015
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
<b>Henry Chua Tiong Hock</b>			
The Company			
- ordinary shares			
- interests held	4,219,946	912,758	912,758
<b>Thomas Woo Sai Meng</b>			
The Company			
- ordinary shares			
- interests held	327,444	70,825	70,825

Pursuant to an Extraordinary General Meeting (EGM) held on 19 August 2015, the Company completed the consolidation of every five existing shares in the capital of the Company held by shareholders of the Company into one ordinary shares effective on 22 October 2015.

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 statement, 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.

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.

**SHARE OPTIONS**

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.

**DIRECTORS' STATEMENT (cont'd)****AUDIT COMMITTEE**

The members of the Audit Committee during the year and at the date of this statement 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' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

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

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

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

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

**AUDITORS**

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

On behalf of the Board of Directors

**Eric Khua Kian Keong**

*Director*

**Thomas Woo Sai Meng**

*Director*

2 August 2016

**INDEPENDENT AUDITORS' REPORT**

Members of the Company  
Vibrant Group Limited

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Vibrant Group 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 2016, 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 43 to 130.

*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 financial statements 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 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and the financial performance, 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 subsidiary corporations 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  
Chartered Accountants

**Singapore**

2 August 2016



**STATEMENTS OF FINANCIAL POSITION**

As at 30 April 2016

	Note	Group 2016 \$'000	2015 \$'000	Company 2016 \$'000	2015 \$'000
<b>Assets</b>					
Property, plant and equipment	4	276,182	235,249	452	532
Intangible assets	5	472	472	-	-
Investment properties	6	250,426	102,474	-	-
Subsidiaries	7	-	-	17,781	16,802
Associates	8	97,290	92,402	37,291	37,035
Other investments	9	55,606	69,919	-	-
Deferred tax assets	10	2,551	651	-	-
Trade and other receivables	11	55,733	59,518	425,564	419,736
<b>Non-current assets</b>		<b>738,260</b>	<b>560,685</b>	<b>481,088</b>	<b>474,105</b>
Other investments	9	72,573	84,502	59,936	59,859
Development properties	12	-	137,954	-	-
Construction-in-progress	12	51,556	-	-	-
Inventories	13	505	409	-	-
Trade and other receivables	11	158,319	120,351	5,331	3,559
Cash and cash equivalents	14	23,088	23,260	1,057	1,238
Assets classified as held for disposal	15	29	6,351	-	-
<b>Current assets</b>		<b>306,070</b>	<b>372,827</b>	<b>66,324</b>	<b>64,656</b>
<b>Total assets</b>		<b>1,044,330</b>	<b>933,512</b>	<b>547,412</b>	<b>538,761</b>
<b>Equity</b>					
Share capital	16	122,476	111,551	122,476	111,551
Perpetual securities	17	97,947	97,947	97,947	97,947
Other reserves	18	1,900	2,264	5,995	5,995
Accumulated profits	18	148,848	160,534	58,851	69,221
<b>Equity attributable to owners of the Company</b>		<b>371,171</b>	<b>372,296</b>	<b>285,269</b>	<b>284,714</b>
Non-controlling interests	34	80,288	65,830	-	-
<b>Total equity</b>		<b>451,459</b>	<b>438,126</b>	<b>285,269</b>	<b>284,714</b>
<b>Liabilities</b>					
Loans and borrowings	19	141,387	175,349	-	-
Notes payable	19	101,509	101,074	101,509	101,074
Trade and other payables	20	41,732	16,483	65,683	58,963
Provisions	21	3,549	5,058	-	-
Deferred tax liabilities	10	6,328	2,136	-	4
<b>Non-current liabilities</b>		<b>294,505</b>	<b>300,100</b>	<b>167,192</b>	<b>160,041</b>
Loans and borrowings	19	206,020	108,120	90,853	89,499
Current tax payable		8,534	8,378	693	903
Trade and other payables	20	83,672	78,507	3,405	3,604
Provisions	21	136	134	-	-
Liabilities classified as held for disposal	15	4	147	-	-
<b>Current liabilities</b>		<b>298,366</b>	<b>195,286</b>	<b>94,951</b>	<b>94,006</b>
<b>Total liabilities</b>		<b>592,871</b>	<b>495,386</b>	<b>262,143</b>	<b>254,047</b>
<b>Total equity and liabilities</b>		<b>1,044,330</b>	<b>933,512</b>	<b>547,412</b>	<b>538,761</b>

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

**CONSOLIDATED INCOME STATEMENT**

Year ended 30 April 2016

	<b>Note</b>	<b>Group</b> <b>2016</b> <b>\$'000</b>	<b>2015</b> <b>\$'000</b>
Revenue	22	280,731	203,204
Cost of sales		(217,322)	(139,151)
<b>Gross profit</b>		63,409	64,053
Other income	23	51,464	34,853
Administrative expenses		(41,582)	(53,325)
Other operating expenses		(40,313)	(12,085)
<b>Profit from operations</b>		32,978	33,496
Finance income		5,377	3,428
Finance costs		(12,919)	(9,486)
<b>Net finance costs</b>	24	(7,542)	(6,058)
Share of profits of associates, net of tax		6,950	1,727
<b>Profit before income tax</b>		32,386	29,165
Income tax expense	25	(3,628)	(2,562)
<b>Profit for the year</b>	26	28,758	26,603
<b>Profit attributable to:</b>			
Owners of the Company		10,023	30,003
Non-controlling interests		18,735	(3,400)
<b>Profit for the year</b>		28,758	26,603
<b>Earnings per share</b>			
Basic earnings per share (cents)	27	1.86	5.84*
Diluted earnings per share (cents)	27	1.86	5.84*

\* restated as explained in note 27.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Year ended 30 April 2016

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit for the year</b>	28,758	26,603
<b>Other comprehensive income</b>		
<b><i>Items that are or may be reclassified subsequently to profit or loss:</i></b>		
Foreign currency translation differences for foreign operations	(10,383)	1,651
Net changes in fair value of available-for-sale financial assets	(11,630)	(6,762)
Net changes in fair value of available-for-sale financial assets reclassified to profit or loss	19,269	-
Share of other comprehensive income of an associate, net of tax	(22)	-
<b>Other comprehensive income for the year, net of tax</b>	<u>(2,766)</u>	<u>(5,111)</u>
<b>Total comprehensive income for the year</b>	<u>25,992</u>	<u>21,492</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	9,529	25,445
Non-controlling interests	16,463	(3,953)
<b>Total comprehensive income for the year</b>	<u>25,992</u>	<u>21,492</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 April 2016

Group	Share capital \$'000	Perpetual securities \$'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 2014	101,307	97,947	(473)	7,082	(765)	1,592	151,702	358,392	23,955	382,347
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	30,003	30,003	(3,400)	26,603
Profit for the year	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-	-	-
Net changes in fair value of available-for-sale financial assets	-	-	-	-	(5,553)	-	-	(5,553)	(1,209)	(6,762)
Foreign currency translation differences for foreign operations	-	-	-	-	-	995	-	995	656	1,651
Total other comprehensive income	-	-	-	-	(5,553)	995	-	(4,558)	(553)	(5,111)
Total comprehensive income for the year	-	-	-	-	(5,553)	995	30,003	25,445	(3,953)	21,492
<b>Transactions with owners of the Company, recognised directly in equity</b>	-	-	-	-	-	-	(13,821)	(13,821)	-	(13,821)
Dividends paid to owners (note 16)	-	-	-	-	-	-	(7,350)	(7,350)	-	(7,350)
Distributions on perpetual securities	-	-	-	-	-	-	-	-	-	-
Issue of new shares (note 16)	10,244	-	-	-	-	-	-	10,244	-	10,244
Purchase of treasury shares	-	-	(614)	-	-	-	-	(614)	-	(614)
Total contributions by and distributions to owners of the Company	10,244	-	(614)	-	-	-	(21,171)	(11,541)	-	(11,541)
<b>Changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	-	-	16,320	16,320
Acquisition of non-wholly owned subsidiaries	-	-	-	-	-	-	-	-	-	-
Increased capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	29,508	29,508
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	45,828	45,828
Total transactions with owners of the Company	10,244	-	(614)	-	-	-	(21,171)	(11,541)	45,828	34,287
At 30 April 2015	111,551	97,947	(1,087)	7,082	(6,318)	2,587	160,534	372,296	65,830	438,126

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

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)**

Year ended 30 April 2016

Group	Share capital \$'000	Perpetual securities \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 May 2015	111,551	97,947	(1,087)	7,082	(6,318)	2,587	-	160,534	372,296	65,830	438,126
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	10,023	10,023	18,735	28,758
<b>Other comprehensive income</b>	-	-	-	-	(9,239)	-	-	-	(9,239)	(2,391)	(11,630)
Net changes in fair value of available-for-sale financial assets	-	-	-	-	(9,239)	-	-	-	(9,239)	(2,391)	(11,630)
Net changes in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	15,582	-	-	-	15,582	3,687	19,269
Foreign currency translation differences for foreign operations	-	-	-	-	-	(6,815)	-	-	(6,815)	(3,568)	(10,383)
Share of other comprehensive income of an associate	-	-	-	-	(25)	-	3	-	(22)	-	(22)
Total other comprehensive income	-	-	-	-	6,318	(6,815)	3	-	(494)	(2,272)	(2,766)
Total comprehensive income for the year	-	-	-	-	6,318	(6,815)	3	10,023	9,529	16,463	25,992

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

Year ended 30 April 2016

	Share capital \$'000	Perpetual securities \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Transactions with owners of the Company, recognised directly in equity</b>											
<b>Contributions by and distributions to owners of the Company</b>											
Dividends paid to owners (note 16)	-	-	-	-	-	-	-	(14,339)	(14,339)	(20)	(14,359)
Distributions on perpetual securities	-	-	-	-	-	-	-	(7,370)	(7,370)	-	(7,370)
Issue of new shares (note 16)	10,925	-	-	-	-	-	-	-	10,925	-	10,925
Total contributions by and distributions to owners of the Company	10,925	-	-	-	-	-	-	(21,709)	(10,784)	(20)	(10,804)
<b>Changes in ownership interests in subsidiaries</b>											
Acquisition of non-controlling interests without a change in control (note 33)	-	-	-	130	-	-	-	-	130	(130)	-
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	7,974	7,974
Capital reduction by a non-wholly owned subsidiary	-	-	-	-	-	-	-	-	-	(10,100)	(10,100)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	271	271
Total changes in ownership interests in subsidiaries	-	-	-	130	-	-	-	-	130	(1,985)	(1,855)
Total transactions with owners of the Company	10,925	-	-	130	-	-	-	(21,709)	(10,654)	(2,005)	(12,659)
At 30 April 2016	122,476	97,947	(1,087)	7,212	-	(4,228)	3	148,848	371,171	80,288	451,459

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended 30 April 2016

	<b>Note</b>	<b>2016 \$'000</b>	<b>Group 2015 \$'000</b>
<b>Cash flows from operating activities</b>			
Profit before income tax		32,386	29,165
Adjustments for:			
Accretion of deferred revenue	23	(11,339)	(19,439)
Amortisation of intangible assets	5	-	166
Depreciation of property, plant and equipment	4	10,721	10,025
Dividend income from available-for-sale financial assets	23	(1,313)	(1,064)
Fair value (gain)/loss on foreign exchange forward contracts	26	(1,413)	883
Fair value (gain)/loss on investment properties	26	(5,053)	1,679
Fair value gain on remeasurement of development property upon reclassification to investment property	23	(23,596)	-
Fair value loss/(gain) on embedded derivative of convertible bond	26	7,582	(7,096)
Fair value loss on securities designated at fair value through profit or loss	26	6,047	5,861
Finance costs	24	12,919	9,486
Finance income	24	(5,377)	(3,428)
Foreign exchange loss/(gain)		2,019	(1,855)
Gain on disposal of an associate		(52)	-
Gain on disposal of property, plant and equipment	23	(2)	(231)
Gain on disposal of securities designated at fair value through profit or loss	23	(42)	(243)
Impairment loss on available-for-sale financial assets	26	19,955	-
Loss on disposal of subsidiaries		191	-
Property, plant and equipment written off	26	1	13
REIT management fee received/receivable in units		(4,806)	(5,002)
Share of profits of associates		(6,950)	(1,727)
		<u>31,878</u>	<u>17,193</u>
Changes in working capital:			
Development properties		22,022	(11,792)
Construction-in-progress		(54,130)	-
Inventories		(91)	(170)
Trade and other receivables		(45,460)	(19,306)
Trade and other payables		39,817	14,301
Cash (used in)/generated from operations		<u>(5,964)</u>	<u>226</u>
Income taxes refunded		201	1,233
Income taxes paid		<u>(1,354)</u>	<u>(1,997)</u>
<b>Net cash used in operating activities</b>		<u>(7,117)</u>	<u>(538)</u>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**

Year ended 30 April 2016

	Note	Group 2016 \$'000	2015 \$'000
<b>Cash flows from investing activities</b>			
Acquisition of shares in associates		-	(16,456)
Acquisition of subsidiaries, net of cash acquired	32	-	(22,847)
Cash contribution paid by non-controlling interests		7,178	34,465
Cash payment to non-controlling interest for share capital reduction		(5,500)	-
Deposit pledged		(3,814)	-
Dividends received:			
- associates		638	1,385
- available-for-sale financial assets		1,300	987
Finance income received		1,230	1,655
Loan to an associate		-	(46,375)
Loan to third parties		(1,500)	(15,349)
Proceeds from disposal of an associate		234	-
Proceeds from disposal of a subsidiary, net of cash disposed		(213)	-
Proceeds from sale of other investments		6,525	54,410
Proceeds from sale of property, plant and equipment		98	821
Purchase of investment properties		(11,937)	(18,733)
Purchase of other investments		(39)	(33,360)
Purchase of property, plant and equipment		(53,427)	(28,702)
Redemption of convertible loan by an associate		-	1,210
Repayment of loan by an associate		7,350	-
Repayment of loan by third parties		1,771	2,471
Subscription to convertible bond		-	(18,750)
<b>Net cash used in investing activities</b>		<b>(50,106)</b>	<b>(103,168)</b>
<b>Cash flows from financing activities</b>			
Distributions on perpetual securities		(7,370)	(7,350)
Dividends paid to non-controlling interests of a subsidiary		(20)	-
Dividends paid to shareholders of the Company		(3,414)	(3,577)
Finance costs paid		(15,110)	(9,297)
Government grants received		339	1,165
Payment of finance lease liabilities		(1,844)	(1,886)
Proceeds from borrowings		109,685	120,043
Proceeds from loan from a related parties		7,055	5,050
Proceeds from loan from third parties		1,400	339
Purchase of treasury shares		-	(614)
Repayment of borrowings		(43,323)	(40,718)
Repayment of loan to third parties		(200)	(20,150)
<b>Net cash from financing activities</b>		<b>47,198</b>	<b>43,005</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(10,025)</b>	<b>(60,701)</b>
Cash and cash equivalents at beginning of year		29,610	87,816
Effect of exchange rate fluctuations on cash and cash equivalents		(282)	2,495
<b>Cash and cash equivalents at end of year</b>	14	<b>19,303</b>	<b>29,610</b>

**Significant non-cash transactions**

During the year, the Company issued new ordinary shares for \$10,925,000 (2015: \$10,244,000) by way of offsetting the dividends payable to the shareholders (note 16).

During the year, the proceeds from the capital reduction by a subsidiary amounting to \$1,500,000 (2015: \$nil) were set-off against the balance owing from the non-controlling interests.

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



**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 April 2016

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 August 2016.

**1 DOMICILE AND ACTIVITIES**

Vibrant Group 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 Logisticcentre, Singapore 609143.

The financial statements of the Group as at and for the year ended 30 April 2016 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, investment holding, real estate fund and property management services, fund management, financial leasing services, property development and property investment.

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 the Singapore Financial Reporting Standards (FRSs).

**2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes 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 estimates are 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 is discussed in note 38.

*Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes, is used to measure fair values, management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**2 BASIS OF PREPARATION (cont'd)****2.4 Use of estimates and judgements (cont'd)***Measurement of fair values (cont'd)*

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques 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)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between different levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 31.

**2.5 Changes in accounting policies**

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group early adopted FRS 115 *Revenue from Contracts with Customers* with a date of initial application of 1 May 2015, on a fully retrospective basis. The adoption of FRS 115 has no impact on the Group's statement of financial position and profit or loss for prior years, apart from presentation and disclosures as reflected in notes 12, 22 and 29.

**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 in accordance with FRS 103 *Business Combinations* at the date of acquisition, which is the date on which control is transferred to the Group.

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

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.1 Basis of consolidation (cont'd)****Business combinations (cont'd)**

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their own capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of net assets of the subsidiary.

**Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 interests 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 (equity-accounted investees)**

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

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, 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 the investment, together with any long-term interest that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations 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 arising from transactions that do not involve the loss of control 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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.1 Basis of consolidation (cont'd)****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 equity-accounted investees 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 in the separate financial statements**

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

**3.2 Foreign currency****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, except for the retranslation of available-for-sale equity instruments which is recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to 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 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 are translated at the exchange rates at the reporting date. 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 foreign 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 or significant influence 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 off 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 that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****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, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. 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 classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets.

**Financial assets at fair value through profit or loss**

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

Financial assets classified as held for trading comprise equity securities actively managed by the Group to address short-term liquidity needs.

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, trade and other receivables excluding prepayments and advances, and construction-in-progress.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.3 Financial instruments (cont'd)****Non-derivative financial assets (cont'd)*****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. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, 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 are stated at cost less impairment losses.

Available-for-sale financial assets comprise equity securities.

**Non-derivative financial liabilities**

Financial liabilities (including liabilities 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 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, notes payable and trade and other payables.

**Share capital and perpetual securities*****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.

***Perpetual securities***

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution, subject to the terms and conditions of the securities issue. The perpetual securities are classified and presented as equity. Distributions can be deferred, without limitations. Payment, including cumulative distributions, becomes due in the event of winding-up of the Company. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issuance of perpetual securities are deducted against the proceeds from the issue.

***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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.3 Financial instruments (cont'd)****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 separated from the host contract and accounted for separately as derivative financial instruments if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair values of the embedded options are taken to profit or loss.

The Group's investment in convertible bond contains an embedded derivative that significantly modifies the cash flows. As the embedded derivative is not being measured separately from the host contract, either at inception or at subsequent reporting periods, the entire hybrid contract is designated as investment at fair value through profit or loss.

**Derivative financial instruments, including hedge accounting**

The Group holds derivative financial instruments to manage its exposures to foreign currency and interest rate risk exposures arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

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.

**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;
- when the Group has an obligation to remove or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

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 (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.4 Property, plant and equipment (cont'd)****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 as an expense 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, unless it is included in the carrying amount of another asset. 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 and freehold land are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and 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. In 2015, the Group revised the useful lives of certain property, plant and equipment, whose financial effects are disclosed in note 4.

