FUNDAMENTALLY POISED

Annual Report 2017

Vibrant Group Limited

CONTENTS

POSITIONING FOR LONG-TERM GROWTH

Always striving for long-term growth, Vibrant Group thrives on focused, strategic and sustainable development. We continue to harness the fundamental strengths that enable us to drive performance, deliver to clients, strengthen partnerships and create value.

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 logistics, 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

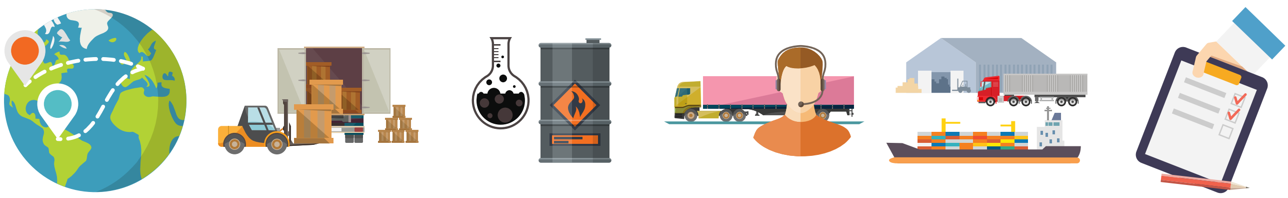
From a trusted global logistics solutions provider, we have grown and evolved into a dynamic company with a suite of complementary business lines.

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



International Freight Forwarding

Project Logistics

Chemical Logistics

Contract Logistics

Container Freight Station

Records Management

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.

REAL ESTATE BUSINESS

Our Property Development, Investment and Management Capabilities

- BUILD TO SUIT
- SALE AND LEASEBACK
- DISTRIBUTION HUB OFFICE SPACE
- SELF-MANAGED WAREHOUSING SPACE
- PROPERTY INVESTMENT
- PROJECT MANAGEMENT
- FACILITY DEVELOPMENT AND RENOVATIONS
- FACILITY MAINTENANCE AND MANAGEMENT

Through the Group's Real Estate Business, the Group acquires land for development, sale or lease of industrial, commercial and residential properties in selected markets and holding for long-term investment through collection of rental revenue. The Group also provides property management for portfolio comprising high-tech industrial park, chemical warehouses and general industry facilities, and property management services to its owned and leased warehouse.

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 approximately S$977 million.

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. It also provides funds to potential customers in the equipment manufacturing, petroleum and gas, medical, education and construction industries sectors.

A Message to Shareholders

Dear Shareholders,

I am indeed honoured and privileged to deliver my first Chairman message for Vibrant Group Limited. For the financial year ended 30 April 2017 ("FY2017"), the Group continued to face economic headwinds and uncertainties. The global trends towards populism and protectionism gathered pace over the course of FY2017. The uncertainty presented by these new global trends has negatively affected business sentiment around the world. In the face of these challenges, the Group was able to perform satisfactorily. We remained profitable for FY2017 and continued to deliver reasonable returns to shareholders.

NOTABLE DEVELOPMENTS

We achieved several milestones during the year in respective of our three core business segments, namely Integrated Logistics Services, Real Estate Business and Financial Services.

Freight & Logistics

The company strives to maintain its position as market leader dominating its niche in the Freight and Logistics industry through constant innovation and development of its infrastructure, its dedicated team of highly skilled workforce with strong technical knowledge, mindfulness of the stringent safety and control standards and firm commitment to uphold high service quality.

During the year, the Group completed and obtained TOP in May 2017 for its single storey bromine storage warehouse at 121 Banyan Drive. This additional bromine storage warehouse was specifically designed for a petrochemical company with the tenancy period of seven years.

The Group has also successfully commenced our new Container Freight Station operations within the Free Trade Zone at Keppel Distripark. This strategic initiative has allowed the Group to internally manage the vital operations of a truly integrated logistics provider with warehousing and freight consolidation capabilities. This puts us in a stronger position during the extended downturn in global shipping industry.

To provide faster and reliable freight forwarding service with shorter transit time, the Group opened new direct services to six destination ports, namely Dili, Darwin, Port Moresby, Lae, Varna and Prague. This is amidst other steps, such as enhanced IT capabilities, to maximise our potential in the freight forwarding service.

In July 2017, the Group has through the Scheme of Arrangement successfully acquired ASX-Listed Blackgold International Holdings Limited, a China-based producer of thermal coal predominantly sold to power plant customers in China. The acquisition will result in the integration of the existing logistics business and accordingly expanding the logistics business into commodity logistics and trading business. This acquisition is in line with the Group's investment strategy to redeploy its capital more efficiently for higher yield investments.

"Given the global economic conditions, the Group will continue to exercise prudence and adopt a cautious approach in relation to investment opportunities."

Sebastian Tan Cher Liang
Group Chairman

Real Estate Business

Since the inclusion of real estate business as part of the core business of the Group, the Group has successfully completed notable property development projects pertaining to high tech industrial park and residential properties. During the year, the Group continues to secure even more of such projects in the market, achieving its goals of bringing in an additional sustainable source of stable income.

The construction of the Group's second residential property, a government-approved resettlement housing project (Build and Transfer) in Zhu Jia Wan, Jiangyin, China, was successfully completed and handed over to the government in May 2017.

In October 2016, the Group acquired its third property project, a 70-year leasehold mixed residential and commercial development site in the city of Jiangyin, China. This project has a total land area of 30,249 square metres and the site will be developed into 508 units of residential apartments and 148 units of commercial units with 400 basement car park lots. To date, approximately 95% of the total 508 units residential apartments launched have been sold and the commercial units are expected to be launched in 3rd quarter of 2017.

In March 2017, the Group's subsidiary, Vibrant DB2 Pte. Ltd. has entered into a sale and purchase agreement in respect of the proposed sale of the entire share capital of Plaza Ventures Pte Ltd, the owner of the GSH Plaza. The sale and purchase was completed on 31 July 2017.

The company will strategically continue its property management, property development, property investment and other real estate business activities through collective and sound decisions, taking into account factors such as market needs, technical expertise requirements and financing in order to maintain sustainable growth.

Financial Services

The financial services has continued to provide for the increasing demand for specialised financial services as well as increase the returns to Shareholders through better management of capital employed by the Group.

A Message to Shareholders


Artist Impression

Our fund management associate, Sentosa Capital Pte Ltd manages a fixed income fund that invests in a broad range of sovereign and corporate bonds, has been awarded with the Annual Eurekahedge Asian Hedge Fund Awards 2017. The award recognises the outstanding talent in the industry for which Sentosa Asian Credit Fund has received the coveted award for Best Singapore-Based Hedge Fund. The Fund was also honoured to be nominated for Best Asia ex-Japan Hedge Fund.

DEFINING PERFORMANCE

We are pleased to close the FY2017 with a net profit of S$3.4 million attributable to shareholders of the company. Our total assets continue to rise and reached S$1.05 billion with a net gearing of 0.76 times and cash and cash equivalents of S$63.0 million. As at 30 April 2017, the Group's net assets value holds at 61.66 cents per ordinary share with earnings per ordinary share of 0.59 cent. On 29 May 2017, the Group had fully redeemed the outstanding S$100 million fixed rate notes issued under the S$500 million multicurrency debt issuance programme.

REWARDING OUR SHAREHOLDERS

Based on our financial performance, the Board has recommended a first and final tax-exempt one-tier dividend of 1.50 cents per ordinary share which will amount to a total dividend payment of S$9.01 million, subject to the shareholders' approval in the forthcoming Annual General Meeting. As with previous dividend payment, 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.

LOOKING AHEAD

The Group expects to remain profitable for the financial year 2018. Given the global economic conditions, the Group will continue to exercise prudence and adopt a cautious approach in relation to investment opportunities.