**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 associates, 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 associates.

**Customer list**

Customer list acquired is initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 3 years. Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.6 Investment properties**

Investment properties are properties 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 properties under development are properties being constructed or developed for future use as investment properties. Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change 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, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or development properties, 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.

**3.9 Development properties and construction-in-progress**

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business.

***Unsold property***

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Borrowing costs that are directly attributable to the acquisition and development of the development property are capitalised as part of the development property during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-downs to net realisable value are presented as allowance for foreseeable losses.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.9 Development properties and construction-in-progress (cont'd)*****Fulfilment costs***

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered.

***Subsequent measurement***

Subsequent to initial measurement, fulfilment costs are amortised to profit or loss using the same measure of progress as the related revenue.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract costs exceeds:

- the remaining amount of consideration that the Group expects to receive for the sold units; less
- the estimated costs of completion that have not been recognised as expenses.

An impairment loss is reversed if the conditions no longer exist or have improved.

***Construction-in-progress***

The amount represents gross unbilled amount (i.e. unbilled receivable) expected to be collected from customers for construction services completed to date. The aggregated costs incurred together with attributable profits and net of progress billings are presented as "construction-in-progress".

***Subsequent measurement***

Construction-in-progress is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired, as described in note 3.11.

**3.10 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

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

**3.11 Impairment*****Non-derivative financial assets***

A financial asset not carried at fair value through profit or loss, including an interest in an associate, 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(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an 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. The Group considers a decline of 20% to be significant and a period of 12 months to be prolonged.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.11 Impairment (cont'd)****Non-derivative financial assets (cont'd)*****Loans and receivables***

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised 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 cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Impairment losses on unquoted equity securities are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is not reversed.

***Associates***

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with impairment of non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

***Non-financial assets***

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, unsold property (without a sales contract) 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.

With respect to fulfilment costs, after applying the impairment test in note 3.9, the resulting carrying amount of these fulfilment costs shall be included in the carrying amount of the CGU to which it belongs, for the purpose of assessment of impairment of assets belonging to that CGU.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.11 Impairment (cont'd)****Non-financial assets (cont'd)**

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 testing is performed 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 had 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.

**3.12 Non-current assets held for sale or distribution**

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to development properties, inventories, financial assets, deferred tax assets, employee benefit assets and investment properties, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associate ceases once classified as held for sale or distribution.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.13 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 related 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. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. 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. The calculation is performed using the projected unit credit method. Any gains and losses are recognised in profit or loss in the period in which they arise.

**3.14 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**3.15 Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The following is a description of principal activities (separated by reportable segments) from which the Group generates its revenue. For more information about reportable segments, see note 28.

**Freight and logistics segment**

The freight and logistics segment of the Group principally generates revenue by providing freight services and a range of logistics services, including warehousing services, transportation services, inventory management services and record management services.

**Freight services**

Freight services include air and sea custom clearance, documentation, cartage, handling, transfers and delivery of goods. Revenue from outbound freight forwarding is recognised upon departure of goods from port of disembarkation, while revenue from inward freight forwarding is recognised when goods arrive at port of arrival. Management expects that the amount of revenue recognised by these recognition points would approximate the amount of revenue to be recognised over time as services are performed.

Revenue is recognised based on the price specified in the contract, net of discounts and rebates. It is only recognised to the extent that it is highly probable that a significant reversal will not occur. Customers are required to pay for the services rendered within 30 to 60 days of receiving the invoice and delivery order or service report.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

## 3.15 Revenue recognition (cont'd)

**Freight and logistics segment (cont'd)****Logistics services**

Logistics services refers to the provision of warehousing services, transportation services, inventory management services and record management services. For bundled packages, the Group accounts for the individual services as separate performance obligations as they are distinct, i.e. the service is separately identifiable from other items in the bundled package and a customer can benefit from it. The consideration receivable under the contract is allocated to the separate services in a bundle based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on the Group's services price list.

Upon receipt and approval of invoices, the customers are required to make payment within 30 to 60 days.

*Warehousing services*

Warehousing services refer to the provision of storage of the customer's products. Revenue is recognised over time as services are being transferred to the customer, based on the time elapsed. Services are billed in advance on a monthly basis.

*Transportation services*

Transportation services include local delivery of goods. Revenue is recognised upon completion of the service which is expected to approximate revenue to be recognised over time, based on the time elapsed, due to the short service period. Services are billed upon completion, on a monthly basis.

*Inventory management services*

Inventory management services include rendering of import clearance, documentation and trucking services for inbound shipment and performing inventory stock-take and other related services over a specified time period. Revenue is recognised when services are completed. Management expects this to approximate the amount of revenue to be recognised over time, based on the time elapsed. Services are billed on a monthly basis.

*Record management services*

Record management services include storage, collection and retrieval and disposal of documents over a specified time period. Revenue generated from providing document storage, collection and retrieval and disposal services is recognised over time as services are being transferred to the customer, based on the time elapsed. Services are billed on a monthly basis.

**Financial services segment**

The financial services segment of the Group principally generates revenue from management services, fee income, dividend income and interest income.

**Management services**

Management services relate to base fees and performance fees earned in return for the Group's service in managing a real estate investment trust and its business. Revenue is recognised over time as services are rendered, based on an estimate of the variable consideration (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur).

*Base fees*

Base fees are determined based on a percentage of the total asset value of real estate investment trusts managed (Deposited Properties) on a quarterly basis. Customers are required to pay within 30 days of receiving the invoice.

*Performance fees*

Performance fees are determined based on revenue from properties less operating expenses (Net Property Income), upon the achievement of certain performance targets. Where performance fees are contingent on the achievement of performance targets, revenue is recognised only when the performance targets are achieved, i.e. variable consideration. There is no significant estimation uncertainty as management has assessed the probability of achieving these targets to be remote.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

## 3.15 Revenue recognition (cont'd)

**Financial services segment (cont'd)*****Fee income***

Fee income relates to divestment fees and acquisition fees in relation to the real estate investment trusts managed. Revenue is recognised upon completion of the divestment/acquisition. Transaction price is determined based on a percentage of the transaction price of the completed transaction. Services are billed and paid upon completion of the transaction.

***Dividend income***

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

***Interest income***

Interest income is recognised as it accrues in profit or loss, using the effective interest method. Interest on loans is payable on a half-yearly basis.

**Real estate segment**

The real estate segment of the Group principally generates revenue from the sale of development properties, construction services and property management services.

***Sale of development properties and construction services***

Revenue in relation to the sale of development properties is recognised when control over the property has been transferred to the customer. The properties generally have no alternative use for the Group due to contractual restrictions. For development properties where the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer.

For the sale of development properties where the Group's associate has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion of construction. The percentage of completion is measured by reference to the quantity surveyor's certification of the estimated construction costs incurred to-date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

In relation to construction services, the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over time, with reference to the percentage of completion of construction services. The percentage of completion is measured based on the monthly certification and customer's acknowledgement of the value of services transferred to date, relative to the total contract price.

Revenue is recognised at the price agreed under the contract.

Progress billings to the customer are based on a payment schedule in the contract. In cases where the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

***Property management services***

Property management services include maintenance, repair and upkeep of the facilities of the properties under management over a specified time period. Revenue is recognised over time as the services are transferred to the customer, based on the time elapsed. Property management fees are receivable monthly in advance.

***Rental income***

Rental income from investment properties is recognised on a straight-line basis, over the period of the lease. Lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.16 Government grants**

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

**3.17 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 and unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**3.18 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 the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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.



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.18 Tax (cont'd)**

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. 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 judgements about future events. New information may become available that causes the Group to change its judgement 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.

**3.19 Dividends**

Dividends on ordinary shares are recognised when they are approved for payments. Dividends on ordinary shares and redeemable convertible preference share capital classified as equity are accounted for as movements in accumulated profits.

**3.20 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.

**3.21 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 Chief Executive Officer (Group CEO) (the chief operating decision maker) 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 Group 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.

**3.22 Financial guarantee contracts**

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Group will be required to make a payment under the guarantee. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

**3.23 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Group has access at that date.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, that is, the fair value of the consideration given or received. When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.23 Fair value measurement (cont'd)**

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

**3.24 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 2016, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

The new standards include, among others, FRS 109 *Financial Instruments* and FRS 116 *Leases*, which are mandatory for the adoption by the Group on 1 May 2018 and 1 May 2019 respectively.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.
- FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise a right-of-use (ROU) asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

As FRS 109 and FRS 116, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for financial instruments and leases, these standards are expected to be relevant to the Group and the Company. The Group does not plan to adopt these standards early.

The Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS) which will be mandatory for adoption by the Group on 1 May 2018. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1 *First-time adoption of IFRS* when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**4 PROPERTY, PLANT AND EQUIPMENT**

	<b>Leasehold properties \$'000</b>	<b>Motor vehicles, trucks and prime movers \$'000</b>	<b>Office equipment and machinery \$'000</b>	<b>Furniture, fixtures and fittings \$'000</b>	<b>Construction work-in- progress \$'000</b>	<b>Total \$'000</b>
<b>Group</b>						
<b>Cost</b>						
At 1 May 2014	195,523	15,201	44,346	6,789	4,549	266,408
Additions	8,009	3,670	1,212	340	15,487	28,718
Disposals/write-offs	(10,324)	(2,193)	(3,037)	(3,312)	-	(18,866)
Translation differences	468	(281)	1,476	13	-	1,676
Reclassifications	2,273	282	2,225	-	(4,780)	-
Reclassification to investment properties	(5,799)	-	-	-	-	(5,799)
At 30 April 2015	190,150	16,679	46,222	3,830	15,256	272,137
Additions	5,748	809	1,804	437	46,876	55,674
Disposals/write-offs	(2,705)	(422)	(152)	(100)	-	(3,379)
Disposal of subsidiary	-	-	(2,868)	(86)	-	(2,954)
Translation differences	(356)	(721)	1,738	(15)	-	646
Reclassifications	62,122	-	-	-	(62,122)	-
At 30 April 2016	254,959	16,345	46,744	4,066	10	322,124
<b>Accumulated depreciation</b>						
At 1 May 2014	19,925	6,321	13,219	5,623	-	45,088
Depreciation for the year	3,735	2,111	3,726	464	-	10,036
Disposals/write-offs	(10,324)	(1,769)	(2,889)	(3,281)	-	(18,263)
Translation differences	44	(172)	148	7	-	27
At 30 April 2015	13,380	6,491	14,204	2,813	-	36,888
Depreciation for the year	4,279	2,186	3,813	449	-	10,727
Disposals/write-offs	-	(386)	(91)	(100)	-	(577)
Disposal of subsidiary	-	-	(723)	(46)	-	(769)
Translation differences	(67)	(422)	172	(10)	-	(327)
At 30 April 2016	17,592	7,869	17,375	3,106	-	45,942
<b>Carrying amounts</b>						
At 1 May 2014	175,598	8,880	31,127	1,166	4,549	221,320
At 30 April 2015	176,770	10,188	32,018	1,017	15,256	235,249
At 30 April 2016	237,367	8,476	29,369	960	10	276,182

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**4 PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	<b>Motor vehicles \$'000</b>	<b>Office equipment \$'000</b>	<b>Furniture, fixtures and fittings \$'000</b>	<b>Total \$'000</b>
<b>Company</b>				
<b>Cost</b>				
At 1 May 2014	1,149	245	37	1,431
Additions	-	16	-	16
Disposals	(382)	(55)	-	(437)
At 30 April 2015	767	206	37	1,010
Additions	-	5	5	10
At 30 April 2016	767	211	42	1,020
<b>Accumulated depreciation</b>				
At 1 May 2014	489	218	36	743
Depreciation for the year	99	12	-	111
Disposals	(321)	(55)	-	(376)
At 30 April 2015	267	175	36	478
Depreciation for the year	76	13	1	90
At 30 April 2016	343	188	37	568
<b>Carrying amounts</b>				
At 1 May 2014	660	27	1	688
At 30 April 2015	500	31	1	532
At 30 April 2016	424	23	5	452

The depreciation charge for the year included in the financial statements was as follows:

	<b>2016 \$'000</b>	<b>Group 2015 \$'000</b>
Charged to profit or loss	10,721	10,025
Capitalised to development properties	6	11
	<u>10,727</u>	<u>10,036</u>

*Construction work-in-progress*

Cost of construction work-in-progress comprised:

	<b>2016 \$'000</b>	<b>Group 2015 \$'000</b>
Development costs	10	13,759
Leasehold land rental	-	308
Property taxes, interest and other overheads	-	1,189
	<u>10</u>	<u>15,256</u>

During the year, interest expense of \$465,000 (2015: \$78,000) was capitalised by the Group as cost of construction work-in-progress. The capitalisation rate was based on the cost of borrowing of 2.86% (2015: 2.27%) per annum.

The Group's leasehold properties include provision for restoration costs of \$3,323,000 (2015: \$5,029,000).

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**4 PROPERTY, PLANT AND EQUIPMENT (cont'd)***Assets under finance leases*

The Group leases motor vehicles, trucks, prime movers and machinery under a number of finance lease agreements. As at 30 April 2016, the net carrying amount of leased plant and equipment was \$5,575,000 (2015: \$7,980,000).

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$55,674,000 (2015: \$28,718,000), of which \$1,195,000 (2015: \$2,783,000) 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 19:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net book value</b>		
Leasehold properties	231,411	172,131
Construction work-in-progress	-	15,256
Machinery	23,850	22,550
	<u>255,261</u>	<u>209,937</u>

*Change in estimates*

In 2015, the Group revised its estimates for the useful life of a leasehold property from 30 to 60 years after obtaining regulatory approval for the extension of the lease period of the property by 30 years. As a result, there was a change in the expected useful lives of related assets. The effect of these changes on depreciation expense in current and future periods on assets currently held was as follows:

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Later</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>						
(Decrease)/increase						
in depreciation						
expense and						
(increase)/decrease						
in profit before tax	(2,300)	(2,411)	(2,411)	(2,411)	(2,411)	11,944

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**5 INTANGIBLE ASSETS**

	<b>Goodwill on consolidation \$'000</b>	<b>Customer list \$'000</b>	<b>Total \$'000</b>
<b>Group</b>			
<b>Cost</b>			
At 1 May 2014	1,599	497	2,096
Translation differences	-	1	1
At 30 April 2015	1,599	498	2,097
Disposal of subsidiary	-	(498)	(498)
At 30 April 2016	1,599	-	1,599
<b>Accumulated amortisation and impairment losses</b>			
At 1 May 2014	1,127	332	1,459
Amortisation for the year	-	166	166
At 30 April 2015	1,127	498	1,625
Disposal of subsidiary	-	(498)	(498)
At 30 April 2016	1,127	-	1,127
<b>Carrying amounts</b>			
At 1 May 2014	472	165	637
At 30 April 2015	472	-	472
At 30 April 2016	472	-	472

*Impairment assessment for cash-generation units containing goodwill*

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units (CGUs). The net carrying amount of goodwill of \$472,000 (2015: \$472,000) is allocated to the financial services segment (CGU).

The recoverable amount of the financial services segment 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 results for 2016 as the baseline year (2015: 2015). Growth in sales of 3% (2015: 3%) was assumed for each of the 5 years (2015: 5 years) and no terminal growth rate was considered.

A pre-tax discount rate of 9.00% (2015: 8.98%) was applied in determining the recoverable amount.

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).

**6 INVESTMENT PROPERTIES**

	<b>Note</b>	<b>Group 2016 \$'000</b>	<b>2015 \$'000</b>
At beginning of the year		102,474	-
Acquisition of subsidiary	32	-	82,775
Additions		10,411	18,733
Reclassification from property, plant and equipment		-	5,799
Reclassification from development properties	12	140,000	-
Changes in fair value		5,053	(1,679)
Translation differences		(7,512)	(3,154)
At end of the year		250,426	102,474

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**6 INVESTMENT PROPERTIES (cont'd)**

Investment properties comprise residential, commercial and industrial properties that are leased to external customers and/or held for capital appreciation. As at 30 April 2016, rental income from the Group's industrial property which was leased under operating leases amounted to \$158,000 (2015: \$nil). There is no rental income from the residential and commercial properties (2015: \$nil).

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the year, amounted to \$773,000 (2015: \$nil).

Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the year, amounted to \$337,000 (2015: \$962,000).

As at 30 April 2016 and 2015, the residential and industrial investment properties were located and held by subsidiaries incorporated in countries with capital restrictions, i.e. repatriation requirements in place.

During the year, interest capitalised in cost of investment properties amounted to approximately \$419,000 (2015: \$143,000). The capitalisation rate was based on the cost of borrowing of 8.00% (2015: 8.00%) per annum.

*Security*

At 30 April 2016, investment properties of the Group with a carrying amount of \$179,354,000 (2015: \$24,998,000) were pledged as security to secure bank loans to subsidiaries as set out in note 19.

*Fair value hierarchy*

The fair value measurement for all investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 31).

**7 SUBSIDIARIES**

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Equity investments, at cost	19,364	18,363
Deemed investment arising from advances to subsidiary	-	22
	<u>19,364</u>	<u>18,385</u>
Less: Accumulated impairment losses		
At beginning of the year	(1,583)	(2,583)
Impairment losses written back	-	1,000
At end of the year	<u>(1,583)</u>	<u>(1,583)</u>
	<u>17,781</u>	<u>16,802</u>

In 2015, in view of the improved financial results of a subsidiary, \$1,000,000 of the initially recognised impairment losses on subsidiaries was reversed. This reversal was recorded in "Other income" in the Company's profit or loss. The recoverable amount of this CGU was based on fair value less costs of disposal.

All subsidiaries of the Group are not considered to be significant as defined under the Singapore Exchange Limited Listing Manual, except for DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd, as the Group's share of each subsidiary's net tangible assets does not represent 20% or more of the Group's consolidated net tangible assets and the Group's share of each subsidiary's pre-tax profits does not account for 20% or more of the Group's consolidated pre-tax profits.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**7 SUBSIDIARIES (cont'd)**

Details of material subsidiaries of the Group are as follows:

Name of subsidiary	Principal place of business/country of incorporation	Effective equity held by the Group 2016 %	2015 %
Directly-owned subsidiaries of the Company			
Freight Links Express Pte Ltd <sup>(1)</sup>	Singapore	100	100
Freight Links Logistics Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
Crystal Freight Services Pte Ltd <sup>(1)</sup>	Singapore	100	100
Freight Links Express Logisticcentre Pte Ltd <sup>(1)</sup>	Singapore	100	100
Crystal Freight Services Distripark Pte Ltd <sup>(1)</sup>	Singapore	100	100
Freight Links Fabpark Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
Singapore Enterprises Private Limited <sup>(1)</sup>	Singapore	100	100
LTH Logistics (Singapore) Pte Ltd <sup>(1)</sup>	Singapore	51	51
Lee Thong Hung Trading and Transport Sdn. Bhd. <sup>(2)</sup>	Malaysia	50.8	50.8
Freight Links Express (Thailand) Co., Ltd <sup>(3) (7)</sup>	Thailand	49	49
Sabana Investment Partners Pte. Ltd. <sup>(1)</sup>	Singapore	51	51
Subsidiaries held by the Company's subsidiaries			
Freight Links E-logistics Technopark Pte Ltd <sup>(1)</sup>	Singapore	100	100
Freight Links Express Air Systems Pte Ltd <sup>(1)</sup>	Singapore	100	100
Freight Links Express Logisticpark Pte Ltd <sup>(1)</sup>	Singapore	100	100
Freight Links (Jiangsu) Co., Ltd <sup>(4)</sup>	People's Republic of China	65.5	65.5
San Lu Logistics Co., Ltd <sup>(4)</sup>	People's Republic of China	100	100
Sabana Real Estate Investment Management Pte. Ltd. <sup>(1)</sup>	Singapore	51	51
Sabana Property Management Pte. Ltd. <sup>(1)</sup>	Singapore	51	51
Muto Global Pte. Ltd. <sup>(1)</sup>	Malaysia/Singapore	-	50
Glory Capital Pte. Ltd. <sup>(1)</sup>	Singapore	65	65
Vibrant Properties Pte. Ltd. <sup>(1)</sup>	Singapore	60	60
Sinolink Financial Leasing Co., Ltd <sup>(5) (8)</sup>	People's Republic of China	45.6	45.6
Fervent Industrial Development (Suzhou) Co., Ltd <sup>(5) (8)</sup>	People's Republic of China	32.2	30
DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd <sup>(5) (8)</sup>	People's Republic of China	36	36
Shentoncil Pte. Ltd. <sup>(1)</sup>	Singapore	51	51
Ececil Pte. Ltd. <sup>(1)</sup>	Singapore	51	51
Vibrant DB2 Pte. Ltd. <sup>(1)</sup>	Singapore	51	51
Saujana Tiasa Sdn Bhd <sup>(6)</sup>	Malaysia	50	50
Lionheart Holding Group Corp <sup>(4)</sup>	British Virgin Island	100	100
GLE Integrated Pte. Ltd. <sup>(9)</sup>	Singapore	100	-

<sup>(1)</sup> Audited by KPMG LLP Singapore<sup>(2)</sup> Audited by SE Lai CK<sup>(3)</sup> Audited by member firm of KPMG International<sup>(4)</sup> Not required to be audited under the laws of the country in which it is incorporated<sup>(5)</sup> Audited by Grant Thornton, Shanghai<sup>(6)</sup> Audited by BDO, Kuala Lumpur<sup>(7)</sup> Although the Group owns less than or only half of the voting rights of Freight Links Express (Thailand) Co., Ltd (2015: Freight Links Express (Thailand) Co., Ltd and Muto Global Pte. Ltd.), the Group is exposed to and has the rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities through its control of the composition of the board of directors by virtue of the shareholders' agreements. Consequently, the Group consolidates its investments in these entities as subsidiaries of the Group.<sup>(8)</sup> These entities are indirectly held by non-wholly owned subsidiaries.<sup>(9)</sup> Not audited, newly incorporated during the financial year



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**8 ASSOCIATES**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Convertible loans to an associate	3,961	3,884	3,961	3,884
Redeemable cumulative convertible preference shares in an associate	11,811	11,632	11,811	11,632
Loans and receivables	15,772	15,516	15,772	15,516
Investment in associates (equity-accounted investees)	81,518	76,886	21,519	21,519
	<b>97,290</b>	<b>92,402</b>	<b>37,291</b>	<b>37,035</b>

**Convertible loans to an associate**

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

<b>Name of associate</b>	<b>Principal place of business/country of incorporation</b>
Fudao Petrochemicals Group Pte. Ltd. (Fudao) <sup>(1)</sup>	Singapore

<sup>(1)</sup> Audited by Goh Ngiap Suan & Co

Fudao is regarded as an associate of the Group as the Group has representation on the board of directors and has significant influence over the financial and operating policies of Fudao.

- (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 8% (2015: 8%) per annum. The effective interest rate is 8% (2015: 8%) per annum.
- (d) The results of Fudao are not equity accounted as the Company does not hold equity interest in the associate as at the reporting date.

**Redeemable cumulative convertible preference shares (RCCPS) in an associate**

- (a) Details of the associate are as follows:

<b>Name of associate</b>	<b>Principal place of business/country of incorporation</b>
China GSD Logistics Pte. Ltd. (GSD) <sup>(1)</sup>	Singapore

<sup>(1)</sup> Audited by Goh Ngiap Suan & Co

GSD is regarded as an associate of the Group as the Group has representation on the board of directors and has significant influence over the financial and operating policies of GSD.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**8 ASSOCIATES (cont'd)****Redeemable cumulative convertible preference shares (RCCPS) in an associate (cont'd)**

(b) Terms and conditions of the RCCPS:

- (i) Each RCCPS shall confer on the holder 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% (2015: 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 holder has priority in the repayment of capital together with any arrears of any declared but unpaid dividend on a cumulative basis. In addition, the holder 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 holder into 1 ordinary share in the capital of GSD. The holder 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 Group 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 Group would hold 39.04% of the issued share capital of GSD.

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

(d) The results of GSD are not equity accounted as the Company does not hold equity interest in the associate as at the reporting date.

**Investment in associates (equity-accounted investees)***Summarised financial information of associates*

The Group has four (2015: four) associates that are material and a number of associates that are individually immaterial to the Group. All are equity accounted. The following are the material associates:

	<b>China Southwest Energy Corporation Ltd (China SW)*</b>	<b>Freight Management Holdings Bhd (FMHB)</b>	<b>Figtree Holdings Limited (Figtree)</b>	<b>Plaza Ventures Pte. Ltd. (Plaza Ventures)</b>
Nature of relationship with the Group	Mining of coal and trading of coal	Provision of integrated freight and logistics services	General contractors and providers of general building engineering services and property development	Property development
Principal place of business	People's Republic of China	Malaysia	Singapore	Singapore
Country of incorporation (if different from principal place of business)	Hong Kong	Not applicable	Not applicable	Not applicable
Ownership interest/ voting rights held	25.52% (2015: 25.52%)	21.58% (2015: 21.70%)	20.95 % (2015: 20.54%)	35% (2015: 35%)
Fair value of ownership interest (if listed)	Not applicable	\$16,259,000# (2015: \$21,522,000#)	\$11,647,000# (2015: \$9,863,000#)	Not applicable
Audited by	Grant Thornton, Shanghai	BDO, Kuala Lumpur	Ernst & Young LLP	KPMG LLP

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**8 ASSOCIATES (cont'd)****Investment in associates (equity-accounted investees) (cont'd)**

All associates of the Group are not considered to be significant as defined under the Singapore Exchange Limited Listing Manual as the Group's share of each associate's net tangible assets does not represent 20% or more of the Group's consolidated net tangible assets and the Group's share of each associate's pre-tax profits does not account for 20% or more of the Group's consolidated pre-tax profits.

# Fair value of quoted investments in associates is determined by reference to the stock exchange quoted bid price as at 30 April 2016 (2015: 30 April 2015) (Level 1 in the fair value hierarchy).

\* In January 2011, the Group entered into a Share Sales & Purchase Agreement, followed by a Supplementary Agreement in January 2014 (collectively known as the Agreements), with a major shareholder of China SW in respect of convertible preferred shares. Terms and conditions of the Agreements are as follows:

- (a) The Group 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 Agreements. The option period has been extended from 1 February 2012 to 1 February 2017.
- (b) The major shareholder of China SW warrants to pay to the Group an additional interest of 7.5% per annum of the consideration in the event that the Group does not redeem the preferred shares.
- (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 shares at the subscription price 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 Group into 1 ordinary share in the capital of China SW. The Group has served a notice to exercise its rights to redeem the preferred shares, which remains in the notice period as at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**8 ASSOCIATES (cont'd)****Investment in associates (cont'd)**

The following summarises the financial information of each of the Group's material associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition. The table also includes summarised financial information for the Group's interest in immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

<b>2016</b>	<b>China SW \$'000</b>	<b>FMHB \$'000</b>	<b>Figtree \$'000</b>	<b>Plaza Ventures \$'000</b>	<b>Immaterial associates \$'000</b>	<b>Total \$'000</b>
Revenue	22,506	142,246	128,749	112,563		
(Loss)/profit from continuing operations	(20,532)	6,874	11,778	24,149		
Other comprehensive income	-	125	(548)	-		
<b>Total comprehensive income</b>	(20,532)	6,999	11,230	24,149		
Attributable to non-controlling interests	-	(229)	163	-		
<b>Attributable to investee's shareholders</b>	(20,532)	6,770	11,393	24,149		
Non-current assets	15,751	75,943	11,533	-		
Current assets	68,431	49,754	72,092	604,223		
Non-current liabilities	(2,248)	(31,965)	(68)	(300,856)		
Current liabilities	(25,054)	(21,762)	(41,848)	(226,889)		
<b>Net assets</b>	56,880	71,970	41,709	76,478		
Attributable to non-controlling interests	-	(6,029)	(51)	-		
<b>Attributable to investee's shareholders</b>	56,880	65,941	41,658	76,478		
Group's interest in net assets	14,516	14,230	8,727	26,767		
Other adjustments	5,884	1,741	6,863	-		
<b>Carrying amount of investments</b>	20,400	15,971	15,590	26,767		
<b>Group's interest in net assets of investee at beginning of the year</b>	25,979	16,132	13,203	18,315	3,257	76,886
Group's share of:						
- (loss)/profit from continuing operations	(5,240)	1,488	2,382	8,452	(132)	6,950
- other comprehensive income	-	(27)	5	-	-	(22)
- total comprehensive income	(5,240)	1,461	2,387	8,452	(132)	6,928
Group's contribution during the year	-	-	570	-	-	570
Group's share of translation reserve	(339)	(984)	-	-	(152)	(1,475)
Dividends received	-	(638)	(570)	-	(35)	(1,243)
Disposal	-	-	-	-	(148)	(148)
<b>Carrying amount of interest in investee at end of the year</b>	20,400	15,971	15,590	26,767	2,790	81,518

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**8 ASSOCIATES (cont'd)****Investment in associates (cont'd)**

<b>2015</b>	<b>China SW \$'000</b>	<b>FMHB \$'000</b>	<b>Figtree \$'000</b>	<b>Plaza Ventures \$'000</b>	<b>Immaterial associates \$'000</b>	<b>Total \$'000</b>
Revenue	8,039	159,921	91,886	11,545		
(Loss)/profit from continuing operations	(12,935)	8,928	7,520	6,329		
Other comprehensive income	-	-	-	-		
<b>Total comprehensive income</b>	(12,935)	8,928	7,520	6,329		
Attributable to non-controlling interests	-	436	231	-		
<b>Attributable to investee's shareholders</b>	(12,935)	9,364	7,751	6,329		
Non-current assets	18,195	62,437	4,021	-		
Current assets	94,698	51,152	92,897	629,989		
Non-current liabilities	(2,304)	(21,184)	(90)	-		
Current liabilities	(28,679)	(19,579)	(65,571)	(577,660)		
<b>Net assets</b>	81,910	72,826	31,257	52,329		
Attributable to non-controlling interests	-	(6,324)	(115)	-		
<b>Attributable to investee's shareholders</b>	81,910	66,502	31,142	52,329		
Group's interest in net assets	20,903	14,431	6,397	18,315		
Other adjustments	5,076	1,701	6,806	-		
<b>Carrying amount of investments</b>	25,979	16,132	13,203	18,315		
<b>Group's interest in net assets of investee at beginning of the year</b>	29,280	15,314	11,255	-	3,792	59,641
Group's share of:						
- (loss)/profit from continuing operations	(3,301)	2,032	1,592	2,215	(811)	1,727
- other comprehensive income	-	-	-	-	-	-
- total comprehensive income	(3,301)	2,032	1,592	2,215	(811)	1,727
Group's contribution during the year	-	-	356	16,100	-	16,456
Group's share of translation reserve	-	(508)	-	-	288	(220)
Dividends received	-	(706)	-	-	(12)	(718)
<b>Carrying amount of interest in investee at end of the year</b>	25,979	16,132	13,203	18,315	3,257	76,886

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**9 OTHER INVESTMENTS**

	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current investments</b>					
Available-for-sale financial assets					
- quoted equity securities		30,892	37,658	-	-
- unquoted equity securities		5,006	5,693	-	-
Financial assets at fair value through profit or loss					
- convertible bond	(a)	19,577	26,471	-	-
Restricted fixed deposits	(b)	117	82	-	-
Club membership		14	15	-	-
		<u>55,606</u>	<u>69,919</u>	<u>-</u>	<u>-</u>
<b>Current investments</b>					
Financial assets at fair value through profit or loss					
- quoted equity securities	(c)	72,573	84,426	59,936	59,783
- forward exchange contract		-	76	-	76
		<u>72,573</u>	<u>84,502</u>	<u>59,936</u>	<u>59,859</u>
		<u>128,179</u>	<u>154,421</u>	<u>59,936</u>	<u>59,859</u>

- (a) In December 2014, the Group entered into an agreement with Blackgold International Holdings Limited (Blackgold) in respect of a convertible bond. Terms and conditions of the agreement are as follows:
- (i) The Group shall subscribe to Tranche 1 of the convertible bond with face value of \$15,000,000. In return, the Group shall have the right to nominate a company listed on the Singapore Stock Exchange to acquire Blackgold Holdings HongKong Limited (Blackgold HongKong) from Blackgold (the Reverse Take Over or RTO).
- (ii) The Group shall subscribe to Tranche 2 of the convertible bond with face value of \$3,750,000.
- (iii) Upon the completion of the RTO by no later than 18 May 2016:
- the Group shall subscribe to Tranche 3 of the convertible bond with face value of \$6,250,000;
  - Blackgold shall redeem all 3 Tranches of the convertible bond in full for cash; and
  - the Group shall receive 25% of the shares issued by the listed company to Blackgold for the acquisition of Blackgold HongKong (the Purchase Consideration in shares).
- (iv) In the event of non-completion of the RTO by 18 May 2016, Tranches 1 and 2 of the convertible bond shall be converted into shares of Blackgold. Subsequent to the year end, on 18 May 2016, the Group extended the Completion End Date and the Right to Nominate End Date of the Convertible Bond Agreement to 18 May 2017.
- (v) The convertible bond bears a contractual interest rate of 7.5% per annum.
- (vi) In 2015, the Group subscribed to Tranches 1 and 2 of the convertible bond and exercised its right to nominate a listed company to acquire Blackgold HongKong from Blackgold.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**9 OTHER INVESTMENTS (cont'd)**

In March 2015, the Group entered into a binding term sheet with Mega Rainbow Holdings Limited (Mega Rainbow) and OBCS Limited (OBCS). Terms and conditions of the binding term sheet were as follows:

(vii) Upon the completion of the RTO by no later than 18 May 2016, the Group shall subscribe to shares issued by a company owned by Mega Rainbow and OBCS amounting to 28% of the enlarged share capital of the company, and extend a loan to the company for the acquisition of the existing business of the listed company in Singapore.

(viii) The long-stop date was 31 March 2016 under the conditional sale and purchase agreement dated 31 March 2015 between the listed company and Blackgold in respect of the proposed acquisition of the entire issued and paid-up share capital of Blackgold HongKong. The conditional sale and purchase agreement lapsed during the year and ceased to have further effect.

The convertible bond has been accounted for at fair value through profit or loss (see note 3.3). A fair value loss of \$7,582,000 (2015: fair value gain of \$7,096,000) was recorded in "Other operating expenses" (2015: "Other income") of the Group's profit or loss during the year. Information on the fair value measurement of the convertible bond is disclosed in note 31.

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

(c) The quoted equity securities of \$29,709,000 (2015: \$41,786,000) have been pledged as security to secure bank loans and other credit facilities extended to the Company as set out in note 19.

**10 DEFERRED TAX**

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

	At 1 May 2014 \$'000	Recognised in profit or loss (note 25) \$'000	Acquisition of subsidiaries (note 32) \$'000	Translation differences \$'000	At 30 April 2015 \$'000	Recognised in profit or loss (note 25) \$'000	Disposal of subsidiary \$'000	Translation differences \$'000	At 30 April 2016 \$'000
<b>Group</b>									
<b>Deferred tax assets</b>									
Available-for-sale									
financial assets	-	-	-	-	-	1,279	-	-	1,279
Deferred income	-	287	-	5	292	374	-	(26)	640
Property, plant and									
equipment	377	(22)	-	11	366	(20)	(300)	12	58
Provisions	117	(22)	-	3	98	333	-	(20)	411
Unutilised tax losses	-	132	-	2	134	(45)	-	(1)	88
Other items	58	2	-	1	61	24	-	(3)	82
Total	552	377	-	22	951	1,945	(300)	(38)	2,558
<b>Deferred tax liabilities</b>									
Investment properties	-	(257)	(1,716)	54	(1,919)	(826)	-	185	(2,560)
Property, plant and									
equipment	(451)	(62)	-	-	(513)	(155)	-	-	(668)
Trade and other									
receivables	-	-	-	-	-	(3,262)	-	155	(3,107)
Other items	(4)	-	-	-	(4)	4	-	-	-
Total	(455)	(319)	(1,716)	54	(2,436)	(4,239)	-	340	(6,335)

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**10 DEFERRED TAX (cont'd)**

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

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Deferred tax liabilities</b>		
Other items	-	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:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred tax assets	2,551	651	-	-
Deferred tax liabilities	(6,328)	(2,136)	-	(4)
	<u>(3,777)</u>	<u>(1,485)</u>	<u>-</u>	<u>(4)</u>

As at 30 April 2016, deferred tax liabilities of \$731,000 (2015: \$309,000) for temporary differences of \$7,306,000 (2015: \$3,091,000) related to investments in subsidiaries were not recognised because the Group can control the timing of reversal of the taxable temporary differences for all subsidiaries and the temporary differences are not expected to reverse in the foreseeable future.

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

	<b>Group</b>		
	<b>2016</b>	<b>2015 (as previously reported)</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deductible temporary differences	4,325	5,094	3,349
Tax losses	56,116	45,978	30,844
	<u>60,441</u>	<u>51,072</u>	<u>34,193</u>

The comparatives have been changed to reflect the revised deductible temporary differences and unutilised tax losses after the tax authorities finalised the tax status of certain outstanding years of assessment.

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 deductible temporary differences 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 3.18.