IN APPRECIATION

On behalf of the Board, I would like to extend our deepest gratitude to all our valued customers, clients, shareholders, partners and business associates for their support, confidence and trust. I also wish to thank my fellow Board members, management and all staff for their contribution, hard work and dedication. I would also like to thank Mr Khua Hock Su for his unwavering guidance, support, opportunity and advice to facilitate my transition for this financial year.

Thank You.

Sebastian Tan Cher Liang
Group Chairman

尊敬的股东们:

今年我接任集团主席职位,很荣幸地首次向各位股东致辞。截至2017年4月30日的财政年度(2017财政年度),集团面对经济逆风以及不确定的因素。全球民族主义和贸易保护主义在2017财政年度不断趋升,这些新趋势所带来的不确定性对全球的商业环境造成了负面影响。面对这些挑战,集团在2017财政年度的表现仍然保持盈利,继续为股东带来回报。

"鉴于全球经济形势,集团对投资机会将继续保持和采取谨慎的态度。"

显著发展

本年度,我们在三大核心业务板块中实现了几个里程碑,这三大核心业务分别是货运和物流业务,房地产业务和金融服务业务。

货运和物流业务

集团力争不断创新和发展基础设施建设,保持在货运和物流业中市场领导者的地位。同时我们的团队拥有专业的技术知识和坚实基础,严谨的安全控制标准,坚守对高品质服务的承诺。

集团于今年5月完成位于裕廊岛邦岩通道的单层溴储存仓库的建设工程,并获得临时使用许可证。这项扩建溴储存仓库工程是为一家跨国石油化工企业提供专业服务,租赁期为七年。

集团在港务局保税自由贸易区内,成功建立集装箱营运货站。这一战略举措加强了内部管理,提高仓储和货运整合能力及具备更完整的物流供应链。在全球航运业不明朗波动期间,让集团能够高效率灵活管理。

为提供更快更可靠的货运代理业务,集团新增开辟6个直运航线,它们分别是帝力港、达尔文港、莫尔兹比港、莱城港、瓦尔纳港以及布拉格港。同时,集团也在增强信息科技,发挥货运代理业务的潜能。

2017年7月,集团在协议安排下,成功收购澳大利亚证券交易所上市的宝金能源国际控股有限公司(澳洲股票代码BGG)的全部股权。其总部坐落于中国重庆市,一站式服务提供优质电煤给沿江地区的发电厂,业务包括开采生产、贸易销售、运输物流。此项收购将拓展延伸集团物流业务,发展船舶营运、大宗商品运输等,提高物流业务的投资收益。

房地产业务

自房地产纳入集团核心业务版块后,集团成功完成常熟高新技术工业园项目和江阴商品房的开发。集团将继续争取更多开发项目,增加可持续稳定收入来源。

2016年10月,集团在中国江阴市承建开发第三个房地产项目。该项目总占地面积30,249平方米,其中包括508套住宅单位,148套商业单位,400个地下停车位,70年使用权。截至今日,95%住宅单位已售出,预计2017年第三季度开盘销售商业单位。

2017年5月,江阴市朱家湾拆迁安置房承建项目完成,顺利交割予当地政府。

2017年3月,集团子公司Vibrant DB2 Pte Ltd与其他股东共同签署,以7.25亿新元出售GSH大厦资产。此协议已在2017年7月31月完成。

在市场需求,技术专长和融资等因素的考虑下,集团将以谨慎的决策,战略性地继续进行物业管理、发展与投资,维持可持续增长。

金融服务业务

在金融业务板块,集团继续提供专业的服务以面对市场需求。同时通过更好的资金管理,增加投资回报率。

由圣淘沙资本负责管理,投资于广泛主权和企业债券的《圣淘沙亚洲信贷基金》已被Eurekahedge独立机构授予2017年度最佳新加坡对冲基金奖,此奖项肯定基金在同行中的杰出表现,与此同时《圣淘沙亚洲信贷基金》也被提名为亚洲(除日本)最佳对冲基金奖。

绩效展示

2017财政年度,集团可分配于公司股东的净利润为340万新元。总资产持续增加达到10亿500万新元,净负债比率为0.76倍以及现金和现金资产持有为630万新元。截至2017年4月30日,集团的每股净资产值为61.66分、每股盈利0.59分。在2017年5月,集团已全部赎回2014年发行的新币1亿元4年4.6%固定利率债券。

股东回报

基于我们的财务表现,董事会已经建议每普通股颁发免税股息新币1.50分,分红总额高达901万新元。此建议将提交股东大会批准,与往年相同,股东可以选择全部以现金方式或者全部以配股方式兑现。

展望未来

集团预计在2018财政年度继续保持盈利。鉴于全球经济形势,集团对投资机会将继续保持和采取谨慎的态度。

致谢

在此,我谨代表董事会向我们尊敬的客户、股东以及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期以来对集团付出的积极努力与贡献。最后,我要感谢前主席柯福赐先生在过去给予我的指导和支持。

谢谢!

陈之亮
集团主席

Our Milestones

1981 – 1986

FOUNDATION

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

1987 – 1994

LATERAL EXPANSION

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

1995

LISTED ON SESDAQ

- Listed on the Singapore Stock Exchange secondary board

1997 – 2006

EXPANSION & STRENGTHENING CORE CAPABILITIES

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

2007 – 2012

STRATEGIC ALLIANCES

- Joint venture with Jiangyin Port to provide bonded warehouse services
- Joint venture 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

2013 – 2015

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 core 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

2016 till Today

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
- Successfully commenced new Container Freight Station operations within the Free Trade Zone at Keppel Distripark
- Subscription of 31% shareholding in Vibrant Pucheng (Chongqing) Logistics Co., Ltd by way of New Shares Placement
- Acquired Blackgold International Holdings Limited, a ASX-Listed, China-based producer of high value thermal coal

Review of Operations

FREIGHT AND LOGISTICS SERVICES

International Freight Forwarding

The Group continues to operate in a very challenging environment due to an overall decline in cargo volume in line with the global economic slowdown.

Profit growth from the air freight division remains positive with a 4.5% increase in gross profit. In order to further establish its presence in the air freight forwarding industry, the Group will continue its focus on expanding its customer base worldwide and its ability to handle shipments across various markets and geographical regions.

In relation to the sea freight division, the mergers of several major shipping lines have resulted in consolidation of cargo space, thereby increasing the shipping rates leading to a depressed profit earnings. In order to maintain a strong foothold in the sea freight business, the Group continues to expand its global freight network to connect its worldwide customers as well as develop information technology (IT) and automation infrastructure.

The Group opened new direct services to six destination ports, namely Dili, Darwin, Port Moresby, Lae, Varna, and Prague. This further established the ability to provide fast and reliable sea freight forwarding service with shorter transit time, enhancing its position in the provision of total logistic solutions to international customers.

The Group has also enhanced its IT capability and designed a website to enable customers to obtain immediate access to essential information. The website enables worldwide customers to check shipment rates, make bookings, track transhipment status and obtain e-Bill of Lading twenty-four seven at their convenience.

The Group has a proven track record of more than 30 years of providing integrated logistics services to its customers and is ready to take on the increasing demands to help its customers address complex logistics challenges.

Warehousing and Logistics

As part of the Group strategy, the Group has successfully commenced its new Container Freight Station operations within the Free Trade Zone at Keppel Distripark. This strategic initiative has allowed the Group to internally manage the vital operations of a truly integrated logistics provider with warehousing and freight consolidation capabilities. The new services are expected to improve efficiency, quality management as well as the Group's ability to take on higher yield projects.

The decline in oil & gas industry and global trade volumes continues to soften the demand for industrial space. The situation is aggravated by forecast of oversupply of industrial space for 2017 which is predicted to cause warehouse rates to fall. The Contract logistics business unit has focused on selected growth industries in the electronics, technology companies and healthcare segments to remain competitive in warehousing. It will also continue to innovate in its provision of a holistic range of supply chain services which includes warehousing transportation, managing inventory and other value-added services to adapt to the ever-changing business environment.