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**11 TRADE AND OTHER RECEIVABLES**

	Note	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Non-current assets</b>					
Finance lease receivables		10,621	12,876	-	-
Trade receivables - third party		75	-	-	-
Non-trade amounts due					
from subsidiaries	(a)	-	-	100,514	93,705
Loans to subsidiaries	(b)	-	-	385,658	388,908
Impairment losses		-	-	(60,608)	(62,877)
Net receivables		10,696	12,876	425,564	419,736
Loans to third party	(c)	45,000	45,000	-	-
Loan to non-controlling interests	(d)	-	1,302	-	-
Other receivables		-	250	-	-
Deposits		-	80	-	-
Loans and receivables		55,696	59,508	425,564	419,736
Prepayments		37	10	-	-
		55,733	59,518	425,564	419,736
<b>Current assets</b>					
Trade receivables:					
- subsidiaries		-	-	1,534	906
- third parties		71,132	35,895	-	-
Finance lease receivables		5,049	2,202	-	-
		76,181	38,097	1,534	906
Impairment losses		(285)	(504)	-	-
Net trade receivables		75,896	37,593	1,534	906
Loans to associates	(e)	39,484	46,834	-	-
Loans to non-controlling interests	(f)	11,876	10,788	-	-
Loans to third parties	(g)	1,106	2,130	-	-
Non-trade amounts due					
from associates	(h)	143	143	-	-
Non-trade amounts due from non-controlling interests	(h)	12,629	5,579	-	-
Non-trade amounts due from related parties	(h)	992	1,196	123	165
Deposits		1,280	1,913	2	3
Tax recoverable		53	60	-	-
Interest receivables		4,926	2,419	3,499	2,145
Other receivables		6,761	3,725	118	304
Loans and receivables		155,146	112,380	5,276	3,523
Prepayments and advances		3,173	7,971	55	36
		158,319	120,351	5,331	3,559

- (a) Non-trade amounts due from subsidiaries are unsecured, interest-free with no fixed terms of repayment and are not expected to be repaid within the next twelve months from the reporting date.
- (b) Loans to subsidiaries are unsecured with no fixed terms of repayment and are not expected to be repaid within the next twelve months. Loans of \$259,000 (2015: \$4,104,000) are interest-free and loans of \$57,703,000 (2015: \$104,966,000) bear fixed interest at 6.10% to 10.00% (2015: 6.10% to 10.00%) per annum. The remaining loans bear interest at 1.00% (2015: 1.00%) above market swap rate determined at the beginning of each month on the net receivables. As at the reporting date, the average effective interest rate for floating rate loans was 2.08% (2015: 1.38%) per annum.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**11 TRADE AND OTHER RECEIVABLES (cont'd)**

- (c) Non-current loans to third party of \$45,000,000 (2015: \$45,000,000) is secured and is repayable in 2019. The average effective interest rate at reporting date was 13.78% (2015: 13.78%) per annum.
- (d) In 2015, the loan to non-controlling interests was unsecured and bore interest at 10% per annum. The amount was reclassified to current during the year.
- (e) Loan to an associate of \$459,000 (2015: \$459,000) is unsecured, repayable on demand and bears interest at 9.75% (2015: 9.75%) per annum. The remaining loan to an associate is unsecured, interest-free and is expected to be repaid within the next twelve months from the reporting date.
- (f) Loans to non-controlling interests are unsecured, repayable on demand, bear interest at 6.00% to 10.00% (2015: 6.00% to 10.00%) per annum and are expected to be repaid within the next twelve months from the reporting date.
- (g) Loans to third parties are unsecured, repayable on demand, interest-free (2015: 12.00% to 15.00% per annum) and are expected to be repaid within the next twelve months from the reporting date.
- (h) Non-trade amounts due from associate, non-controlling interests and related parties are unsecured and interest-free, and are repayable on demand.

*Finance lease receivables*

The Group entered into non-cancellable finance lease agreements. The legal title of the Group's plant and machinery will be transferred to the lessees by the end of the lease term of five years. Effective interest rates at the reporting date were 11.00% to 13.00% (2015: 11.00% to 13.00%) per annum.

At the reporting date, the Group's finance lease receivables are as follows:

	<b>Gross investment \$'000</b>	<b>Unearned finance income \$'000</b>	<b>Net investment \$'000</b>
<b>Group</b>			
<b>2016</b>			
Within one year	6,348	(1,299)	5,049
Between one and five years	12,304	(1,683)	10,621
	<u>18,652</u>	<u>(2,982)</u>	<u>15,670</u>
<b>2015</b>			
Within one year	3,716	(1,514)	2,202
Between one and five years	15,945	(3,069)	12,876
	<u>19,661</u>	<u>(4,583)</u>	<u>15,078</u>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**12 DEVELOPMENT PROPERTIES AND CONSTRUCTION-IN-PROGRESS**

		<b>2016</b>	<b>Group</b>
		<b>\$'000</b>	<b>2015</b>
			<b>\$'000</b>
<b>(a) Properties in the course of development</b>			
Unsold property	(i)	-	112,851
Unsold property (with a sales contract)			
- Fulfilment cost	(ii)	-	25,103
		-	137,954
<b>(b) Construction-in-progress</b>			
- Fulfilment cost		44,000	-
- Attributable profits		7,556	-
		51,556	-

**(a) Properties in the course of development**

- (i) The amount relates to cost attributable to the unsold property (without a sales contract). During the current financial year, interest capitalised as cost of a development property amounted to \$2,475,000 (2015: \$2,306,000). The capitalisation rate was based on the cost of borrowing of 2.99% (2015: 2.48%). No allowance for foreseeable losses was recognised as at 30 April 2015.

As at 30 April 2015, the development property was pledged as security to secure bank loans and other credit facilities extended to a subsidiary, as set out in note 19.

During the year, the development property was reclassified to investment property due to a change in use as approved by the Board of Directors of the subsidiary. Accordingly, a fair value gain of \$23,596,000, representing the difference between the fair value at date of reclassification of \$140,000,000 (note 6) and carrying amount of \$116,404,000, was recognised under "other income" in profit or loss (note 23).

- (ii) The amount relates to land and construction related costs that are attributable to the unsold property.

These fulfilment costs are recorded in profit or loss when revenue is recognised, upon the transfer of legal title to the customer and control of the development property. The Group has no enforceable right to payment prior to the point of transfer. No impairment was recorded as at 30 April 2015.

**(b) Construction-in-progress**

The amount represents the costs incurred to date and attributable profits (i.e. gross unbilled amount) for construction services provided, in relation to a government-approved resettlement housing development in Jiangyin, People's Republic of China. Costs are recognised in profit or loss on an incurred basis. Revenue is recognised over time with reference to the customer's acknowledgement of the value of work completed to date. Billings will occur in accordance with the contractual billing terms.

Construction-in-progress bears a contractual interest rate of 1.2 times of 1-year CHIBOR per annum.

Significant changes in the balance during the year were as follows:

	<b>\$'000</b>
<b>Balance as at 1 May 2015</b>	-
Cost incurred during the year	44,000
Attributable profits	7,831
Translation differences	(275)
<b>Balance as at 30 April 2016</b>	51,556

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**13 INVENTORIES**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Consumables	505	409

**14 CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	19,735	21,937	1,057	1,238
Deposits with banks	3,353	1,323	-	-
Cash and cash equivalents	23,088	23,260	1,057	1,238
Deposits pledged and restricted cash	(3,814)	-		
Cash and cash equivalents of disposal group held for sale (note 15)	29	6,350		
Cash and cash equivalents in the consolidated statement of cash flows	19,303	29,610		

Deposits pledged represent bank balances of the Company pledged as security to obtain credit facility (see note 19). Restricted cash represents bank balances held for subsequent disbursement of funds to suppliers.

Included in cash and cash equivalents are amounts of \$7,834,000 (2015: \$12,437,000) held in countries with foreign exchange controls, i.e. repatriation requirements in place.

As at the reporting date, the weighted average effective interest rate per annum relating to deposits with banks for the Group ranges from 1.00% to 3.97% (2015: 1.30% to 4.50%). Interest rates reprice at intervals of overnight, fortnightly, one, three or twelve months (2015: one, ten or twelve months).

**15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISPOSAL**

A group of subsidiaries within the freight and logistics segment has been presented as a disposal group held for disposal following the commitment of the Group's management in 2014 to dissolve these subsidiaries. Liquidation of the disposal group commenced in 2015 and dissolution of one subsidiary was completed during the year. Completion of the dissolution of the remaining entities within the disposal group is expected in 2017.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISPOSAL (cont'd)****Assets and liabilities of disposal group classified as held for disposal**

As at reporting date, the disposal group comprised the following assets and liabilities:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment	-	1
Cash and cash equivalents	29	6,350
<b>Assets classified as held for disposal</b>	<b>29</b>	<b>6,351</b>
Other payables	4	147
<b>Liabilities classified as held for disposal</b>	<b>4</b>	<b>147</b>

**Cumulative income or expense recognised in other comprehensive income**

There are no items recognised in other comprehensive income relating to the disposal group.

**16 SHARE CAPITAL**

	<b>Group and Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>No. of</b>	<b>No. of</b>
	<b>shares</b>	<b>shares</b>
	<b>('000)</b>	<b>('000)</b>
<b>Fully paid ordinary shares, with no par value:</b>		
At beginning of the year	2,621,699	2,525,060
Issue of new shares	161,849	96,639
Share consolidation	(2,226,840)	-
At end of the year	<b>556,708</b>	<b>2,621,699</b>

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 8 October 2015 and 10 October 2014, the Company issued 161,849,000 (2015: 96,639,000) new ordinary shares for value of \$10,925,000 (2015: \$10,244,000) to eligible shareholders who elected to participate in the Scrip Dividend Scheme in respect of the final dividend declared and paid for the financial year ended 30 April 2015 and 30 April 2014, respectively.

On 22 October 2015, the Company completed a share consolidation exercise and every five existing shares was consolidated to constitute one consolidated share.

**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. The Group targets to achieve a return on shareholders' equity (ROE) of between 14.00% to 18.00% (2015: 14.00% and 18.00%). In 2016, the Group achieved a ROE of 2.70% (2015: 8.10%).

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**16 SHARE CAPITAL (cont'd)****Capital management (cont'd)**

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 1.5. The net debt-to-equity ratio was 1.15 as at 30 April 2016 (2015: 0.97).

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:

***Paid by the Company to owners of the Company***

	<b>Group and Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
First and final dividend paid in respect of the previous financial year of 0.55 cent* (2015: 0.55 cent*) per share	14,339	13,821

\* Amounts stated before share consolidation exercise on 22 October 2015

***Paid by a subsidiary to non-controlling interests***

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividend paid of \$1.00 per qualifying ordinary share (2015: nil)	20	-

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.

	<b>Group and Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
First and final dividend payable/paid in respect of the current financial year of 1.80 cents (2015: 0.55 cent*) per share	9,968	14,419

\* Amounts stated before share consolidation exercise on 22 October 2015

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**17 PERPETUAL SECURITIES**

On 11 April 2014, the Company issued Fixed Rate Perpetual Securities (the Securities) of \$100,000,000 with no fixed final redemption date and which confer a right to holders to receive distribution. In 2014, incremental costs incurred amounting to \$2,053,000 were recognised in equity as a deduction from proceeds.

The Securities bear an initial fixed distribution rate of 7.35% per annum payable semi-annually in arrears. The rate is subject to reset every three years and a step-up from and including the first call date, being 11 October 2017.

Subject to the relevant terms and conditions in the offering memorandum, the Company may elect to defer making distributions on the Securities, and is not subject to any limits as to the number of times a distribution can be deferred.

The perpetual securities do not meet the definition for classification as a financial liability under FRS 32 *Financial Instruments: Disclosure and Presentation*. The whole instrument is presented within equity and distributions are treated as dividends.

During the financial year, distributions amounting to \$7,370,000 (2015: \$7,350,000) were paid to perpetual securities holders.

**18 RESERVES**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Treasury shares	(1,087)	(1,087)	(1,087)	(1,087)
Capital reserve	7,212	7,082	7,082	7,082
Fair value reserve	-	(6,318)	-	-
Foreign currency translation reserve	(4,228)	2,587	-	-
Other reserves	3	-	-	-
	1,900	2,264	5,995	5,995
Accumulated profits	148,848	160,534	58,851	69,221
	150,748	162,798	64,846	75,216

The treasury shares reserve comprises the cost of the Company's shares held by the Group. On 30 April 2016, the Group held 2,920,560 of the Company's shares (2015: 14,602,800 before share consolidation).

Capital reserve arises from warrants issued in 2006 which expired in 2009; and the acquisition of non-controlling interests without a change in control, representing the difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid, attributable to owners of the Company.

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.

Other reserves mainly comprise share option reserve, which represents the cumulative value of services received from employees of an associate recorded over the vesting period commencing from the grant date of equity-settled share options.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**19 LOANS AND BORROWINGS**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities</b>				
Floating rate bank loans				
- secured	139,578	169,853	-	-
Fixed rate bank loans				
- secured	-	1,144	-	-
Finance lease liabilities	1,809	4,352	-	-
	141,387	175,349	-	-
Notes payable	101,509	101,074	101,509	101,074
	242,896	276,423	101,509	101,074
<b>Current liabilities</b>				
Floating rate bank loans				
- secured	85,416	13,632	-	-
- unsecured	11,703	21,349	11,703	21,349
Fixed rate bank loans				
- secured	78,510	61,460	50,150	58,150
- unsecured	29,000	10,000	29,000	10,000
Finance lease liabilities	1,391	1,679	-	-
	206,020	108,120	90,853	89,499
	448,916	384,543	192,362	190,573

The bank loans of the Company and certain subsidiaries of \$233,530,000 (2015: \$168,934,000) are secured by legal mortgages over property, plant and equipment, investment properties, equity securities and development properties of the Group as disclosed in notes 4, 6, 9 and 12 respectively.

The notes payable is issued under its \$500,000,000 Multicurrency Debt Issuance Programme which was first established in May 2013.

**Finance lease liabilities**

The Group entered into non-cancellable finance leases. The motor vehicles, trucks, prime movers and machinery subject to the finance leases will be transferred to the Group by the end of the lease terms ranging from 2 to 15 years (2015: 2 to 15 years). As at the reporting date, the Group has obligations under finance leases that are payable as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Payments</b>	<b>Principal</b>	<b>Interest</b>	<b>Payments</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>						
Repayable within 1 year	1,391	142	1,533	1,679	369	2,048
Repayable after 1 year						
but within 5 years	1,809	88	1,897	3,182	712	3,894
Repayable after 5 years	-	-	-	1,170	265	1,435
Total	3,200	230	3,430	6,031	1,346	7,377



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**19 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	2016 Face value \$'000	2016 Carrying amount \$'000	Year of maturity	2015 Face value \$'000	2015 Carrying amount \$'000
Group							
Floating rate bank loans	1.00% - 2.50% above SIBOR rate	2017 - 2021	7,623	7,623	2017 - 2021	10,330	10,330
	1.50% - 2.00% above bank's 3 months cost of funds	2017 - 2021	24,663	24,663	2018 - 2019	18,195	18,195
	1.25% - 2.00% above swap rate	2017 - 2021	187,630	187,630	2016 - 2021	162,260	162,260
	2.00% - 2.80% above LIBOR rate	2017	7,603	7,603	2017 - 2018	14,049	14,049
	1.30 times CHIBOR rate	2025	9,178	9,178	-	-	-
Fixed rate bank loans	2.22% - 3.96%	2017 - 2025	107,510	107,510	2016 - 2025	72,604	72,604
Finance lease liabilities	1.16% - 7.66%	2017 - 2020	3,200	3,200	2016 - 2025	6,031	6,031
Notes payable	4.60%	2018	101,509	101,509	2018	101,074	101,074
			448,916	448,916		384,543	384,543
Company							
Floating rate bank loans	2.50% above SIBOR rate	2017	2,600	2,600	2017	4,800	4,800
	2.00% above bank's 3 months cost of funds	2018	1,500	1,500	2018	2,500	2,500
	2.00% - 2.80% above LIBOR rate	2017	7,603	7,603	2017 - 2018	14,049	14,049
Fixed rate bank loans	2.22% - 3.96%	2017	79,150	79,150	2016	68,150	68,150
Notes payable	4.60%	2018	101,509	101,509	2018	101,074	101,074
			192,362	192,362		190,573	190,573

Of the Group and Company's bank loans, \$131,310,000 (2015: \$93,309,000) and \$90,853,000 (2015: \$89,499,000) are callable by financial institutions, and have been presented as current liabilities in the Group and Company's statements of financial position respectively.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**20 TRADE AND OTHER PAYABLES**

	Note	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Non-current liabilities</b>					
Non-trade amounts due					
to subsidiaries	(a)	-	-	6,850	5,604
Loans from subsidiaries	(b)	-	-	57,431	50,708
Loans from non-controlling interests	(c)	15,178	10,843	-	-
Other payables		24,863	2,630	-	-
Long-term employee benefits	(d)	1,691	3,010	1,402	2,651
		41,732	16,483	65,683	58,963
<b>Current liabilities</b>					
Trade payables					
- related party		3,158	3,856	-	-
- third parties		37,451	19,433	-	-
Deposits		3,597	5,385	-	-
Advances		1,377	9,340	-	-
Deferred revenue	(e)	-	11,935	-	-
Loans from related parties	(f)	8,439	8,363	-	-
Loans from non-controlling interests	(g)	9,401	3,423	-	-
Non-trade amounts due to					
related parties	(h)	1,133	509	-	-
Non-trade amounts due to					
non-controlling interests	(h)	2,119	2,324	-	-
Non-trade amounts due to					
third parties	(h)	-	158	-	-
Other payables		10,175	5,306	369	515
Accrued operating expenses		5,519	7,242	1,733	2,012
Fair value through profit or loss					
- Foreign exchange contracts		1,303	1,233	1,303	1,077
		83,672	78,507	3,405	3,604
<b>Total trade and other payables</b>		<b>125,404</b>	<b>94,990</b>	<b>69,088</b>	<b>62,567</b>

- (a) The non-trade amounts due to subsidiaries are unsecured, interest-free with no fixed terms of repayment and will not be repaid within the next twelve months from the reporting date.
- (b) The loans from subsidiaries are unsecured with no fixed terms of repayment and will not be repaid within the next twelve months from the reporting date. Loans of \$702,000 (2015: \$243,000) are interest-free, loan of \$6,800,000 (2015: \$nil) bears interest at 1.50% over bank's cost of funds and loan of \$3,219,000 (2015: \$3,219,000) bears interest at 2.21% (2015: 1.84%). The remaining loans bear interest at 1.00% (2015: 1.00%) above market swap rate determined at the beginning of each month on the net payables. As at the reporting date, the average effective interest rate for interest-bearing loans was 2.08% (2015: 1.38%) per annum.
- (c) The non-current loans from non-controlling interests of \$10,528,000 (2015: \$5,993,000) are unsecured, interest-free and with no fixed terms of repayment and will not be repaid within the next twelve months. The remaining loan of \$4,650,000 (2015: \$4,850,000) bears interest at 10.00% (2015: 10.00%) per annum.
- (d) Long-term employee benefits payable to certain directors or employees upon their retirement are provided for in the financial statements based on their entitlement under their employment contracts.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**20 TRADE AND OTHER PAYABLES (cont'd)**

- (e) As at 30 April 2015, deferred revenue relating to the excess of sales proceeds over the fair values of the warehouse complexes disposed through sale and leaseback transactions amounted to \$11,339,000. As the sale and leaseback transactions resulted in operating leases, the excess of the selling prices over fair values was deferred and accreted over the period for which the warehouse complexes are expected to be used. The deferred revenue is accreted on a straight-line basis over the respective lease periods of the warehouse complexes. Accretion of deferred revenue of \$11,339,000 (2015: \$19,439,000) was recorded in "Other income" of the Group's profit or loss during the current year. During the year, the deferred revenue was fully amortised following the expiry of the leases in November 2015.
- (f) Loans from related parties bear interest at 6.00% to 10.00% (2015: 6.00% to 10.00%) are unsecured and are repayable on demand.
- (g) The current loans from non-controlling interests are unsecured and expected to be repaid within the next twelve months. Loan of \$4,901,000 (2015: \$3,423,000) is interest-free and remaining loans of \$4,500,000 (2015: \$nil) bear interest at 12.00% (2015: nil) per annum.
- (h) Non-trade amounts due to non-controlling interest, related parties and third parties are unsecured, interest-free and repayable on demand.