The Group's overseas joint venture in Jiangyin, China, achieved a 6.3% growth in the financial year by maintaining a high warehouse utilisation which stood at above 90% throughout the year. It also contributed to the positive growth of the Group through reorganisation of its transportation fleet as well as the incorporation of wine storage and distribution services. The Group will continue to tap into the increasing demand for integrated logistics and warehousing services in overseas growing markets, such as China and United Arab Emirates. The Group also retains an ongoing interest in e-commerce, by way of potential investments and strategic partnerships.

As a Group, it will continue to strategically explore new business opportunities that could leverage on its current warehousing and distribution services, global freight network and property infrastructure to boost its overall bottom line.

Chemical Logistics

With the increase in revenues from several short-term projects coupled with its initiatives in management of cost, the Group's financial performance improved as compared to the year before. The Group has also embarked on several new initiatives including new infrastructure for specialised chemical storage used for providing value-added logistical and warehousing services to large petrochemical companies located within Jurong Island.

The subsidiary in Malaysia also achieved continuous steady growth in revenue as they reap the fruits of the projects initiated in the previous years. The Group expects revenue to remain fairly stable from the existing customer base and will also be exploring new business opportunities both locally and overseas.

The Group is proud to have won the Gold award for the Distribution Code and an Achievement award for the Community Awareness and Emergency Response Code in 2017 SCIC Responsible Care Awards event. These awards recognise the Group's emphasis on safe work practices.

Review of Operations


Artist Impression

REAL ESTATE BUSINESS

Property Management

The Group provides real estate fund and property management services to Sabana Shari'ah Compliant Real Estate Investment Trust ("Sabana REIT") portfolio of 21 properties through our 51% controlling stake in Sabana Investment Partners Pte Ltd. Sabana REIT was established principally to invest in income-producing real estate and real estate-related assets. The portfolio of properties comprises high-tech industrial park, chemical warehouses, as well as general and logistics warehouse facilities. The Group is also the sponsor and largest unit holder of 10.43% in Sabana REIT, the world's largest listed Shari'ah compliant REIT with market capitalization of $484.4 million as at 12 July 2017. It was listed on the Singapore Exchange in November 2010.

Leveraging on its myriad of operations, the Group also continues to provide management services to its owned and leased warehouse and logistics properties. Such property management services include oversight of operations, conducting work audit and workplace health and safety requirements.

Property Development and Investment

The Group always has a strong foothold in development and investment in various types of industrial properties, either for its own use or by third parties. It continues to complement its comprehensive logistics services through provision of a range of logistics-related real estate services including build to suit, sale and leaseback, facility maintenance and management. During the year, the Group also continues to expand its activities in the development of commercial and residential properties.

Following the successful completion of Ximen's and Zhu Jia Wan's government housing project, the third public mixed residential cum commercial project (Xin He Wan) in Jiangyin, Jiangsu progressed well in accordance to plan. In less than 9 months upon the official launch of the residential units in November last year, 95% of the total 508 units have been sold.

In Changshu, Jiangsu, Fervent High Tech Industrial Park – a 6 blocks high end factory development with a built-up area of 126,000 sqm was completed in September 2015. As of today, 92% of the total areas had been leased by various well known MNCs. The remaining area is expected to be occupied by end of this year.

With regard to property investment, the Group has acquired several industrial properties as well as residential property from the secondary market. The Group acquires and holds these investments for both collection of rental as well as for buying and selling of properties.

In September 2016, the Group successfully divested 60% of its investment in the issued and paid up share capital of Ececil Pte. Ltd., which owns a property, Cecil House, in Singapore. This enabled the company to realise the fair value of its investment.

The Group also entered into a sale and purchase agreement in respect of the sale of the entire share capital of Plaza Ventures Pte Ltd, the registered owner and developer of the development project known as GSH Plaza, in Singapore. The sale and purchase was completed on 31 July 2017.

FINANCIAL SERVICES

Fund Management

The Group's fund management associate, Sentosa Capital Pte Ltd, has assets under its management which has grown close to US$63 million. It manages the Sentosa Asian Credit Fund which is a liquid Asian long/short credit hedge fund investing in both hard currency (US$/G3) and local currency denominated bonds issued primarily by Asian issuers. The Group invested US$30 million in April 2011 and it has grown by 46.2% to US$43.86 million as at 30 April 2017.

The fund is proud to have received the coveted award for Best Singapore-Based Hedge Fund at the 14th annual Eurekahedge Asian Hedge Fund Awards 2017. The Fund had also won the Eurekahedge Best Asian Hedge Fund ex-Japan and Best Asian Fixed Income Hedge Fund in 2015.

Financial Leasing Services

The Group is engaged in providing such specialised financial services, which extend to providing financial leasing and factoring services including hire purchase, equipment financing to customers in the equipment manufacturing and construction industries as well as receivables factoring in the jewellery market in the PRC. The Group seeks to expand on and deepen its range of specialised financial services so as to be in a position to capitalise on the increase in demand for such financial services.

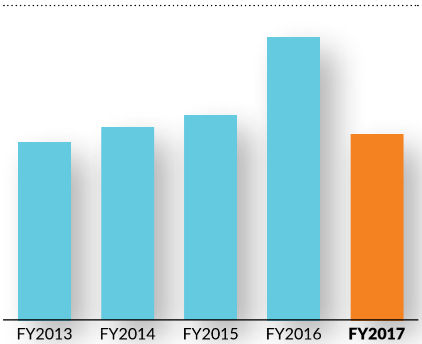
Group Financial Highlights

5-YEAR FINANCIAL SUMMARY

	FY2013	FY2014	FY2015	FY2016	FY2017
Operating Results					
Revenue ($'000)	176,634	191,422	203,204	280,731	**184,620**
EBITDA ($'000)	45,143	41,001	43,687	43,699	**53,573**
Pretax profit/(loss) ($'000)	44,849	47,583	29,165	32,386	**25,368**
Net Profit ($'000)	38,361	42,658	30,003	10,023	**3,422**
EBITDA margin (%)	25.56	21.42	21.50	15.57	**29.02**
Pretax margin (%)	25.39	24.86	14.35	11.54	**13.74**
Net margin (%)	21.72	22.28	14.76	3.57	**1.85**
Cash and Cash equivalents	39,175	82,982	23,260	23,088	**63,039**
Financial Position					
Total assets ($'000)	452,157	700,586	933,512	1,044,330	**1,051,025**
Total debt ($'000)	107,988	217,504	384,543	448,916	**344,296**
Debt/Assets (%)	23.88	31.05	41.19	42.99	**32.76**
Shareholders' equity ($'000)	231,879	358,392	372,296	371,171	**370,358**
Return on Assets (%)	8.48	6.09	3.21	0.96	**0.33**
Return on Equity (%)	16.54	11.90	8.06	2.70	**0.92**
Net debt: Equity (times)	0.30	0.38	0.97	1.15	**0.76**
Per Share Data					
Earnings (cents) – Basic	8.10	8.62	5.84	1.86	**0.59**
Earnings (cents) – Diluted	8.10	8.62	5.84	1.86	**0.59**
Dividend (cents)	2.50	2.75	2.75	1.80	**1.50**
Net tangible assets (cents)	47.63	71.08	71.31	66.94	**61.58**

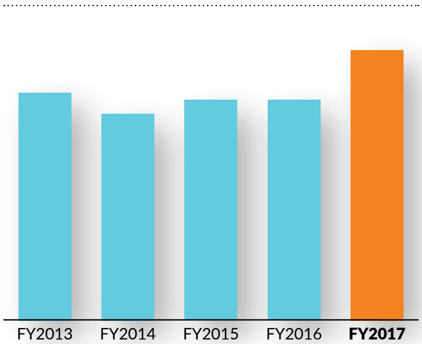
Revenue
($'000)

176,634 191,422 203,204 280,731 **184,620**



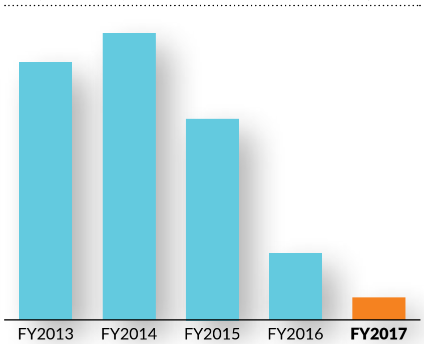
EBITDA
($'000)

45,143 41,001 43,687 43,699 **53,573**



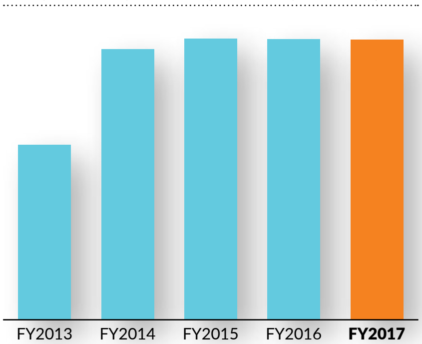
Net Profit
($'000)

38,361 42,658 30,003 10,023 **3,422**



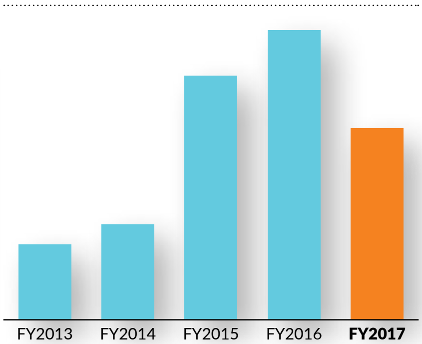
Shareholders' Equity
($'000)

231,879 358,392 372,296 371,171 **370,358**



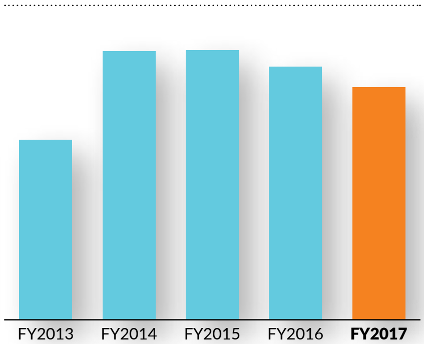
Net Debt: Equity
(times)

0.30 0.38 0.97 1.15 **0.76**



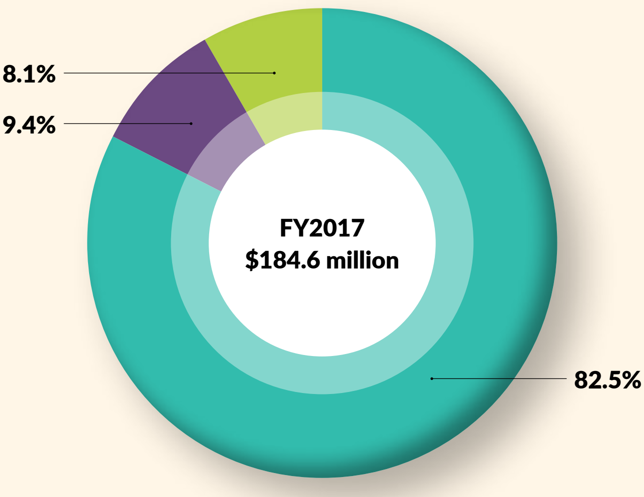
Net Tangible Assets
(cents)

47.63 71.08 71.31 66.94 **61.58**



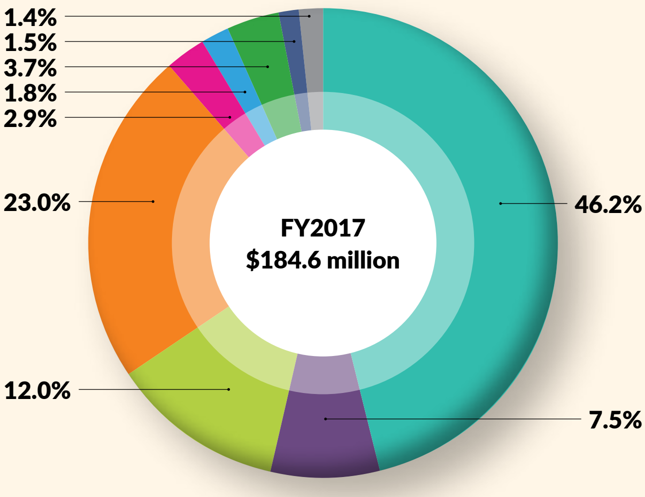
SEGMENTAL RESULTS

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 · Oceania · Europe · Middle East · Others

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

FREIGHT & LOGISTICS

	FY2016 $'000	FY2017 $'000
Revenue	158,923	**152,317**
Profit/(Loss) after tax	2,439	**(5,098)**

FINANCIAL SERVICES

	FY2016 $'000	FY2017 $'000
Revenue	17,478	**17,378**
Loss after tax	(11,613)	**(6,320)**

REAL ESTATE BUSINESS

	FY2016 $'000	FY2017 $'000
Revenue	104,330	**14,925**
Profit after tax	33,788	**42,846**

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

Group Corporate Structure

Vibrant Group Limited

FREIGHT & LOGISTICS

Warehousing & Logistics
- 100% Freight Links Logistics Pte Ltd
- 100% Freight Links E-Logistics Technopark Pte Ltd
- 100% Freight Links Express Logisticentre Pte Ltd
- 100% Freight Links Express Logisticpark Pte Ltd
- 100% Freight Links Properties Pte Ltd
- 100% Crystal Freight Services Distripark Pte Ltd
- 100% Freight Links Express Archivers Pte Ltd
- 65.5% Freight Links (Jiangsu) Co., Ltd
- 65.5% Jiangyin Huan Lian Int'l Trade Co., Ltd
- 100% San Lu Logistics Co., Ltd
- 20% Busan Cross Dock Co., Ltd
- 31% Vibrant Pucheng Logistics (Chong Qing) Co., Ltd

International Freight Forwarding
- 100% Freight Links Express Pte Ltd
- 100% Crystal Freight Services Pte Ltd
- 100% GLE Integrated Pte Ltd
- 49% Freight Links Express (Thailand) Co., Ltd
- 49% Freight Links Express International Co., Ltd
- 51% Freight Links M&S (H.K.) Ltd
- 100% Freight Links Express (M) Sdn Bhd
- 100% Freight Links Express (Pg) Sdn Bhd
- 21% Freight Management Holdings Berhad
- 25% MFL Logistics LLC
- 40% Wagon Links Pte Ltd

Chemical Storage & Logistics
- 51% LTH Logistics (S) Pte Ltd
- 51% LTH Distripark Pte Ltd
- 50.8% Lee Thong Hung Trading & Transport Sdn Bhd
- 40.8% Chemode Global Pte Ltd

Commodity Logistics
- 100% Blackgold International Holdings Limited
- 100% Blackgold Megatrade Pte Ltd
- 25.5% China Southwest Energy Corporation Limited

Others
- China GSD Logistics Pte Ltd (Convertible Preference Shares)

FINANCIAL SERVICES

REIT Management
- 51% Sabana Investment Partners Pte Ltd
- 51% Sabana Real Estate Investment Management Pte Ltd

Fund Management
- 30% Sentosa Capital Pte Ltd

Financial Leasing Services
- 51% Sinolink Financial Leasing Co., Ltd

Others
- 100% Singapore Enterprises Private Limited
- 65% Glory Capital Pte Ltd

REAL ESTATE BUSINESS

Property Development & Investment
- 60% Vibrant Properties Pte Ltd
- 36% DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd
- 48% Fervent Industrial Development (Suzhou) Co., Ltd
- 60% Vibrant Investment & Management (Shanghai) Co., Ltd
- 36% Master Development (Jiangyin) Co., Ltd
- 50% Saujana Tiasa Sdn Bhd
- 51% Vibrant DB2 Pte Ltd
- 51% Shentoncil Pte Ltd
- 20.4% Ececil Pte Ltd
- 21.4% Figtree Holdings Limited

Property Management
- 51% Sabana Property Management Pte Ltd

Board of Directors

SEBASTIAN TAN CHER LIANG

Independent Non-Executive Chairman

Mr Tan was appointed as Independent Non-Executive Director on 5 November 2003 and assumed the role of Independent Non-Executive Chairman on 1 July 2016. 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 to the company. 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.