**21 PROVISIONS**

	<b>Site restoration</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>		
At beginning of the year	5,192	5,111
Provision made during the year	1,136	81
Provision reversed during the year	(2,643)	-
Balance as at end of the year	<u>3,685</u>	<u>5,192</u>
Provisions due:		
- within 1 year	136	134
- after 5 years	<u>3,549</u>	<u>5,058</u>
	<u>3,685</u>	<u>5,192</u>

*Site restoration*

Site restoration relates to cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the operating lease agreements. The Group expects to incur the liability upon termination of the leases. The provisions are measured at the best estimate of the expenditure required and timing of outflows, to settle the present obligation at the end of each reporting period.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

### 22 REVENUE

#### Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major product and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Freight and logistics		Financial services		Real estate		Eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Primary geographical markets</b>										
Singapore	129,688	148,890	15,410	17,974	2,943	3,033	-	-	148,041	169,897
Malaysia	15,725	15,165	-	-	-	-	-	-	15,725	15,165
China	5,552	6,522	1,545	2,416	101,387	-	-	-	108,484	8,938
Thailand	6,225	7,548	-	-	-	-	-	-	6,225	7,548
Hong Kong	1,733	1,464	523	192	-	-	-	-	2,256	1,656
	158,923	179,589	17,478	20,582	104,330	3,033	-	-	280,731	203,204
	326	160	381	-	-	-	(707)	(160)	-	-
Inter-segment revenue	159,249	179,749	17,859	20,582	104,330	3,033	(707)	(160)	280,731	203,204
<b>Major products and service lines</b>										
Freight services	64,173	69,220	-	-	-	-	-	-	64,173	69,220
Logistics services	94,750	110,369	-	-	-	-	-	-	94,750	110,369
Management services	-	-	6,007	6,253	-	-	-	-	6,007	6,253
Fee income	-	-	2,151	4,169	-	-	-	-	2,151	4,169
Dividend income	-	-	3,120	3,960	-	-	-	-	3,120	3,960
Interest income	-	-	6,200	6,200	-	-	-	-	6,200	6,200
Sale of development properties	-	-	-	-	47,501	-	-	-	47,501	-
Construction services	-	-	-	-	53,640	-	-	-	53,640	-
Property management services	-	-	-	-	3,031	3,033	-	-	3,031	3,033
Rental income	-	-	-	-	158	-	-	-	158	-
	158,923	179,589	17,478	20,582	104,330	3,033	-	-	280,731	203,204
	326	160	381	-	-	-	(707)	(160)	-	-
Inter-segment revenue	159,249	179,749	17,859	20,582	104,330	3,033	(707)	(160)	280,731	203,204
<b>Timing of revenue recognition</b>										
Products and services transferred at a point in time	-	-	2,151	4,169	47,501	-	-	-	49,652	4,169
Products and services transferred over time	158,923	179,589	6,007	6,253	56,671	3,033	-	-	221,601	188,875
Others*	-	-	9,320	10,160	158	-	-	-	9,478	10,160
	158,923	179,589	17,478	20,582	104,330	3,033	-	-	280,731	203,204
	326	160	381	-	-	-	(707)	(160)	-	-
	159,249	179,749	17,859	20,582	104,330	3,033	(707)	(160)	280,731	203,204

\* Out of scope of FRS 115 (dividend income, interest income and rental income).

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**22 REVENUE (cont'd)*****Transaction prices allocated to the remaining performance obligations***

The Group has applied the practical expedients in paragraphs 121(a) and 121(b) of FRS 115 and does not disclose the amount of the transaction price allocated to the remaining performance obligations that have original expected durations of one year or less, and when the Group has the right to consideration from customers in amounts that correspond directly with the value to the customers of the Group's performance completed to date.

The Group has applied the practical expedient in paragraph C5(c) of FRS 115 and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 30 April 2015.

**23 OTHER INCOME**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Accretion of deferred revenue (note 20)	11,339	19,439
Dividend income from available-for-sale financial assets	1,313	1,064
Fair value gain on embedded derivative of convertible bond	-	7,096
Fair value gain on foreign currency forward contracts	1,413	-
Fair value gain on investment properties	5,053	-
Fair value gain on remeasurement of development property upon reclassification to investment property	23,596	-
Foreign exchange gain	1,830	2,479
Gain on disposal of securities designated at fair value through profit or loss	42	243
Gain on disposal of property, plant and equipment	2	231
Management fee	42	39
Others	6,834	4,262
	<b>51,464</b>	<b>34,853</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**24 FINANCE INCOME AND COSTS**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income:		
- other receivables	1,995	757
- bank deposits	141	414
- loans to an associate	45	45
- investment in an associate	1,467	1,415
- convertible loan to an associate	318	345
- convertible bond	1,411	452
Finance income	5,377	3,428
Interest expense:		
- term loans	(6,003)	(3,425)
- notes payable	(4,613)	(4,600)
- bank overdrafts	-	(16)
- loans from non-controlling interests	(517)	(256)
- loans from a related party	(657)	(348)
- finance lease liabilities	(322)	(413)
- unwind of discount on site restoration provision	(71)	(81)
- others	(736)	(347)
Finance costs	(12,919)	(9,486)
Net finance costs	(7,542)	(6,058)

The above finance income and finance costs include the following interest income and expense in respect of financial assets (liabilities) not at fair value through profit or loss:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Total interest income on loans and receivables	2,499	1,561
Total interest expense on financial liabilities measured at amortised cost	(12,112)	(9,058)

**25 INCOME TAX**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense</b>		
Current year	2,334	2,695
Adjustment for prior years	(1,000)	(75)
	1,334	2,620
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	2,631	(109)
Adjustment for prior years	(337)	51
	2,294	(58)
Total income tax expense	3,628	2,562

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**25 INCOME TAX (cont'd)**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of effective tax rate</b>		
Profit before income tax	32,386	29,165
Share of profits of associates, net of tax	(6,950)	(1,727)
Profit before share of profits of associates	25,436	27,438
Tax calculated using Singapore tax rate of 17% (2015: 17%)	4,324	4,664
Effect of tax rates in foreign jurisdictions	2,565	(1,688)
Non-deductible expenses	9,858	5,983
Tax exempt income	(12,395)	(9,505)
Tax incentives	(672)	(517)
Recognition of tax effect of previously unrecognised tax losses	(47)	(101)
Current year losses for which no deferred tax asset was recognised	1,620	3,773
Overprovided in prior years	(1,337)	(24)
Others	(288)	(23)
	3,628	2,562

**26 PROFIT FOR THE YEAR**

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

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Amortisation of intangible assets	-	166
Audit fees paid to:		
- auditors of the Company	473	493
- other auditors	133	158
Contributions to defined contribution plans included in staff costs	3,458	3,496
Depreciation of property, plant and equipment	10,721	10,025
Fair value (gain)/loss on foreign exchange contracts	(1,413)	883
Fair value (gain)/loss on investment properties	(5,053)	1,679
Fair value loss/(gain) on embedded derivative of convertible bond	7,582	(7,096)
Fair value loss on securities designated at fair value through profit or loss	6,047	5,861
Impairment loss on available-for-sale financial assets	19,955	-
Impairment loss on receivables, net	8	5
Non-audit fees paid to:		
- auditors of the Company	37	51
- other auditors	15	15
Property, plant and equipment written off	1	13
Operating lease expense	29,162	33,353
Staff costs	30,088	31,210

The net gains/(losses) in respect of the respective categories of financial assets and financial liabilities are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Loans and receivables	15,149	13,331
Fair value through profit or loss	(10,107)	3,882
Available-for-sale	(16,914)	3,016
Liabilities at amortised cost	(12,474)	(9,546)
	(24,346)	10,683

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**27 EARNINGS PER SHARE**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Basic earnings per share is computed based on:		
Net profit attributable to ordinary shareholders	10,023	30,003
	<b>No. of shares ( '000)</b>	<b>No. of shares ( '000)</b>
Issued ordinary shares at beginning of the year	2,607,096	2,525,060
Effect of share consolidation	(2,215,158)	-
Effect of own shares held	129,479	(12,234)
Effect of ordinary shares issued	18,219	53,747
Weighted average number of ordinary shares at end of the year	539,636	2,566,573
	<b>\$'000</b>	<b>\$'000</b>
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	10,023	30,003

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 were no dilutive potential ordinary shares during the year (2015: nil).

For the purpose of calculating the basic and diluted earnings per ordinary share for the year ended 30 April 2015, the weighted average number of ordinary shares in issue has been adjusted for the effects of the share consolidation. The adjusted weighted average number of shares in issue as at 30 April 2015 was 513,312,692.

**28 SEGMENT REPORTING**

The Group has three 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 (the chief operating decision maker) reviews internal management reports regularly.

The following describes the operations in each of the Group's reportable segments:

- Freight and logistics business: provision of international freight forwarding services, distribution, storage and warehousing services, records management, document storage, provision of chemical logistics, transportation and warehousing activities.
- Financial services: provision of fund management, financial leasing services, real estate fund management and investment holdings.
- Real estate business: provision of real estate property management, property development, construction services and property investment.

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 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.



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**28 SEGMENT REPORTING (cont'd)**

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 and related revenue, loans and borrowings, notes payables and expenses, current and deferred taxes, corporate assets and head office expenses.

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

**Geographical segments**

The freight and logistics, financial services and real estate business segments are managed on a worldwide basis, but operate in eight (2015: 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**

	<b>Freight and logistics \$'000</b>	<b>Financial services \$'000</b>	<b>Real estate \$'000</b>	<b>Eliminations \$'000</b>	<b>Total operations \$'000</b>
<b>2016</b>					
<b>Revenue</b>					
External revenue	158,923	17,478	104,330	-	280,731
Inter-segment revenue	326	381	-	(707)	-
Total revenue	159,249	17,859	104,330	(707)	280,731
<b>Results</b>					
Segment results	5,938	(6,989)	36,835	-	35,784
Unallocated corporate costs					
- other corporate costs					(2,806)
Results from operating activities					32,978
Finance income	120	3,331	1,926	-	5,377
Finance costs	(3,251)	(8,312)	(1,356)	-	(12,919)
Share of profits of associates, net of tax					6,950
Profit before income tax					32,386
Income tax expense	(368)	357	(3,617)	-	(3,628)
Profit/(loss) for the year	2,439	(11,613)	33,788	-	28,758
<b>Other material non-cash items</b>					
Accretion of deferred revenue	11,339	-	-	-	11,339
Fair value gain on investment properties	-	-	5,053	-	5,053
Fair value gain on remeasurement of development property upon reclassification to investment property	-	-	23,596	-	23,596
Fair value loss on embedded derivative of convertible bond	-	(7,582)	-	-	(7,582)
Fair value loss on securities designated at fair value through profit or loss	-	(6,047)	-	-	(6,047)
Impairment loss on available-for-sale financial assets	-	(19,955)	-	-	(19,955)

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**28 SEGMENT REPORTING (cont'd)****Operating segments (cont'd)**

	<b>Freight and logistics \$'000</b>	<b>Financial services \$'000</b>	<b>Real estate \$'000</b>	<b>Eliminations \$'000</b>	<b>Total operations \$'000</b>
<b>2015</b>					
<b>Revenue</b>					
External revenue	179,589	20,582	3,033	-	203,204
Inter-segment revenue	160	-	-	(160)	-
Total revenue	179,749	20,582	3,033	(160)	203,204
<b>Results</b>					
Segment results	17,991	23,365	(3,543)	-	37,813
Unallocated corporate costs					(4,151)
- other corporate costs					(166)
Amortisation of intangible assets	(166)	-	-	-	(166)
Results from operating activities					33,496
Finance income	583	2,413	432	-	3,428
Finance costs	(2,334)	(6,582)	(570)	-	(9,486)
Share of profits of associates, net of tax					1,727
Profit before income tax					29,165
Income tax expense	(1,086)	(1,331)	(145)	-	(2,562)
Profit/(loss) for the year	14,988	17,865	(3,826)	-	26,603
<b>Other material non-cash items</b>					
Accretion of deferred revenue	19,439	-	-	-	19,439
Fair value gain on embedded derivative of convertible bond	-	7,096	-	-	7,096
Fair value loss on investment properties	-	-	(1,679)	-	(1,679)
Fair value loss on securities designated at fair value through profit or loss	-	(5,861)	-	-	(5,861)
<b>2016</b>					
<b>Assets and liabilities</b>					
Segment assets	335,247	213,431	390,450	-	939,128
Tax recoverable					53
Associates					97,290
Deferred tax assets					2,551
Cash and cash equivalents					1,057
Other unallocated assets					4,251
Total assets					1,044,330
Segment liabilities	202,671	100,539	168,480	-	471,690
Notes payable					101,509
Deferred tax liabilities					6,328
Current tax payable					8,534
Other unallocated liabilities					4,810
Total liabilities					592,871

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**28 SEGMENT REPORTING (cont'd)****Operating segments (cont'd)**

	<b>Freight and logistics \$'000</b>	<b>Financial services \$'000</b>	<b>Real estate \$'000</b>	<b>Eliminations \$'000</b>	<b>Total operations \$'000</b>
<b>2015</b>					
<b>Assets and liabilities</b>					
Segment assets	304,939	234,109	296,909	-	835,957
Tax recoverable					60
Associates					92,402
Deferred tax assets					651
Cash and cash equivalents					1,257
Other unallocated assets					3,185
Total assets					<u>933,512</u>
Segment liabilities	164,003	99,899	113,639	-	377,541
Notes payable					101,074
Deferred tax liabilities					2,136
Current tax payable					8,378
Other unallocated liabilities					6,257
Total liabilities					<u>495,386</u>
<b>2016</b>					
<b>Other segment information</b>					
Capital expenditure	55,573	45	10,467	-	66,085
Depreciation	10,490	145	86	-	10,721
<b>2015</b>					
<b>Other segment information</b>					
Capital expenditure	28,543	96	18,812	-	47,451
Depreciation	9,819	167	39	-	10,025

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

### 28 SEGMENT REPORTING (cont'd)

#### Geographical segments

	Singapore \$'000	Malaysia \$'000	People's Republic of China \$'000	Rest of Asia \$'000	United States of America \$'000	Oceania \$'000	Europe \$'000	Middle East \$'000	Others \$'000	Group \$'000
<b>2016</b>										
Revenue from external customers	79,730	16,290	117,673	43,467	5,429	4,209	7,452	3,475	3,006	280,731
Non-current assets*	485,550	75,365	45,440	2,294	-	-	-	-	-	608,649
Capital expenditure	54,909	595	10,489	92	-	-	-	-	-	66,085
<b>2015</b>										
Revenue from external customers	89,247	17,202	20,197	47,184	6,157	4,697	9,932	5,252	3,336	203,204
Non-current assets*	298,162	82,017	32,345	2,582	-	-	-	-	-	415,106
Capital expenditure	25,958	3,860	17,537	96	-	-	-	-	-	47,451

\* Excludes deferred tax assets, convertible loans to an associate, RCCPS in an associate, other investments (excluding club membership) and trade and other receivables (excluding prepayments).

#### Major customers

Revenue from one single customer of the Group's Real Estate segment represents \$101,142,000 (2015: \$nil) of the Group's total revenue.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**29 FINANCIAL RISK MANAGEMENT****Overview**

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

- credit risk
- liquidity risk
- market risk

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

**Risk management framework**

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

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

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

**Credit risk**

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

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**29 FINANCIAL RISK MANAGEMENT (cont'd)****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 including inter-company unless, purchases and inter-company balances, 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), Australian dollar (AUD) and Malaysian ringgit (RM). The Group operates internationally and is exposed to foreign currency risks arising from various currency exposures. Such risks are hedged either by forward foreign exchange contracts in respect of actual or forecasted currency exposures which are reasonably certain or hedged naturally by a matching sale or purchase of a matching asset or liability of the same currency and amount.

In respect of other monetary assets and liabilities denominated in foreign currencies, 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.

**30 FINANCIAL INSTRUMENTS****Credit risk***Trade and other receivables, and construction-in-progress*

The Group's primary exposure to credit risk arises through its trade and other receivables, and construction-in-progress. 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 and other receivables, and construction-in-progress.

The maximum exposure to credit risk for trade and other receivables\*, and construction-in-progress at the reporting date (by business activities) was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Freight and logistics	40,763	46,355	90,051	93,470
Financial services	86,780	74,027	340,782	329,788
Real estate	134,855	51,506	7	1
	<b>262,398</b>	<b>171,888</b>	<b>430,840</b>	<b>423,259</b>

\* Excludes prepayments and advances

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**30 FINANCIAL INSTRUMENTS (cont'd)****Credit risk (cont'd)****Impairment losses**

The ageing of trade and other receivables\*, and construction-in-progress at the reporting date was:

	<b>Gross 2016 \$'000</b>	<b>Impairment losses 2016 \$'000</b>	<b>Gross 2015 \$'000</b>	<b>Impairment losses 2015 \$'000</b>
<b>Group</b>				
No credit terms	12,246	-	13,091	-
Not past due	234,324	-	146,485	-
Past due 0 - 30 days	8,960	-	6,459	-
Past due 31 - 120 days	4,420	-	4,312	-
More than 120 days	2,733	(285)	2,045	(504)
	<b>262,683</b>	<b>(285)</b>	<b>172,392</b>	<b>(504)</b>
<b>Company</b>				
No credit terms	3,619	-	2,452	-
Not past due	486,374	(60,608)	482,851	(62,877)
Past due 0 - 30 days	108	-	27	-
Past due 31 - 120 days	242	-	104	-
More than 120 days	1,105	-	702	-
	<b>491,448</b>	<b>(60,608)</b>	<b>486,136</b>	<b>(62,877)</b>

\* Excludes prepayments and advances

The change in impairment losses in respect of trade and other receivables\*, and construction-in-progress during the year was as follows:

	<b>Group 2016 \$'000</b>	<b>2015 \$'000</b>	<b>Company 2016 \$'000</b>	<b>2015 \$'000</b>
At beginning of the year	504	720	62,877	63,362
Impairment loss recognised	27	16	-	-
Impairment loss utilised	(224)	(227)	(13)	-
Impairment loss written back	(19)	(11)	(2,256)	(485)
Translation differences	(3)	6	-	-
At end of the year	<b>285</b>	<b>504</b>	<b>60,608</b>	<b>62,877</b>

\* Excludes prepayments and advances

**Fair value of collateral**

At 30 April 2016, the fair value of financial and non-financial assets accepted as collateral that the Group is permitted to sell or repledge in the absence of default by the Group's debtors was \$152,694,000 (2015: \$136,379,000) based on the respective net assets as stated in the latest available audited financial information. If the receivables are not paid in full by the debtors 30 days after the receipt of a notice by the Group, the Group may exercise the powers and rights of a mortgagee conferred by statute or otherwise sell or dispose of the collateral.