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 the 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, chairman of Pei Tong Primary School advisory committee, and a board member of Tan Kah Kee Foundation and the school management committee of Catholic High School. He is an 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 the 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会主席，新加坡公教中学管理会委员及陈嘉庚基金理事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，2009年荣获福建省人民政府颁发《福建省捐赠公益事业突出贡献奖》。

HENRY CHUA TIONG HOCK

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 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.

THOMAS WOO SAI MENG

Executive Director and
Chief Investment Officer

Mr Woo is Executive Director and Chief Investment Officer of the Group. 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 November 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 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.

Board of Directors

KHUA HOCK SU

Group Advisor and Non-executive Director

Mr Khua was first appointed as Chairman of the Board in 2003. With over 60 years of experience in business, he was appointed as the group advisor in 2017 after stepping down as Chairman. He is also a member of the Audit Committee and Remuneration Committee.

Mr Khua is currently the Group Chairman of Lian Hup Group. 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 The Singapore Buddhist Lodge. He is an honorary president of Nanyang Kuah Si Association and an honorary committee member of Singapore Metal and Machinery Association.

柯福赐先生今年荣退集团主席职位，委任集团顾问。目前柯先生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。

DEREK LOH EU TSE

Independent Non-Executive Director

Mr Loh was appointed as Independent 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 the University of Cambridge 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"), the Board of Governors of SJI International and also a trustee and a member of the Management Committee of the SJI Foundation.

Senior Executives

VIBRANT GROUP LIMITED

1 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. Mr Chan has more than 38 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.

2 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 30 years of working experience in finance, taxation and accounting, of which 23 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.

3 LAWRENCE SIM KAY SIN
Executive 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 Group. In 2016, Mr Sim was promoted to Executive Vice President.

Mr Sim has over 30 years of experience in operations, sales and marketing, business development and management in various industries. Together with the Management Team in Singapore, he takes lead in overseeing the logistics and real estate business development and operations in Jiangyin, Changshu, Chongqing and across China. Mr Sim has been instrumental in strategizing and formulating the "Multi-modal transportation and logistics services platform" centered in Chongqing under the Government to government connectivity pilot project alongside with the China's "One Belt One Road" initiative.

4 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 worked with a leading express and logistics company for several 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

5 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 over 10 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 the Royal Melbourne Institute of Technology.

6 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 19 years of experiences in software solution and development. Prior to joining the group, Mr Kow worked with a leading local Singapore based third party logistics provider in areas of product development of logistics software.

FREIGHT & LOGISTICS

7 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 33 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.

8 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 29 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 and 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.

9 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 had over 15 years of senior management experience in the manufacturing sector overseeing corporate strategy, business development, operations, human resource and finance functions. 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.

10 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 35 years of experience in freight operations.

11 ADRIAN CHIA SENG CHYE
Vice President (Consolidation & Marketing)
Freight Links Express Pte Ltd

Mr Chia is the Vice President (Consolidation & Marketing) of Freight Links Express and is responsible for the Consolidation and marketing activities of Freight Links Express. Mr Chia joined Freight Links Express in September 1988 and has more than 28 years of experience in sales and marketing.

12 JAMES LEONG WENG YU
Vice President (Consolidation)
Freight Links Express Pte Ltd

Mr Leong has more than 42 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 31 years of experience in freight consolidation, operations, marketing and claims administration.

13 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 20 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.

14 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.

15 VINCENT SEE CHIN HOK
Vice President
Freight Links Logistics Pte Ltd

Mr See joined the Group in January 1997 and has more than 38 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.

16 SIM EE HUEY
Assistant Vice President
Freight Links Logistics Pte Ltd

Mr Sim joined the Group in July 2003 and moved up the ranks to become Assistant Vice President in July 2012. Within the Group, Mr Sim has taken on development portfolios for logistics, warehousing property and documents management services. He is currently assisting in business development and operations for logistics services. Mr Sim holds a Bachelor of Science (Mechanical Engineering) from the National University of Singapore.

Senior Executives

17 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 21 years of executive management experience in supply chain, logistics, transport and freight forwarding industries, Mr Law possesses a unique range of skills and experience delivering best practice management and leadership.

Prior to joining the Group, 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.

REAL ESTATE

ERIC KHUA KIAN KEONG
Executive Director and Chief Executive Officer

Mr Khua has more than 22 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 obtained Bachelor of Science degree in Electrical Engineering from the University of the Pacific, USA.

HENRY CHUA TIONG HOCK
Executive Director and Chief Corporate Development Officer

Mr Henry Chua has more than 23 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.

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

FINANCIAL SERVICES

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 a Master of Business Administration in Finance from the University of California, Los Angeles.

WANG YIXIN
General Manager
Sinolink Financial Leasing Co.,Ltd

Mr Wang was appointed as General Manager on 21 July 2017. Before this appointment, he served as Director of the Port Affairs Bureau and the Assistant Director of Wuxi Jiangyin Lingang Economic Development Zone from February 2006 to September, 2015. Mr Wang has been a Non-Executive Director of Comtec Solar Systems Group Limited since October, 2016.

Mr Wang has more than 20 years of working experience in finance, operation and project management. Mr Wang passed the professionals qualification test of the securities industry organized by the Securities Association of China in June 2015. Mr Wang graduated from Xi'an Jiaotong University with a Bachelor of Industrial Electric Automation in July 1994 and obtained a Master of Business Administration from Nanjing University in June 2001.

Corporate Social Responsibility

While Vibrant Group seeks growth, we also believe in contributing generously back to the community. Through various aspects, Vibrant Group aspires to bring betterment to our community.

Vibrant group has consistently supported beneficiaries such as the Singapore Thong Chai Medical Institution. The medical institution adhere to its founding principles of providing free medicines and service regardless of race, religion or nationality, especially for the pioneer generation. To appreciate the pioneers who have contributed in building the nation we live in today, Vibrant group has been donating to Singapore Thong Chai Medical Institution for the past years.

The group's spirit of giving also benefited other community charities, such as Chua Chu Kang CCC Community Development and Welfare Fund, Loving Heart Multi-Service Centre (Jurong) and Tan Kah Kee Foundation & International Society. Vibrant Group also attended National Day Dinner organized by Telok Blangah Community Club and CNY Charity Drive organized by UOB to celebrate with the community. These communities seek to provide the less fortunate with assistance through various initiatives. Such initiatives includes fund raisings, free tuitions, free breakfast schemes, free medical services, enrichment classes and scholarships etc. These actions portray Vibrant Group's commitments in supporting our community.

Vibrant Group shares the same belief with Pro Bono Services Office (Law Society of Singapore), in bringing free legal assistance to those in our community. The Pro Bono Services Office is an initiative by the Law Society of Singapore with a mission to ensure access to justice for all. Vibrant Group supports the initiative with donations to Pro Bono Services Office. The group believes such financial resources are able to support the needy in their legal assistance.

In addition to contributing to local community, the group also initiated an international educational tour program to welcome overseas undergraduates to Singapore to understand our best practices. As such, Vibrant Group reached out to overseas universities to share industrial experiences and knowledge. The educational tour organized was a success with 46 undergraduates from King Mongkut's University of Technology (Thailand) visiting our warehouses and offices. Being enrolled in Warehousing Management Course, the short educational tour provided the undergraduates with realistic exposure of warehousing operations and its working environment. Such interactions further developed their interest in the logistic industry. The group appreciates their visit and interest and will always keep our doors open for more educational tours.

LTH Logistics (S) Pte Ltd, the chemical logistics arm of the Vibrant Group, places a strong emphasis on safety in its operations. It understands the relevance and implications of safe work practices on its stakeholders. This year, it further cultivates a safe work environment within the organization by placing an emphasis on safety consciousness both inside and outside of the workplace. Essentially, LTH believes that the long term sustainability of safe work behavior rests with shaping and influencing an individual's values and attitudes. By sharing safety tips relating to their personal life, LTH aims to inculcate in its employees a stronger sense of vulnerability and care in their behaviors outside work so that they can bring this same behavior and action to the workplace.

LTH's efforts continues to be recognized by the Singapore Chemical Industry Council (SCIC). It was presented with both the Distribution Code Gold and Community Awareness and Emergency Response Achievement awards for its continuous display of strong community spirit and safe work practices.

Through various aspects, Vibrant Group is dedicated in contributing to the community by sharing with the less fortunate. We give our part in building a better community as what goes around, comes around. These engagements make our community an even vibrant place to live in.

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

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

for the financial year ended 30 April 2017

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 2017.

Guide	Compliance with the code
	The Board, after making due inquiries, believes that the Company has complied in all material aspects with the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "Code"). We show details of our compliance in this report. As required by the Listing Manual of the Singapore Stock Exchange Securities Trading Limited ("SGX-ST"), this report has been prepared with specific reference to each Guideline of the Code.
I. BOARD MATTERS	
	The Board plays a pivotal role in overseeing the Group's overall strategy and business direction and is collectively responsible for the Group's long-term success. The Management has been providing Directors with full and timely information to assist the Directors in the fulfillment of their responsibilities.
Principle 1: Effective Board to Lead and Control the Company	
1.1	**Board's Role** 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.
1.2	**Objective Decision Making** 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.
1.3	**Delegation of Authority to Board Committees** 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.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
1.4	**Meetings of Board and Board Committees and Directors' Record of Attendance** 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 2017, as well as the frequency of such meetings is disclosed below.

Name of Director	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
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
Khua Hock Su	4	4	4	4	1	1	–	–
Derek Loh Eu Tse	4	4	4	4	1	1	1	1

Guide	Compliance with the code
1.5	**Internal Guidelines on Matters Requiring Board Approval** The Board of directors objectively takes 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.
1.6	**Continuous Training and Development of Directors** All newly appointed Directors will undergo an orientation programme where the Director would be briefed by the Chairman and Chief Executive Officer ("CEO") on the Group's strategic direction, governance practices, business, organisation structure and recent financial performance as well as the expected duties of a director of a listed company. All newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will attend the training at the Singapore Institute of Directors or any other relevant courses. The management will keep the Directors up-to-date on pertinent developments in the business including changes in laws and regulations, code of corporate governance, financial reporting standards and industry related matters. To enable the Directors to equip themselves to effectively discharge their duties and to enhance their skills and knowledge, the Management informed the Directors of relevant training programs, seminars and workshops organized by various professional bodies and organisations.
1.7	**Letter to Director on Appointment** Upon appointment of each Director, a letter setting up his/her duties and responsibilities is issued to the Director. Directors are given appropriate orientation and briefings by the Management on the business activities of the Group, its strategic directions, and the Company's corporate governance policies and practices when they are first appointed to the Board. No new Director was appointed during the year under review.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
Principle 2: Independent Element on the Board	
2.1	**Independent Element of the Board** The NC determines the independence of each Director annually. An Independent Director is one who has no relationship with the Company, its related companies, its 10% shareholders (as defined in the Code) or its officers that can interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement to the best interests of the Company. Currently, half of 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.
2.2	**Composition of Independent Directors on the Board** The Group's chairman Mr Sebastian Tan Cher Liang is a Non-executive, Independent Director and is not related to the CEO. Mr Derek Loh Eu Tse has also been appointed as non-executive, independent director. Both have made themselves available to shareholders at the Company's general meeting.
2.3	**Independence of Directors** The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code. The NC has assessed the independence of Mr Sebastian Tan Cher Liang and Derek Loh Eu Tse, and is satisfied that there is no relationship or other factors such as gifts or financial assistance, past association, business dealings, representative of shareholder, financial dependence, relationship with the Group or the Group's management, etc. which would impair their independent judgement.
2.4	**Independence of Directors Who Have Served on the Board Beyond Nine Years** 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.
2.5	**Composition and Size of the Board** The NC conducted its annual review on the composition of the Board which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences are extensive. Taking into account the scope and nature of the operations of the Group, it is the NC's considered opinion that the current Board composition and size are appropriate and as a group, the Directors provide relevant competencies to facilitate effective decision making for the existing needs and demands of the Group's businesses. Details of the Directors' qualifications, background and working experience, principal commitments and shareholdings in related corporations are found under the "Directors' Profile" section of this Financial Report. The Board's decision-making process is not dominated by any individual or small group of individuals. The Board members for the financial year ended on 30 April 2017 are as follows: **Name of Director** — **Nature of Appointment** Sebastian Tan Cher Liang — Non-executive, Independent Eric Khua Kian Keong — Executive, Non-independent Henry Chua Tiong Hock — Executive, Non-independent Thomas Woo Sai Meng — Executive, Non-independent Khua Hock Su — Non-executive, Non-independent Derek Loh Eu Tse — Non-executive, Independent

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
2.6	**Competency of the Board** The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. 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. The NC conducted its annual review of the Directors taking into account their respective areas of specialisation and expertise, and was satisfied that members of the Board as a whole possess the relevant core competencies and experiences in areas such as industry knowledge, strategic planning, business management, finance and accounting, and human resources. Profiles of directors are found on this Annual Report.
2.7	**Role of Non-Executive Directors** 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.
2.8	**Regular Meetings of Non-Executive Directors** 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 matter that must be raised privately. During the year, Independent Directors met regularly and on an ad hoc basis with the CEO and senior management team as well as other Non-Executive Directors to discuss challenges facing by the Group. The Company also benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committees meetings.
Principle 3: Clear Division of Responsibilities and Balance of Power and Authority	
3.1	**Separate Role of Chairman and CEO** 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.
3.2	**Roles and Responsibilities of Chairman** The Chairman, Mr Sebastian Tan Cher Liang 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 high standards of corporate governance. He also ensures effective communication with shareholders and encourages constructive relations within the Board and between the Board and Management. Prior to each Board meeting, the Chairman determines the agenda for the meeting and instructs the Company Secretary to disseminate it to all Directors at least 7 days before the meeting. He leads the meetings and ensures full discussion of each agenda item, as appropriate. The Chairman ensures that Board members engage the Management in constructive debate on various matters including strategic issues. He also oversees the quality and timeliness of information flow between the Management and the Board. 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.
3.3	**Appointment of Lead Independent Director** 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 Chairman is a non-executive, independent director and is not related to the CEO. 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.