**Investments**

The Group limits its exposure to credit risk on investment held by investing only in liquid debt securities and only with counterparties that have a higher credit rating. Management actively monitors credit rating and given that the Group only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

**Cash and cash equivalents**

Cash and fixed deposits are placed in banks and financial institutions which are regulated.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**30 FINANCIAL INSTRUMENTS (cont'd)****Liquidity risk**

The following are the contractual maturities of financial instruments (including derivative financial instruments) based on contractual undiscounted cash inflows/(outflows), including contractual interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
<b>Group</b>					
<b>2016</b>					
<b>Derivative financial instruments</b>					
Foreign exchange contracts	(1,303)				
- Inflow		19,576	19,576	-	-
- Outflow		(20,879)	(20,879)	-	-
	(1,303)	(1,303)	(1,303)	-	-
<b>Non-derivative financial liabilities</b>					
Finance lease liabilities	(3,200)	(3,430)	(1,533)	(1,897)	-
Term loans	(344,207)	(358,162)	(205,228)	(147,494)	(5,440)
Notes payable	(101,509)	(104,953)	(4,600)	(100,353)	-
Trade and other payables*	(121,033)	(123,487)	(82,376)	(41,111)	-
	(569,949)	(590,032)	(293,737)	(290,855)	(5,440)
	(571,252)	(591,335)	(295,040)	(290,855)	(5,440)
<b>2015</b>					
<b>Derivative financial instruments</b>					
Foreign exchange contracts	(1,233)				
- Inflow		28,180	28,180	-	-
- Outflow		(29,413)	(29,413)	-	-
Foreign exchange contracts	76				
- Inflow		812	812	-	-
- Outflow		(736)	(736)	-	-
	(1,157)	(1,157)	(1,157)	-	-
<b>Non-derivative financial liabilities</b>					
Finance lease liabilities	(6,031)	(7,377)	(2,048)	(3,894)	(1,435)
Term loans	(277,438)	(289,102)	(96,239)	(189,826)	(3,037)
Notes payable	(101,074)	(111,493)	(4,625)	(106,868)	-
Trade and other payables*	(69,472)	(71,936)	(56,862)	(15,074)	-
	(454,015)	(479,908)	(159,774)	(315,662)	(4,472)
	(455,172)	(481,065)	(160,931)	(315,662)	(4,472)

\* Excludes deferred revenue, long-term employee benefits, advances and foreign exchange contracts at fair value through profit or loss.



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**30 FINANCIAL INSTRUMENTS (cont'd)****Liquidity risk (cont'd)**

		Cash flows			
	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
<b>Company</b>					
<b>2016</b>					
<b>Derivative financial instruments</b>					
Foreign exchange contracts	(1,303)				
- Inflow		19,576	19,576	-	-
- Outflow		(20,879)	(20,879)	-	-
	(1,303)	(1,303)	(1,303)	-	-
<b>Non-derivative financial liabilities</b>					
Term loans	(90,853)	(91,577)	(91,073)	(504)	-
Notes payable	(101,509)	(104,953)	(4,600)	(100,353)	-
Trade and other payables*	(66,383)	(67,554)	(4,346)	(63,208)	-
Intra-group financial guarantees	-	(195,107)	(195,107)	-	-
	(258,745)	(459,191)	(295,126)	(164,065)	-
	(260,048)	(460,494)	(296,429)	(164,065)	-
<b>2015</b>					
<b>Derivative financial instruments</b>					
Foreign exchange contracts	(1,077)				
- Inflow		22,888	22,888	-	-
- Outflow		(23,965)	(23,965)	-	-
Foreign exchange contracts	76				
- Inflow		812	812	-	-
- Outflow		(736)	(736)	-	-
	(1,001)	(1,001)	(1,001)	-	-
<b>Non-derivative financial liabilities</b>					
Term loans	(89,499)	(91,454)	(74,994)	(16,460)	-
Notes payable	(101,074)	(111,493)	(4,625)	(106,868)	-
Trade and other payables*	(58,839)	(59,875)	(3,561)	(56,314)	-
Intra-group financial guarantees	-	(144,720)	(144,720)	-	-
	(249,412)	(407,542)	(227,900)	(179,642)	-
	(250,413)	(408,543)	(228,901)	(179,642)	-

\* Excludes deferred revenue, long-term employee benefits, advances and foreign exchange contracts at fair value through profit or loss.

The Company is exposed to liquidity risk as the Company's current liabilities exceeded its current assets. Funding requirements are met by advances from subsidiaries. Management has assessed the cash flow forecast of the Company for the next 12 months from the reporting date and ascertained that the Company will be able to meet its liabilities as and when they fall due in the next 12 months.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**30 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, as reported to the management, was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Fixed rate instruments</b>				
Associates	3,961	3,884	3,961	3,884
Convertible bond	19,577	26,471	-	-
Restricted fixed deposits	117	82	-	-
Finance lease receivables	15,670	15,078	-	-
Loans to subsidiaries	-	-	57,703	104,966
Loan to an associate	459	459	-	-
Loans to non-controlling interests	11,876	12,090	-	-
Loans to third parties	45,000	47,130	-	-
Deposits with banks	3,353	1,323	-	-
Bank loans	(107,510)	(72,604)	(79,150)	(68,150)
Notes payable	(101,509)	(101,074)	(101,509)	(101,074)
Finance lease liabilities	(3,200)	(6,031)	-	-
Loan from a subsidiary	-	-	(3,219)	(3,219)
Loans from non-controlling interests	(9,150)	(4,850)	-	-
Loans from related parties	(8,439)	(8,363)	-	-
	<b>(129,795)</b>	<b>(86,405)</b>	<b>(122,214)</b>	<b>(63,593)</b>
<b>Variable rate instruments</b>				
Loans to subsidiaries	-	-	294,237	246,386
Construction-in-progress	51,556	-	-	-
Bank loans	(236,697)	(204,834)	(11,703)	(21,349)
Loans from subsidiaries	-	-	(56,729)	(50,465)
	<b>(185,141)</b>	<b>(204,834)</b>	<b>225,805</b>	<b>174,572</b>

*Fair value sensitivity analysis for fixed rate instruments*

As at 30 April 2016, the Group's fixed rate instruments designated at fair value through profit or loss amounted to \$19,577,000 (2015: \$26,471,000). An increase of 100 basis points (bp) would decrease the Group's profit or loss by \$10,000 (2015: \$nil). A decrease of 100 bp in interest rate would have an equal but opposite effect. There is no impact on equity.

Fixed rate instruments that are not designated at fair value through profit or loss, are recorded at amortised cost. A change in interest rate would not have any impact on fair value.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**30 FINANCIAL INSTRUMENTS (cont'd)****Interest rate risk (cont'd)***Cash flow sensitivity for variable rate instruments*

For variable rate financial assets and liabilities, an increase of 100 bp in interest rate at the reporting date would (decrease)/increase profit or loss 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.

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit or loss</b>				
Variable rate instruments	(1,537)	(1,700)	1,874	1,449

There is no impact on equity.

**Foreign currency risk**

The summary of quantitative data about the Group's and the Company's exposures to foreign currency risk as reported to the management of the Group is as follows:

	<b>2016</b>				<b>2015</b>			
	<b>USD</b>	<b>RMB</b>	<b>AUD</b>	<b>RM</b>	<b>USD</b>	<b>RMB</b>	<b>AUD</b>	<b>RM</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>								
Convertible loans to an associate and RCCPS in an associate	11,811	3,961	-	-	11,632	3,884	-	-
Other investments	54,247	-	3,127	98	58,325	-	4,079	153
Trade and other receivables	8,913	3,499	6	4,463	8,234	-	6	1,302
Cash and cash equivalents	4,071	670	-	109	7,631	453	-	111
Trade and other payables	(12,136)	(173)	-	(550)	(11,490)	(149)	-	(591)
Term loans	(22,929)	-	-	-	(33,055)	-	-	-
Net statement of financial position exposure	43,977	7,957	3,133	4,120	41,277	4,188	4,085	975
Foreign exchange contracts	19,576	-	-	-	28,180	-	-	(812)
Net exposure	63,553	7,957	3,133	4,120	69,457	4,188	4,085	163

**Company**

Convertible loans to an associate and RCCPS in an associate	11,811	3,961	-	-	11,632	3,884	-	-
Other investments	54,247	-	-	-	51,857	-	-	-
Trade and other receivables	-	5,791	-	-	-	2,868	-	-
Cash and cash equivalents	210	661	-	-	84	141	-	-
Trade and other payables	(1,305)	(173)	-	-	(1,139)	(149)	-	-
Term loans	(7,603)	-	-	-	(14,049)	-	-	-
Net statement of financial position exposure	57,360	10,240	-	-	48,385	6,744	-	-
Foreign exchange contracts	19,576	-	-	-	22,888	-	-	(812)
Net exposure	76,936	10,240	-	-	71,273	6,744	-	(812)

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**30 FINANCIAL INSTRUMENTS (cont'd)****Foreign currency risk (cont'd)***Sensitivity analysis*

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

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit or loss</b>				
USD	(5,275)	(5,765)	(6,386)	(5,916)
RMB	(660)	(348)	(660)	(560)
AUD	(260)	(339)	-	-
RM	(342)	(14)	-	67

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

There is no impact on equity.

**Equity securities price risk**

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

In assessing whether there is any objective evidence that its investment in available-for-sale financial assets is impaired, the Group takes into consideration whether there is a significant or prolonged decline in the fair value of its investment, alongside with other considerations such as analysts' reports on the outlook of the security and other qualitative factors such as the financial performance of the investment.

*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 amounts:

	<b>Group</b>	<b>Company</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>30 April 2016</b>		
Profit or loss	7,042	5,994
Equity	3,089	-
<b>30 April 2015</b>		
Profit or loss	8,023	5,978
Equity	3,766	-

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 2015 and assumes that all other variables remain constant.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**31 FAIR VALUES OF ASSETS AND LIABILITIES*****Determination of fair value***

FRS 107 establishes a fair value hierarchy that prioritises the inputs used to measure fair value. The three levels of the fair value input hierarchy defined by FRS 107 are as follows:

- Level 1: Fair values are measured based on quoted prices (unadjusted) from active markets for identical instrument.
- Level 2: Fair values are measured using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Fair values are measured using inputs which are not based on observable market data (unobservable input).

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.

**Investment properties**

The Group's investment properties are stated at fair value based on independent professional valuations. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques including market comparison method and discounted cash flows in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include comparable sales, discount rate and rental rates, as well as estimated costs to complete in relation to investment properties under development.

**Fair value through profit or loss - foreign exchange contracts**

The fair value of foreign exchange contracts are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)****Fair value through profit or loss – convertible bond**

The Group's investment in convertible bond is valued using a proprietary valuation model, developed from the Black-Scholes Model. Some of the significant inputs into this model are not observable in the market, and are derived from market prices or rates or are estimated based on assumptions.

Key unobservable inputs into the valuation of the convertible bond as at 30 April 2016 and 2015 include the probability weighting applied to the fair values of the possible outcome of the transactions (i.e. completion or non-completion of the proposed reverse takeover transaction) which is purely based on management's judgement. Other key observable inputs included the forecasted USD: SGD and AUD: SGD exchange rates. The fair value estimates obtained also reflected adjustments to take into account counterparty risk, via the discount rate applied.

During the year, the Group changed one of the key inputs in the model by replacing the market capitalisation of Blackgold International Holdings Limited with revalued net assets, adjusted for discounts for lack of marketability and lack of control, to derive the fair value of Blackgold International Holdings Limited. Management believes that this is more appropriate as there were no trades with respect to this share counter for an approximately 6 months period in the latter half of the financial year.

**Equity and debt securities**

The fair value of quoted equity and debt securities is determined by reference to their quoted closing bid price at the reporting date. The fair value may be adjusted to reflect illiquidity or transferability for quoted equity and debt securities that are not traded in active market or subject to transfer restrictions.

**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, loans and borrowings, and notes payable) or those which reprice 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.

	<b>Group and Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Associates	8.00	8.00
Trade and other receivables	2.08 – 13.78	1.38 – 13.78
Loans and borrowings	1.84 – 6.37	1.79 – 8.00
Trade and other payables	2.08 – 10.00	1.38 – 10.00

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

### 31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

#### Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount			Fair value			
		Loans and receivables \$'000	Available-for-sale \$'000	Held-for-trading \$'000	Designated at fair value \$'000	Other financial liabilities \$'000	Total \$'000	
								Level 1 \$'000
								Level 2 \$'000
								Level 3 \$'000
								Total \$'000
<b>Financial assets measured at fair value</b>								
9	Available-for-sale financial assets, excluding unquoted equity securities held at cost	-	30,892	-	-	-	30,892	30,892
9	Financial assets at fair value through profit or loss	-	-	72,573	19,577	-	92,150	18,326
		-	30,892	72,573	19,577	-	123,042	54,247
								19,577
								92,150
<b>Financial assets not measured at fair value</b>								
8	Associates	15,772	-	-	-	-	15,772	-
9	Restricted fixed deposits	117	-	-	-	-	117	-
	Trade and other receivables, excluding prepayments and advances	210,842	-	-	-	-	210,842	-
12	Construction-in-progress	51,556	-	-	-	-	51,556	-
14	Cash and cash equivalents	23,088	-	-	-	-	23,088	-
		301,375	-	-	-	-	301,375	-
<b>Financial liabilities measured at fair value</b>								
20	Foreign exchange contracts	-	-	-	1,303	-	1,303	-
								1,303
<b>Financial liabilities not measured at fair value</b>								
19	Loans and borrowings	-	-	-	-	448,916	448,916	-
20	Trade and other payables*	-	-	-	-	121,033	121,033	-
		-	-	-	-	569,949	569,949	-

\* Excludes deferred revenue, long-term employee benefits, advances and foreign exchange contracts at fair value through profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

## 31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

### Accounting classifications and fair values (cont'd)

Group		Carrying amount					Fair value				
		Loans and receivables \$'000	Available-for-sale \$'000	Held-for-trading \$'000	Designated at fair value \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 April 2015</b>											
<b>Financial assets measured at fair value</b>											
Available-for-sale financial assets, excluding unquoted equity securities held at cost											
	9	-	37,658	-	-	-	37,658	37,658	-	-	37,658
Financial assets at fair value through profit or loss											
	9	-	-	84,426	26,547	-	110,973	32,645	51,857	26,471	110,973
		-	37,658	84,426	26,547	-	148,631				
<b>Financial assets not measured at fair value</b>											
Associates											
	8	15,516	-	-	-	-	15,516	-	15,516	-	15,516
Restricted fixed deposits											
	9	82	-	-	-	-	82				
Trade and other receivables, excluding prepayments and advances											
	11	171,888	-	-	-	-	171,888	-	171,888	-	171,888
Cash and cash equivalents											
	14	23,260	-	-	-	-	23,260				
		210,746	-	-	-	-	210,746				
<b>Financial liabilities measured at fair value</b>											
Foreign exchange contracts											
	20	-	-	-	1,233	-	1,233	-	1,233	-	1,233
<b>Financial liabilities not measured at fair value</b>											
Loans and borrowings											
	19	-	-	-	-	384,543	384,543	-	392,268	-	392,268
Trade and other payables*											
	20	-	-	-	-	69,472	69,472	-	69,312	-	69,312
		-	-	-	-	454,015	454,015				

\* Excludes deferred revenue, long-term employee benefits, advances and foreign exchange contracts at fair value through profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

## 31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

### Accounting classifications and fair values (cont'd)

Company	Note	Carrying amount				Fair value					
		Loans and receivables \$'000	Available-for-sale \$'000	Held-for-trading \$'000	Designated at fair value \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 April 2016</b>											
<b>Financial assets measured at fair value</b>											
Financial assets at fair value through profit or loss	9	-	-	59,936	-	-	59,936	5,689	54,247	-	59,936
<b>Financial assets not measured at fair value</b>											
Associates	8	15,772	-	-	-	-	15,772	-	15,772	-	15,772
Trade and other receivables, excluding prepayments and advances	11	430,840	-	-	-	-	430,840	-	427,139	-	427,139
Cash and cash equivalents	14	1,057	-	-	-	-	1,057	-	-	-	-
		447,669	-	-	-	-	447,669	-	-	-	-
<b>Financial liabilities measured at fair value</b>											
Foreign exchange contracts	20	-	-	-	1,303	-	1,303	-	1,303	-	1,303
<b>Financial liabilities not measured at fair value</b>											
Loans and borrowings	19	-	-	-	-	192,362	192,362	-	194,077	-	194,077
Trade and other payables*	20	-	-	-	-	66,383	66,383	-	66,175	-	66,175
		-	-	-	-	258,745	258,745	-	-	-	-

\* Excludes deferred revenue, long-term employee benefits, advances and foreign exchange contracts at fair value through profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

## 31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

### Accounting classifications and fair values (cont'd)

Company	Note	Carrying amount					Fair value				
		Loans and receivables \$'000	Available-for-sale \$'000	Held-for-trading \$'000	Designated at fair value \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 April 2015</b>											
<b>Financial assets measured at fair value</b>											
Financial assets at fair value through profit or loss	9	-	-	59,859	-	-	59,859	8,002	51,857	-	59,859
<b>Financial assets not measured at fair value</b>											
Associates	8	15,516	-	-	-	-	15,516	-	15,516	-	15,516
Trade and other receivables, excluding prepayments and advances	11	423,259	-	-	-	-	423,259	-	421,186	-	421,186
Cash and cash equivalents	14	1,238	-	-	-	-	1,238	-	-	-	-
		440,013	-	-	-	-	440,013	-	-	-	-
<b>Financial liabilities measured at fair value</b>											
Foreign exchange contracts	20	-	-	-	1,077	-	1,077	-	1,077	-	1,077
<b>Financial liabilities not measured at fair value</b>											
Loans and borrowings	19	-	-	-	-	190,573	190,573	-	195,213	-	195,213
Trade and other payables*	20	-	-	-	-	58,839	58,839	-	58,715	-	58,715
		-	-	-	-	249,412	249,412	-	-	-	-

\* Excludes deferred revenue, long-term employee benefits, advances and foreign exchange contracts at fair value through profit or loss.