Corporate Governance Report (cont'd)
for the financial year ended 30 April 2017

Guide	Compliance with the code
3.4	**Lead Independent Director to Lead in Periodical Meetings Amongst Themselves** Although no Lead Independent Director has been appointed, the Company's Independent Directors conferred among themselves when necessary, without the presence of the other Directors, and the Independent Directors did provide feedback to the Chairman after such meetings as appropriate. In addition, Independent Directors also met regularly and on ad hoc basis with the CEO and senior management team as well as other Non-Executive Directors to discuss challenges facing the Group.
Principle 4: Formal and Transparent Process for the Appointment of Directors to the Board	
4.1	**NC Membership and Key Terms of Reference** 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) The NC is guided by key terms of reference as follows: • Make recommendation on all Board and Board committee appointments and re-appointments; • Determine the performance criteria and evaluation process for assessing the performance of the Board, the Board committees and individual Directors; • Determine on an annual basis whether or not a Director is independent; • Review and recommend training and professional development programs for the Directors; • Set guideline on multiple board representations; and • Assess whether or not a Director is able to and has been adequately carrying out his duties.
4.2	**Responsibilities of NC** 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. It reviews of board succession plans for directors, in particular, the Chairman and for the CEO. It also develops the process for evaluation of the performance of the Board, its Board committees and Directors. The NC has endorsed the provision of training and professional development programs for the Board in the manner as described under Guideline 1.6.
4.3	**NC to Determine Directors' Independence** The NC conducted an annual review of the independence of the Directors as mentioned under Guidelines 2.3 and 2.4 above based on their declarations of independence (or otherwise), which were drawn up based on the guidelines provided under the Code. As and when circumstances require, the NC will also assess and determine a Director's independence.
4.4	**Commitments of Directors Sitting on Multiple Boards** 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. The NC has reviewed each Director's outside directorships and their principal commitments as well as each Director's attendance and contributions to the Board. Despite the multiple directorships of some Directors, the NC is satisfied that the Directors spent adequate time on the Company's affairs and have carried out their responsibilities.
4.5	**Appointment of Alternate Directors** Currently, the Company does not have any alternate Director.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
4.6	**Process for the Selection and Appointment of New Directors** 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. 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.
4.7	**Information on Directors** Key information of each member of the Board including directorships and chairmanships both present and those held over the preceding three years in other listed companies, other major appointments, academic/professional qualifications, memberships/chairmanships in the Company's Board committees, date of first appointment, last re-election and other relevant information, can all be found under the "Directors' Profile" section of this Annual Report. All Directors, including the Chairman of the Board and CEO, submit themselves for re-election at regular intervals of about once every three years. One-third of the Directors will retire at the Company's AGM each year. Profile of the Directors seeking election or re-election is provided on the notice of AGM.
Principle 5: Assessment of the Effectiveness of the Board	
5.1	**Board Performance** The Company has implemented a formal process to evaluate the performance of the Board as a whole and its ability to discharge its responsibilities in providing stewardship, corporate governance and oversight of Management's performance. The NC evaluates the Board's performance as a whole on an annual basis. For the year under review, all Directors have completed Board performance evaluation forms to assess the overall effectiveness of the Board. To ensure confidentiality, the evaluation returns completed by all Directors were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's performance for the year.
5.2	**Performance Criteria for Board Evaluation** The NC has implemented a process for evaluating the effectiveness of the Board as a whole and its Board Committees, the contribution by each individual Director to the effectiveness of the Board, and the effectiveness of the Chairman of the Board. The NC has established objective criteria to evaluate the Board's performance. 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.

Corporate Governance Report (cont'd)
for the financial year ended 30 April 2017

Guide	Compliance with the code
5.3	**Evaluation of Individual Director** Evaluation of individual Director's performance is a continuous process. The assessment of director is based on criteria such as relationship with the Company, experience in being a company director and various competencies and knowledge and wealth of experience. The NC together with the Chairman of the Board evaluates the effectiveness of the Board in monitoring management's performance against the goals that have been set by the Board.
Principle 6: Board Members Should Be Provided with Complete, Adequate and Timely Information	
6.1	**Board's Access to Information** To enable the Board to make informed decisions and to fulfil its responsibilities, the Management provides complete, accurate and adequate information in a timely manner. A system of communication between the Management and the Board and Board committees has been established and improved over time. The Board, its committees and every Director have separate and independent access to the Management and are free to request for additional information as needed to make informed decisions.
6.2	**Provision of Information to the Board** 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. In respect of budgets, any material variance between the projections and actual results are disclosed and explained.
6.3	**Board's Access to the Company Secretary** 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.
6.4	**Appointment and Removal of Company Secretary** The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows: • Ensuring that Board procedures are observed and that the Company's regulations, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the SGX-ST Listing Manual, are complied with; • Assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value; • Assisting the Chairman to ensure good information flows within the Board and its committees and key management personnel; • Facilitating orientation and assisting with professional development as required; • Attending and preparing minutes for all Board meetings; • As secretary to all the other Board Committees, assisting to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and • Assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.
6.5	**Board's Access to Independent Professional Advice** 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.

Corporate Governance Report (cont'd)
for the financial year ended 30 April 2017

Guide	Compliance with the code
II.	**REMUNERATION MATTERS** Matters concerning remuneration of the Board, senior executives and other employees who are related to the controlling shareholders and/or our Directors (if any) are handled by the RC whose primary function is to establish formal and transparent policies on remuneration matters in the Company. Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this Report and in the Financial Statements of the Company and of the Group.
Principle 7: Procedures for Developing Remuneration Policies	
7.1	**Remuneration Committee** 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 is guided by key terms of reference as follows: • Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework; • Review annually the remuneration packages of employees who are related to any of the Directors or any substantial shareholder of the Group; and • Establish appropriate remuneration framework to motivate and retain Directors and executives, and ensure that the Company is able to attract appropriate talent from the market in order to maximise value for shareholders.
7.2	**Remuneration Framework** To attract, retain and motivate Directors and employees, the RC establishes appropriate remuneration frameworks for the Directors and employees of the Company. Such frameworks are being reviewed periodically to ensure that they remain relevant. 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. Directors' fees are established annually for the Chairman and the other Directors. Additional fees are paid for participation in Board Committees. The level of fees takes into account the size and complexity of the Company's operations, and the responsibilities and workload requirements of Directors. The fees are submitted to shareholders for approval at each AGM. The CEO, being an Executive Director, does not receive Director's fee. The RC reviewed and approved the remuneration package (which includes salaries, allowances, bonuses and benefits-in-kind) of the Executive Director after considering inter alia the achievement of his KPIs. In addition, the RC reviewed the performance of the Group's senior executives (excluding those employed by the listed subsidiary which has its own remuneration committee), taking into consideration the CEO's assessment of and recommendation for bonus and remuneration. No member of the RC was involved in deciding his own remuneration.

Corporate Governance Report (cont'd)

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Guide	Compliance with the code
7.3	**RC's Access to Advice on Remuneration Matters** 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.
7.4	**Service Contract** The Company's obligations in the event of termination of service of Executive Director and key management personnel are contained in their respective employment letters. The RC was satisfied that termination clauses therein are fair and reasonable to the respective employment class and are not overly generous.
Principle 8: Level and Mix of Remuneration	
8.1	**Remuneration of Executive Director and Key Management Personnel** 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. It has taken account of risk policies of the company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. For the purpose of assessing the performance of the Executive Director and key management personnel, KPIs in both financial and non-financial targets are clearly set out at the beginning of each financial year. Financial targets include net profit, return on total assets and return on shareholders' equity. Non-financial targets are those related to reputation, customers, employees, environment, community and sustainable future. Such KPIs comprise also both quantitative and qualitative factors as well as short and medium term targets. As stipulated in the Company's remuneration framework, Executive Director and key management personnel of the Group do not receive directors' fees from the Company or from its subsidiaries/associated entities if they are appointed to these boards. In addition, the Company's remuneration structure takes into consideration benchmarks in comparable size of entities in similar industries.
8.2	**Long-term Incentive Scheme** The Executive Director and key management personnel are moderately compensated, the RC is of the view that there is no requirement to have any long-term incentive scheme or schemes involving the offer of shares or grants of options or other forms of deferred remuneration.
8.3	**Remuneration of Non-Executive Directors** 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 Non-executive Directors are compensated reasonably without their independence being compromised. The Group does not have any scheme to encourage Non-executive Directors to hold shares in the Group.
8.4	**Contractual Provision to Reclaim Incentive Components of Remuneration** Having reviewed and considered the variable components of the Executive Director and key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years.