In 2016 and 2015, there were no transfers between the different levels of the fair value hierarchy.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

## 31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

## Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

## Assets and liabilities measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<b>Group</b>			
<i>Fair value through profit or loss</i>			
- Convertible bond	Proprietary valuation model, developed from the Black-Scholes Model: The valuation model includes the utilisation of the adjusted net asset value (2015: market capitalisation) of Blackgold International Holdings Limited, forecasted USD: SGD and AUD: SGD exchange rates, and applying a probability weighting to the fair value of the possible outcomes of the transaction (see note 9).	<ul style="list-style-type: none"> <li>Adjusted net asset value of Blackgold International Holdings Limited</li> <li>Discount for lack of marketability: 30%</li> <li>Discount for lack of control: 60.12%</li> <li>Probability weighting applied of 0% (2015: 50%)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>the adjusted net asset value of Blackgold International Holdings Limited was higher/(lower);</li> <li>the discount for lack of marketability was lower/(higher);</li> <li>the discount for lack of control was lower/(higher); and</li> <li>the probability weighting applied was higher/(lower).</li> </ul>
<i>Investment properties</i>			
- Industrial factory	Discounted cash flows: The valuation model estimates and projects an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.	<ul style="list-style-type: none"> <li>Discount rate: 6.17% (2015: 6.70%)</li> <li>Rental rates: \$52 to \$89 (2015: \$50 to \$80) per square metre per annum</li> <li>Estimated cost to complete the construction</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>the discount rate was lower/(higher);</li> <li>the rental rate was higher/(lower); and</li> <li>the estimated cost to complete the construction was lower/(higher).</li> </ul>
- Commercial property	Market comparison approach: The valuation model analyses comparable sales of similar properties and adjusting the sale prices to be reflective of the investment properties.	<ul style="list-style-type: none"> <li>In-house adjustments made by valuer on comparable prices of \$18,686 to \$37,265</li> </ul>	<p>The estimated fair value would increase/(decrease) if the adjustments and comparable prices were higher/(lower).</p>
- Residential property	Market comparison approach: The valuation model analyses comparable sales of similar properties and adjusting the sale prices to be reflective of the investment properties.	<ul style="list-style-type: none"> <li>In-house adjustments made by valuer on comparable prices of \$3,625 to \$4,446 (2015: \$3,951 to \$4,845) per square metre</li> <li>Estimated cost to complete the construction</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>the adjustments and comparable prices were higher/(lower); and</li> <li>the estimated cost to complete the construction was lower/(higher).</li> </ul>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)****Assets and liabilities measured at fair value (cont'd)**

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
<b>Group and Company</b>			
Quoted equity and debt securities	Certain quoted equity and debt securities that are traded in markets that are not considered to be active but are valued based on quoted prices are classified within Level 2.	Not applicable	Not applicable
<i>Fair value through profit or loss</i>			
- Foreign exchange contracts	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

**Financial instruments not measured at fair value**

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
<b>Group and Company</b>		
Associates	Discounted cash flows*	Not applicable
Trade and other receivables	Discounted cash flows*	Not applicable
Loans and borrowings	Discounted cash flows*	Not applicable
Trade and other payables	Discounted cash flows*	Not applicable

\* It is assumed that inputs considered observable used in the valuation technique are significant to the fair value measurement.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)****Reconciliation of Level 3 fair value**

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	<b>Fair value through profit or loss - convertible bond \$'000</b>	<b>Investment properties \$'000</b>	<b>Total \$'000</b>
<b>At 1 May 2015</b>	26,471	102,474	128,945
Reclassification from development properties	-	140,000	140,000
Purchases	-	10,411	10,411
Total gains or losses recognised in profit or loss			
- finance income	1,411	-	1,411
- changes in fair value recorded in "other income"	-	5,053	5,053
- changes in fair value recorded in "other operating expenses"	(7,582)	-	(7,582)
Interest received	(1,051)	-	(1,051)
Translation differences	328	(7,512)	(7,184)
<b>At 30 April 2016</b>	<b>19,577</b>	<b>250,426</b>	<b>270,003</b>
<b>At 1 May 2014</b>	-	-	-
Arising from business combination	-	82,775	82,775
Reclassification from property, plant and equipment	-	5,799	5,799
Purchases	18,750	18,733	37,483
Total gains or losses recognised in profit or loss			
- finance income	452	-	452
- changes in fair value recorded in "other operating expenses"	7,096	(1,679)	5,417
Translation differences	173	(3,154)	(2,981)
<b>At 30 April 2015</b>	<b>26,471</b>	<b>102,474</b>	<b>128,945</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)***Sensitivity analysis*

For the fair values of convertible bond and investment properties, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would increase/(decrease) profit or loss by the amounts shown.

	<b>Group Profit or loss</b>	
	<b>Increase \$'000</b>	<b>Decrease \$'000</b>
<b>30 April 2016</b>		
Fair value through profit or loss - convertible bond		
- Adjusted net asset value of Blackgold International Holdings Limited (10% movement)	1,525	(1,525)
- Discount for lack of marketability (5% movement)	(1,089)	1,089
- Discount for lack of control (5% movement)	(1,912)	1,912
- Probability weighting applied (10% movement)	2,284	-
Investment properties		
- Discount rate (1% movement)	(6,597)	6,597
- Rental rates (5% movement)	2,758	(2,758)
- Comparable prices (5% movement)	10,687	(10,687)
- Estimated cost to complete the construction (5% movement)	(941)	941
<b>30 April 2015</b>		
Fair value through profit or loss - convertible bond		
- Probability weighting applied (10% movement)	2,537	(2,537)
Investment properties		
- Discount rate (1% movement)	(417)	417
- Rental rates (5% movement)	2,087	(2,087)
- Comparable prices (5% movement)	3,791	(3,791)
- Estimated cost to complete the construction (5% movement)	(956)	956

There is no impact on equity.

**32 ACQUISITION OF SUBSIDIARIES****(a) Saujana Tiasa Sdn Bhd**

On 9 May 2014 (the date of acquisition), a supplementary shareholders' agreement was signed between the Group and the joint venture partner and the Group obtained control and power over its joint venture, Saujana Tiasa Sdn Bhd (Saujana) and rights to variable returns from its investment and ability to use its power to affect these returns through its control of the composition of the board of directors by virtue of the supplementary shareholders' agreement. The Group's ownership interest in Saujana remained at 50%. Consequently, Saujana's financials were consolidated into the Group's financial statements.

The principal activities of Saujana are those relating to property investment.

**Revenue and profit contribution**

From the date of acquisition to 30 April 2015, Saujana contributed losses of \$5,142,000 to the Group's results. As Saujana has not completed the refurbishment of its property, no revenue was recognised. If the acquisition had occurred on 1 May 2014, there would have been no impact to the consolidated revenue and Group results for the year ended 30 April 2015.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**32 ACQUISITION OF SUBSIDIARIES (cont'd)****(a) Saujana Tiasa Sdn Bhd (cont'd)****Consideration transferred**

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

		<b>\$'000</b>
<i>Effect on cash flows of the Group</i>		
Cash paid		-
Less: Cash and cash equivalents in subsidiary acquired		1
Cash inflow on acquisition		1
		<u>1</u>
	<b>Note</b>	<b>At fair value \$'000</b>
<i>Identifiable assets acquired and liabilities assumed</i>		
Investment property	6	82,775
Trade and other receivables		208
Cash and cash equivalents		1
Total assets		<u>82,984</u>
Deferred tax liabilities	10	1,716
Trade and other payables		48,824
Total liabilities		<u>50,540</u>
Total net identifiable assets		32,444
Less: Non-controlling interests		(16,222)
Less: Amount previously accounted for as joint venture		(16,222)
Total consideration transferred		<u>-</u>

**Measurement of fair values for material assets acquired and liabilities assumed***Investment property*

Information on the fair value measurement of investment property is disclosed in note 31. The key unobservable inputs were comparable prices ranging from \$4,089 to \$5,014 per square metre, estimated cost to complete the construction and the developer's profit margin on development.

*Acquired payables*

The fair value of trade and other payables is \$48,824,000. Trade and other payables comprised mainly amounts owing to corporate shareholders which are due within the next twelve months from date of acquisition and carrying amounts are assumed to approximate their fair value because of the short period to maturity.

*Non-controlling interests*

The Group has elected to measure the non-controlling interest based on their proportionate interest of Saujana's net identifiable assets as recognised by the Group, which amounted to \$16,222,000.

**(b) Ececil Pte. Ltd.**

On 8 July 2014 (the date of acquisition), the Group acquired a 100% interest in Ececil Pte. Ltd. (Ececil) from a third party through its 51% owned subsidiary, Shentoncil Pte. Ltd, for a total consideration of \$22,877,000.

The principal activities of Ececil are those relating to property development. The Group's intention was to acquire the property owned by Ececil, re-develop to maximise the gross floor area through upgrading and retrofitting work, strata-title, and sell the property upon completion of re-development.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**32 ACQUISITION OF SUBSIDIARIES (cont'd)****(b) Ececil Pte. Ltd. (cont'd)*****Revenue and profit contribution***

From the date of acquisition to 30 April 2015, Ececil contributed losses of \$880,000 to the Group's results. As Ececil has not completed the re-development and sale of the property, no revenue was recognised. If the acquisition had occurred on 1 May 2014, management estimates that consolidated loss for the year would have been \$551,000. There would have been no impact to the consolidated revenue of the Group for the year ended 30 April 2015.

***Consideration transferred***

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	<b>\$'000</b>
<i>Effect on cash flows of the Group</i>	
Cash paid	(22,877)
Less: Cash and cash equivalents in subsidiary acquired	29
Cash outflow on acquisition	<u>(22,848)</u>
	<b>At fair value \$'000</b>
<i>Identifiable assets acquired and liabilities assumed</i>	
Development property	110,000
Trade and other receivables	88
Cash and cash equivalents	29
Total assets	<u>110,117</u>
Trade and other payables	249
Loans and borrowings	86,833
Total liabilities	<u>87,082</u>
Total net identifiable assets	<u>23,035</u>

The difference between net identifiable assets and consideration paid, amounting to \$158,000 was recorded against "development properties" in the consolidated statement of financial position.

***Measurement of fair values for material assets acquired and liabilities assumed******Development property***

The valuation techniques used for measuring the fair value of the development property are similar to that of investment properties. Information on the fair value measurement of investment properties is disclosed in note 31. The key unobservable input was comparable prices ranging from \$1,886 to \$2,219 per square metre.

***Acquired loans and borrowings***

Loans and borrowings of \$86,833,000 are due within the next twelve months from date of acquisition and carrying amounts are assumed to approximate their fair value because of the short period to maturity.



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**33 ACQUISITION OF NON-CONTROLLING INTERESTS**

In August 2015, the Group acquired additional effective interests of 2.17% in Fervent Industrial Development (Suzhou) Co., Ltd for a consideration of \$547,000 in cash, increasing its effective interest in the subsidiary from 30.00% to 32.17%. The carrying amount of Fervent Industrial Development (Suzhou) Co., Ltd's net assets in the consolidated financial statements on the date of acquisition was \$17,434,000. The Group recognised a decrease in non-controlling interests and an increase in other reserves of \$130,000, being the excess of the net assets acquired over the cost of the acquisition.

The following summarises the effect of changes in the Group's (parent) ownership interest in Fervent Industrial Development (Suzhou) Co., Ltd:

	<b>Group \$'000</b>
Parent's ownership interest at beginning of the year	4,316
Capital injection during the year	547
Effect of increase in parent's ownership interest	130
Share of comprehensive income	1,306
Parent's ownership interest at end of the year	<u>6,299</u>

**34 NON-CONTROLLING INTERESTS**

The following subsidiaries have non-controlling interests that are material to the Group:

Name of subsidiary	Principal place of business/country of incorporation	Operating segment	Ownership interests held by non-controlling interests	
			2016 %	2015 %
LTH Logistics (Singapore) Pte Ltd (LTH)	Singapore	Freight and logistics	49	49
Sabana Real Estate Investment Management Pte. Ltd. (SREIM)	Singapore	Financial services	49	49
Sinolink Financial Leasing Co., Ltd (Sinolink)	People's Republic of China	Financial services	54.4	54.4
Fervent Industrial Development (Suzhou) Co., Ltd (Fervent)	People's Republic of China	Real estate	67.8	70
DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd (DP-Master)	People's Republic of China	Real estate	64	64
Saujana Tiasa Sdn Bhd (Saujana)	Malaysia	Real estate	50	50
Vibrant DB2 Pte. Ltd. (Vibrant DB2)	Singapore	Real estate	49	49
Shentoncil Pte. Ltd. (Shentoncil)	Singapore	Real estate	49	49
Ececil Pte. Ltd. (Ececil)	Singapore	Real estate	49	49

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

### 34 NON-CONTROLLING INTERESTS (cont'd)

The following summarised financial information for the above subsidiaries are prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	LTH \$'000	SREIM \$'000	Sinolink \$'000	Fervent \$'000	DP-Master \$'000	Saujana \$'000	Vibrant DB2 \$'000	Shentoncil \$'000	Ececil subsidiaries \$'000	Other individually immaterial \$'000	Intra- group elimination \$'000	Total \$'000
<b>2016</b>												
Revenue	42,408	6,090	1,672	245	101,142	-	-	-	-	-	-	-
(Loss)/profit after tax	(407)	608	880	4,794	8,679	(1,601)	(4,104)	(956)	22,350			
Other comprehensive income	-	-	(670)	(626)	(1,969)	(2,047)	-	-	-			
<b>Total comprehensive income</b>	<b>(407)</b>	<b>608</b>	<b>210</b>	<b>4,168</b>	<b>6,710</b>	<b>(3,648)</b>	<b>(4,104)</b>	<b>(956)</b>	<b>22,350</b>			
Attributable to non-controlling interests:												
- (Loss)/profit after tax	(199)	298	478	3,252	5,555	(801)	(2,011)	(468)	10,951	138	1,542	18,735
- Other comprehensive income	-	-	(364)	(425)	(1,260)	(1,024)	-	-	-	(73)	874	(2,272)
<b>Total comprehensive income</b>	<b>(199)</b>	<b>298</b>	<b>114</b>	<b>2,827</b>	<b>4,295</b>	<b>(1,825)</b>	<b>(2,011)</b>	<b>(468)</b>	<b>10,951</b>	<b>65</b>	<b>2,416</b>	<b>16,463</b>
Non-current assets	130,146	15,655	11,694	43,296	565	71,437	16,100	22,877	140,000			
Current assets	31,842	1,640	13,524	478	95,382	49	39,217	12,680	95			
Non-current liabilities	(30,230)	-	(1,999)	(11,902)	(27,100)	(1,357)	-	-	(82,500)			
Current liabilities	(125,756)	(1,437)	(702)	(12,293)	(21,032)	(47,435)	(52,093)	(22,214)	(12,903)			
<b>Net assets</b>	<b>6,002</b>	<b>15,858</b>	<b>22,517</b>	<b>19,579</b>	<b>47,815</b>	<b>22,694</b>	<b>3,224</b>	<b>13,343</b>	<b>44,692</b>			
<b>Net assets attributable to non-controlling interests</b>	<b>2,941</b>	<b>7,770</b>	<b>12,238</b>	<b>13,281</b>	<b>30,601</b>	<b>11,347</b>	<b>1,580</b>	<b>6,538</b>	<b>21,899</b>	<b>6,853</b>	<b>(34,760)</b>	<b>80,288</b>
Cash flows from operating activities	1,570	(2,634)	426	(559)	(23,634)	(1,455)	541	-	(4,189)			
Cash flows from investing activities	(766)	2,060	(3,932)	(9,433)	1,452	1,452	(13,262)	(4,144)	-			
Cash flows from financing activities (dividends to non-controlling interests: \$nil)	(522)	-	-	9,554	23,739	-	12,732	4,144	4,144			
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>282</b>	<b>(574)</b>	<b>(3,506)</b>	<b>(438)</b>	<b>1,557</b>	<b>(3)</b>	<b>11</b>	<b>-</b>	<b>(45)</b>			

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

## 34 NON-CONTROLLING INTERESTS (cont'd)

### 2015

	LTH \$'000	SREIM \$'000	Sinolink \$'000	Fervent \$'000	DP-Master \$'000	Saujana \$'000	Vibrant DB2 \$'000	Shentoncil \$'000	Ececil subsidiaries \$'000	Other individually immaterial \$'000	Intra- group elimination \$'000	Total \$'000
Revenue	45,202	6,753	2,344	-	-	-	-	-	-	-	-	-
(Loss)/profit after tax	(2,812)	1,926	1,449	1,494	(318)	(5,142)	(2,672)	(1,075)	(28,035)			
Other comprehensive income	-	176	276	747	521	(938)	-	-	-			
<b>Total comprehensive income</b>	<b>(2,812)</b>	<b>2,102</b>	<b>1,725</b>	<b>2,241</b>	<b>203</b>	<b>(6,080)</b>	<b>(2,672)</b>	<b>(1,075)</b>	<b>(28,035)</b>			
Attributable to non-controlling interests:												
- (Loss)/profit after tax	(1,378)	944	788	1,046	(203)	(2,571)	(1,309)	(527)	(13,737)	(1,017)	14,564	(3,400)
- Other comprehensive income	-	86	150	523	333	(469)	-	-	-	413	(1,589)	(553)
<b>Total comprehensive income</b>	<b>(1,378)</b>	<b>1,030</b>	<b>938</b>	<b>1,569</b>	<b>130</b>	<b>(3,040)</b>	<b>(1,309)</b>	<b>(527)</b>	<b>(13,737)</b>	<b>(604)</b>	<b>12,975</b>	<b>(3,953)</b>
Non-current assets	135,542	14,478	15,027	25,446	246	77,477	16,100	22,877	-			
Current assets	29,441	2,166	10,278	801	27,990	209	46,385	7,478	112,996			
Non-current liabilities	(116,323)	-	(2,631)	(1,404)	-	(1,471)	-	-	(82,500)			
Current liabilities	(42,391)	(1,394)	(367)	(10,458)	(10,812)	(49,856)	(34,544)	(16,057)	(8,153)			
<b>Net assets</b>	<b>6,269</b>	<b>15,250</b>	<b>22,307</b>	<b>14,385</b>	<b>17,424</b>	<b>26,359</b>	<b>27,941</b>	<b>14,298</b>	<b>22,343</b>			
<b>Net assets attributable to non-controlling interests</b>	<b>3,072</b>	<b>7,473</b>	<b>12,124</b>	<b>10,070</b>	<b>11,151</b>	<b>13,180</b>	<b>13,691</b>	<b>7,006</b>	<b>10,948</b>	<b>9,800</b>	<b>(32,685)</b>	<b>65,830</b>
Cash flows from operating activities	17,276	(2,530)	(140)	432	(13,838)	191	-	(1)	(3,783)			
Cash flows from investing activities	(11,938)	2,068	(16,452)	(15,435)	(65)	(187)	-	(39)	-			
Cash flows from financing activities (dividends to non-controlling interests: \$nil)	(8,338)	(50)	14,517	14,261	4,407	-	10	51	3,748			
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,000)</b>	<b>(512)</b>	<b>(2,075)</b>	<b>(742)</b>	<b>(9,496)</b>	<b>4</b>	<b>10</b>	<b>11</b>	<b>(35)</b>			

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**35 COMMITMENTS****Capital commitments**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Expenditure contracted for:		
- Property, plant and equipment	244	52,845
- Investment properties	1,615	16,491
	<u>1,859</u>	<u>69,336</u>

Capital commitments relate to outstanding contracts in respect of the industrial development project in Changshu, China, the redevelopment of a 6-storey ramp-up warehouse at Gul Circle, Singapore and the development of a bromine warehouse at Banyan Drive, Jurong Island, Singapore.

**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 60 years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

At 30 April 2016, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	14,636	19,675
After 1 year but within 5 years	13,858	14,005
After 5 years	124,808	126,956
	<u>153,302</u>	<u>160,636</u>

The Group leases out its investment properties. The leases run for a period of 5 to 10 years, with an option to renew the lease after that date. There are also no contingent rental arrangements and fixed rental escalation clauses.

At 30 April 2016, the future minimum lease receivable under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	695	-
After 1 year but within 5 years	3,066	-
After 5 years	837	-
	<u>4,598</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**36 CONTINGENT LIABILITIES (UNSECURED)**

The Group is defending action brought by a customer relating to a dispute in respect of a renewal of sub-tenancy of JTC premises. While liability is not admitted, if defence against the action is not successful, then the potential claims could amount to \$805,000 (2015: \$950,000). Based on advice from legal and professional advisors, the directors are of the view that it has grounds to defend the case and do not expect the outcome of the actions to have a material effect on the Group's financial position.

Intra-group financial guarantees comprise corporate guarantees amounting to \$195,107,000 (2015: \$144,720,000) granted by the Company to banks in respect of banking facilities 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 periods in which the financial guarantees expire are as follows:

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	69,858	1,494
After 1 year but within 5 years	94,952	142,726
After 5 years	30,297	500
	<u>195,107</u>	<u>144,720</u>

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 current liabilities/net liabilities of these entities which are included in the consolidated financial statements as at 30 April 2016 amounted to \$271,381,000 (2015: \$124,524,000).

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**37 RELATED PARTIES*****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:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	4,019	4,199
Long-term employee benefits	87	147
Defined contribution plans	218	186
	<u>4,324</u>	<u>4,532</u>

***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:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Purchases from a related party	46,077	14,501
Professional fees paid to TSMP Law Corporation	<u>26</u>	<u>49</u>

Mr Derek Loh Eu Tse is a director of the Company and is a shareholder and director of TSMP Law Corporation.

**38 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

***Measurement of recoverable amounts and useful lives of property, plant and equipment***

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 for 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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**38 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)*****Key sources of estimation uncertainty (cont'd)****Impairment of subsidiaries*

The Company assesses at the end of each financial year whether there is any indication of impairment on its subsidiaries. This assessment takes into account the market value of the subsidiaries, changes in the technological, market, economic or legal environment in which the subsidiaries operate in and changes to the market interest rates. The recoverable amounts of the subsidiaries were determined based on fair value less costs to sell, i.e. adjusted net assets of the subsidiaries was used as a proxy. If the financial conditions of the subsidiaries were to deteriorate, impairment may need to be recognised.

*Impairment of associates*

The Group evaluates annually whether there is any objective evidence that the convertible loans and RCCPS in associates, and investment 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.

*Impairment of doubtful receivables and construction-in-progress*

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining when a financial asset is other than temporarily impaired. The Group evaluates whether there is any objective evidence that trade receivables and construction-in-progress are impaired, and determines the amount of impairment loss as a result of the inability of the customers or counterparties to make required payments. The Group determines the estimates based on the ageing of trade receivables, credit-worthiness, and historical write-off experience. Management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade and other receivables, and construction-in-progress. If the financial conditions of the customers or counterparties were to deteriorate, actual write-offs would be higher than estimated.

*Assessment of risk of foreseeable losses*

The Group assesses at every reporting date whether any allowance for foreseeable losses is required on properties in the course of development - unsold properties. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred, taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

*Valuation of investment properties*

The Group's investment properties are stated at fair value based on independent professional valuations. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include comparable sales, discount rate and rental rates, as well as estimated costs to complete in relation to investment properties under development. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

*Valuation of convertible bond*

The Group's investment in convertible bond is valued using a proprietary valuation model, developed from the Black-Scholes Model. Such valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of the probability weighting to be applied as well as the derivation of the fair values of the respective outcomes, determination of the adjusted net asset value, probability of counterparty default and appropriate discount rates.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

Year ended 30 April 2016

**38 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)*****Critical accounting judgements in applying the Group's accounting policies***

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

*Classification of leasehold properties, investment properties and development properties*

In assessing the classification of properties, management considers its intention with regards to the use of the properties, i.e. held for own use; held to earn rental or for capital appreciation or both; or held with the intention of development and sale in the ordinary course of business. Where there is a change in intended use, a change in classification may be required.

*Determination of enforceable right to payment*

In relation to revenue recognition for the Group's development properties and construction-in-progress, management obtained advice from legal and professional advisors and exercised judgement in determining whether the Group has an enforceable right to payment for performance completed to date.

*Impairment of available-for-sale financial assets*

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining whether there is objective evidence that the available-for-sale financial assets are impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

**39 SUBSEQUENT EVENTS**

On 18 May 2016, the Board of Directors announced that LionHeart Holding Group Corp (LionHeart), a wholly-owned subsidiary of the Company, and Blackgold International Holdings Limited (BGG) have mutually agreed in writing to extend the Completion End Date and the Right to Nominate End Date of the Convertible Bond Agreement to 18 May 2017. The provision of the Term Sheet and the Convertible Bond Agreement dated 8 December 2014 entered into between LionHeart and BGG remain unchanged and shall continue in full force and effect.

On 6 June 2016 and 24 June 2016, the Board of Directors announced that the Company has entered into an underwriting agreement with China International Capital Corporation Limited, to appoint China International Capital Corporation Limited as the lead underwriter and bookrunner to issue up to RMB 1 billion Panda bonds.

On 29 July 2016, the Board of Directors announced that the Company's indirect subsidiary, Shentoncil Pte. Ltd. has entered into a Sale and Purchase Agreement (SPA) with Ze Qi Investment Holdings Pte. Ltd. (Ze Qi) and Heng Bo International Investment Pte. Ltd. to dispose 60% of the issued and paid up share capital of a subsidiary, Ececil Pte. Ltd. (Ececil), which owns a property, Cecil House at 139 Cecil Street Singapore 069539. The purchase consideration for the proposed disposal is \$75,000,000, which is arrived on a willing buyer willing seller basis and after taking into account unaudited net asset value of Ececil of \$44,692,745 as at 30 April 2016. An earnest money of \$1,500,000 was paid by Ze Qi upon signing of the Term Sheet and a further earnest money of \$1,500,000 will be payable within 3 business days of signing the SPA. Upon completion, the balance purchase consideration shall be made payable in cash of \$22,500,000 and \$49,500,000 to be satisfied by providing guarantees to a bank.

On 12 May 2016, through the conversion of a loan extended to non-controlling shareholder of Fervent Industrial Development (Suzhou) Co., Ltd, the Group increased its equity stake from 50.00% to 81.45%. After the conversion, the Group's effective equity stake in this subsidiary increased from 30.00% to 48.87%.



**SUPPLEMENTARY INFORMATION**

(SGX Listing Manual disclosure requirements)

**1 DIRECTORS' REMUNERATION**

Company's directors receiving remuneration from the Group

	<b>Number of directors</b>	
	<b>2016</b>	<b>2015</b>
<b>Remuneration of:</b>		
\$500,000 to below \$750,000	1	1
\$250,000 to below \$500,000	2	2
Below \$250,000	3	3
	<u>6</u>	<u>6</u>

**PROPERTIES HELD FOR INVESTMENT****PROPERTIES HELD FOR INVESTMENT**

Location	Approximate Land Area	Tenure	Usage
139 Cecil Street, Singapore	737.3 m <sup>2</sup>	99 years lease commencing 20 August 1981	Office building
Lorong Palas, Off Jalan Ampang, Malaysia	6,382.8 m <sup>2</sup>	Freehold	Residential property
Changshu Fervent Industrial Park, Jiangsu	101,150 m <sup>2</sup>	50 years lease commencing 19 March 2014	Industrial property

**SHAREHOLDERS' INFORMATION**

As at 18 July 2016

Issued and fully paid	556,707,762 ordinary shares
Issued and fully paid (excluding treasury shares)	553,787,202 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 - 99	456	3.82	15,613	0.00
100 - 1,000	3,150	26.41	2,058,634	0.37
1,001 - 10,000	5,864	49.17	22,460,663	4.06
10,001 - 1,000,000	2,432	20.39	122,336,502	22.09
1,000,001 - above	25	0.21	406,915,790	73.48
<b>Grand Total</b>	<b>11,927</b>	<b>100.00</b>	<b>553,787,202</b>	<b>100.00</b>

**PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC**

The percentage of shareholding held by the public is approximately 41.69%. 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	145,711,251	26.31
2	Maybank Nominees (Singapore) Pte Ltd	57,792,297	10.44
3	CIMB Securities (Singapore) Pte Ltd	57,585,089	10.40
4	Hong Leong Finance Nominees Pte Ltd	50,203,616	9.07
5	United Overseas Bank Nominees (Private) Limited	20,209,991	3.65
6	Citibank Nominees Singapore Pte Ltd	11,731,771	2.12
7	DBS Nominees Pte Ltd	10,739,092	1.94
8	Bank of Singapore Nominees Pte Ltd	8,589,441	1.55
9	Raffles Nominees (Pte) Ltd	6,604,464	1.19
10	OCBC Nominees Singapore Private Ltd	5,172,512	0.93
11	Maybank Kim Eng Securities Pte Ltd	5,055,420	0.91
12	OCBC Securities Private Ltd	4,747,267	0.86
13	UOB Kay Hian Pte Ltd	3,219,311	0.58
14	Lee Kim Heok	2,608,270	0.47
15	Yim Chee Chong	2,405,066	0.43
16	Tan Soon Hoe	1,981,305	0.36
17	Andrew Lim Chee Seng	1,950,499	0.35
18	Goh Ah Tee @ Goh Hui Chua	1,876,387	0.34
19	DBS Vickers Securities (Singapore) Pte Ltd	1,569,784	0.28
20	Phillip Securities Pte Ltd	1,486,512	0.27
<b>Total:</b>		<b>401,239,345</b>	<b>72.45</b>

**SHAREHOLDERS' INFORMATION (cont'd)**

As at 18 July 2016

**SUBSTANTIAL SHAREHOLDERS**

As shown in the Company's Register of Substantial Shareholders

Name of Substantial Shareholders	Notes	Number of Shares Direct Interest      Deemed Interest	
Vibrant Capital Pte. Ltd.	–	305,040,015	Nil
Eric Khua Kian Keong	1	16,910,270	305,040,015
Lian Hup Holdings Pte. Ltd.	2	Nil	305,040,015
Khua Hock Su	3	Nil	305,046,220
Vincent Khua Kian Ann	4	Nil	305,040,015
Khua Kian Hua	4	Nil	305,040,015

**Notes:**

- (1) Mr Eric Khua Kian Keong is deemed to be interested in 305,040,015 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 305,040,015 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 305,046,220 shares, of which 305,040,015 shares are held by Vibrant by virtue of his shareholding interests in Lian Hup and 6,205 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 305,040,015 shares held by Vibrant by virtue of their respective shareholding interests in Lian Hup.

**NOTICE OF ANNUAL GENERAL MEETING****VIBRANT GROUP LIMITED**

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

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Vibrant Group Limited (the "Company") will be held at 51 Penjuru Road #04-00, Freight Links Express Logisticcentre, Singapore 609143, on Tuesday, 30 August 2016 at 9:30 a.m. for the following purposes:

**AS ORDINARY BUSINESS**

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the year ended 30 April 2016 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a First and Final Dividend of 1.80 cents per ordinary share for the year ended 30 April 2016. (2015: First and Final 0.55 cent). **(Resolution 2)**
3. To approve the Directors' Fees of S\$187,500/- for the year ended 30 April 2016 (2015: S\$187,500/-). **(Resolution 3)**
4. To re-elect Mr Henry Chua Tiong Hock as a Director retiring under Regulation 94 of the Company's Constitution. **(Resolution 4)**
5. To re-elect Mr Sebastian Tan Cher Liang as a Director retiring under Regulation 94 of the Company's Constitution. **(Resolution 5)**

[Note: Subject to his re-election, Mr Sebastian Tan shall remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Ltd ("SGX-ST")]

6. To re-appoint Mr Khua Hock Su as a Director of the Company. **(Resolution 6)**
- (Note: Mr Khua Hock Su was re-appointed at the last Annual General Meeting pursuant to Section 153(6) of the Companies Act. Cap. 50 before the Companies (Amendment) Act 2014 came into effect on 3 January 2016)
7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

**AS SPECIAL BUSINESS**

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

8. **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 (cont'd)**

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 Constitution 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 8)**

**9. 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");

**NOTICE OF ANNUAL GENERAL MEETING (cont'd)**

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next Annual General Meeting of the Company is held;
  - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held;
  - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting; or
  - (iv) the date on which the share purchases pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

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

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

- (i) in the case of an On-Market Purchase, shall mean the price per Share based on not more than 5% above the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, shall mean the price per Share based on not more than 10% above the Average Closing Price.

Where:

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

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

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

**(Resolution 9)**

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

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 / Theng Searn Por**  
*Company Secretaries*

Singapore, 15 August 2016



## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### Notes:

1. A member of the Company (other than a member who is a relevant intermediary as defined in Note 2 below) shall not be entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting on his behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
2. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the Annual General Meeting. Relevant intermediary is either:
  - (a) a banking corporation licensed under the Banking Act (Cap.19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
  - (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
  - (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap 36) in respect of shares purchased on behalf of CPF investors.

A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or his attorney; and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorised officer on behalf of the corporation.
4. 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 Logisticcentre, Singapore 609143 not less than 48 hours before the time set for the Meeting.

### Explanatory Notes:

- (1) Resolution 8 proposed in item 8 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 than on a pro-rata basis to existing shareholders of the Company.
- (2) 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 the Shareholders dated 12 August 2016 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.
- (3) 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 ANNUAL GENERAL MEETING (cont'd)****PERSONAL DATA PRIVACY**

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**NOTICE OF BOOKS CLOSURE****VIBRANT GROUP LIMITED**

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

**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 6 September 2016 for the purpose of determining shareholders' entitlements to a First and Final Dividend of 1.80 cents per share for the financial year ended 30 April 2016 ("Dividend 2016") to be proposed at the Annual General Meeting of the Company to be held on 30 August 2016.

Shareholders whose shares of the Company ("VIBRANT shares") are deposited with The Central Depository (Pte) Limited ("CDP") and whose securities accounts with CDP are credited with VIBRANT Shares as at 5:00 p.m. on 6 September 2016 will be entitled to the Dividend 2016 on the basis of the VIBRANT 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 6 September 2016 will be registered to determine shareholders' entitlements to Dividend 2016.

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 2016 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 2016 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 / Theng Searn Por**

*Company Secretaries*

Singapore, 15 August 2016

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**VIBRANT GROUP LIMITED**

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

**IMPORTANT:**

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. Please read the notes to the Proxy Form.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to personal data privacy terms set out in the notice of Annual General Meeting dated 15 August 2016.

**PROXY FORM**

**Annual General Meeting** to be held on 30 August 2016

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 at 51 Penjuru Road #04-00, Freight Links Express Logisticcentre, Singapore 609143 on **Tuesday, 30 August 2016 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	No. of Votes*	
		For	Against
ORDINARY BUSINESS:			
1.	Adoption of Directors' Statement and Audited Financial Statements		
2.	Declaration of First and Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Mr Henry Chua Tiong Hock		
5.	Re-election of Mr Sebastian Tan Cher Liang		
6.	Re-appointment of Mr Khua Hock Su		
7.	Re-appointment of Auditors		
SPECIAL BUSINESS:			
8.	Authority to issue shares		
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		

\* 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 \_\_\_\_\_ 2016

**Total Number of Shares Held**

\_\_\_\_\_  
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) A member of the Company (other than a member who is a relevant intermediary as defined in Section 181(6) of the Companies Act, Chapter 50) shall not be entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting on his behalf.
    - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
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 Logisticcentre, 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 72 hours before the time appointed for holding the Meeting as certified by CDP to the Company.

# CORPORATE DIRECTORY

## CORPORATE HEAD OFFICE

### Vibrant Group Limited

51 Penjuru Road #04-00  
Freight Links Express Logisticcentre  
Singapore 609143  
Tel : (65) 6262 6988 (30 Lines)  
Fax : (65) 6261 3316  
E-Mail : corporate@vibrant.com.sg  
Web : www.vibrant.com.sg

## SINGAPORE OFFICES

## INTERNATIONAL FREIGHT FORWARDING

### Freight Links Express Pte Ltd

51 Penjuru Road #03-00  
Freight Links Express Logisticcentre  
Singapore 609143  
Tel : (65) 6267 5511 (20 Lines)  
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### Crystal Freight Services Pte Ltd

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### GLE Integrated Pte Ltd

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## WAREHOUSING OPERATIONS AND LOGISTICS

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### Freight Links Express Logisticcentre Pte Ltd

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### Freight Links Express Logisticspark Pte Ltd

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### Crystal Freight Services Distripark Pte Ltd

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### Freight Links E-Logistics Technopark Pte Ltd

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### Freight Links Properties Pte Ltd

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## DOCUMENTS MANAGEMENT SERVICES

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## CHEMICAL STORAGE AND LOGISTICS

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### Chemode Global Pte Ltd

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## PROPERTY DEVELOPMENT

### Ececil Pte Ltd

139 Cecil St #01-00 Cecil House  
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## REAL ESTATE MANAGEMENT SERVICES

### Sabana Investment Partners Pte Ltd

**Sabana Real Estate Investment  
Management Pte Ltd**  
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151 Lorong Chuan  
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## OVERSEAS OFFICES

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### DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd

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## THAILAND

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