Corporate Governance Report (cont'd)

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Guide	Compliance with the code
Principle 9: Disclosure on Remuneration	
9.1	**Remuneration Report** The breakdown of the level and mix of remuneration of each Director and the top senior executives for the financial year ended 30 April 2017 are set out below. A significant portion of senior executives' remuneration is linked to corporate and individual performance.
9.2	**Remuneration of Directors** A summary of the remuneration of each Director which is paid or payable by the Company for FY2017 is set out below:

Directors	Mix of Remuneration by %			
	Salary	**Bonus**	**Directors' fees**	**Total**
$500,000 to $750,000				
Eric Khua Kian Keong	74.0	25.3	0.7	100
$250,000 to $499,999				
Henry Chua Tiong Hock	74.3	12.9	12.8	100
Thomas Woo Sai Meng	74.1	15.8	10.1	100
Below $250,000				
Khua Hock Su	–	–	100	100
Sebastian Tan Cher Liang	–	–	100	100
Derek Loh Eu Tse	–	–	100	100

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

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.

Guide	Compliance with the code
9.3	**Remuneration of Top 5 Key Management Personnel** The table below sets out the ranges of gross remuneration received by the top 5 key management personnel of the Group excluding those in associated companies.

Senior Executives	Mix of Remuneration by %			
	Salary	**Bonus**	**Directors' fees**	**Total**
Below $300,000				
Alex Ng Boon Chuan	86.3	13.7	–	100
Below $250,000				
Charles Chan Choong Poh	92.1	7.9	–	100
Simon Sim Geok Beng	86.7	13.3	–	100
Lawrence Sim Kay Sin	73.6	26.4	–	100
Don Tang Fook Yuen	87.7	12.3	–	100
Total Remuneration of top 5 Senior Executives	$1,005,670 85.3%	$174,014 14.7%	–	$1,179,684 100%

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

Corporate Governance Report (cont'd)
for the financial year ended 30 April 2017

Guide	Compliance with the code
9.4	**Employee Related to Directors/CEO** Immediate family members of Directors

	Mix of Remuneration by %			
	Salary	**Bonus**	**Directors' fees**	**Total**
$150,000 to $200,000				
Don Tang Fook Yuen	87.7	12.3	–	100

Guide	Compliance with the code
	Don Tang Fook Yuen is the brother-in-law of CEO and son-in-law of Mr Khua Hock Su, Non-Executive Director.
9.5 & 9.6	**Employee Share Scheme** The Company does not have any employee share/stock options scheme or any other long-term incentive scheme during the financial year ended 30 April 2017.
III.	**ACCOUNTABILITY AND AUDIT** The Board recognises the importance of providing accurate and relevant information on a timely basis. In this respect, the AC reviews all financial statements and recommends them to the Board for approval. In addition, the AC ensures that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks.
Principle 10: Presentation of a Balanced and Understandable Assessment of the Company's Performance, Position and Prospects	
10.1	**Accountability for Accurate Information** 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.
10.2	**Compliance with Legislative and Regulatory Requirements** During the year, the Board reviewed quarterly reports from the Management regarding compliance by business units with all the Group's policies, operational practices and procedures, and relevant legislative and regulatory requirements. The Company had pursuant to Listing Rule 720(1), received undertakings from all its Directors and executive officers in the form set out at Appendix 7.7 of the Listing Manual, *inter alia*, that they each shall, in the exercise of their powers and duties as directors and officers (as the case may be) comply to the best of their abilities with the provisions of the Exchange's listing rules, the Securities and Futures Act, the Code on Takeovers & Mergers, and the Companies Act and will also procure the Company to do so.
10.3	**Management Accounts** 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)

for the financial year ended 30 April 2017

Guide	Compliance with the code
Principle 11: Risk Management and Internal Controls	
11.1	**Risk Management and Internal Control Systems** The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets. The AC oversees and ensures that such system has been appropriately implemented and monitored. The Group has been carrying out its risks management functions using the Enterprise Risk Management ("ERM") framework which is in line with ISO 31000 – Risk Management Principles and Guidelines and the recommended best practices standard. The framework is reviewed regularly taking into account changes in the business and operation environments as well as evolving corporate governance requirements. Risks that affect the achievement of the business objectives and financial performance of the Group over a short-to-medium term are summarised in the Group Risks Register which currently comprises a total of 24 risks that have been identified and are being plotted according to their aggregated likelihood and consequential impact to the Group as a whole. In addition, the Group's risk appetite and risk tolerance are being classified into 4 acceptable categories entailing the tolerable exposures as well as those requiring close attention. The Board also reviewed the individual business unit's key risk profiles and their potential impact to the Group. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.
11.2	**Adequacy and Effectiveness of Risk Management and Internal Control Systems** 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.
11.3	**Board's Comment on Adequacy and Effectiveness of Internal Controls** Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management and various Board Committees, the Board is satisfied that adequate internal controls have been maintained on information technology and risk management system, and internal controls, including financial, operational, compliance and information technology controls, and risk management systems are effective. For the financial year under review, 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 and its effectiveness of the company's risk management and internal control systems.
11.4	**Risk Committee** The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Company's business and operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not currently required.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
Principle 12: Establishment of Audit Committee with Written Terms of Reference	
12.1	**AC Membership** 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)
12.2	**Expertise of AC Members** 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.
12.3 & 12.4	**Roles, Responsibilities and Authority of AC** The AC is guided by the following key terms of reference: • review the Company's quarterly and annual financial statements, and any announcements relating to the Company's financial performance; • review the audit plan of the Company's external auditors and adequacy of the system of internal accounting control; • review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any formal announcements relating to the Company's or Group's financial performance; • review related party transactions and interested person transactions to ensure compliance with the regulations set out in the SGX Listing Manual; • review the scope and results of the external audits, their cost effectiveness, and the independence and objectivity of the external auditors; • nominate external auditors for appointment or re-appointment, and review the remuneration and terms of engagement of the external auditors; • review the internal audit programme including the scope and results of the internal audit procedures, and management response to the recommend actions; • review the independence and resource capability of the internal auditors, and the adequacy and effectiveness of internal audits; • approve the appointment or re-appointment, evaluation and remuneration of the internal auditors; • review and report to the Board on the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls, and risk management systems; 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.
12.5	**External and Internal Auditors** During the year, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. They also met separately with the AC without the presence of Management.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
12.6	**Independence of External Auditors**

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.

A breakdown of the fees paid to the external auditors for audit and non-audit services can be found in the Notes to the Financial Statements in this Annual Report and as disclosed in the table below:

External Auditor Fees for FY2017	$'000	% of Total Fees
Total Audit Fees	586	92.7
Total Non-Audit Fees	46	7.3
Total Fees Paid	**632**	**100.0**

Guide	Compliance with the code
12.7	**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.
12.8	**AC to Keep Abreast of Changes to Accounting Standards** 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.
12.9	**Cooling-off Period for Partners or Directors of the Company's Auditing Firm** No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.
Principle 13: Internal Audit	
13.1 & 13.2	**Internal Auditors** 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.
13.3 & 13.4	**Internal Audit Function** The Company's internal audit function is independent of the activities it audits. The internal auditor, Alfred PF Shee & Co is a corporate member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience. Our engagement with Alfred PF Shee & Co stipulates that its work shall comply with the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") issued by the Institute of Internal Auditors.
13.5	**Adequacy and Effectiveness of Internal Audit Function** 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.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
IV.	**SHAREHOLDER RIGHTS AND RESPONSIBILITIES** The Company believes in treating all shareholders fairly and equitably by recognising, protecting and facilitating the exercise of shareholders' rights and continuously reviewing and updating such governance arrangements. In addition, the Company embraces effective as well as fair communication with its shareholders and encourages shareholders to participate at general meeting(s).
Principle 14: Shareholder Rights	
14.1	**Sufficient Information to Shareholders** 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.
14.2	**Providing Opportunity for Shareholders to Participate and Vote at General Meetings** 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.
14.3	**Proxies for Nominee Companies** The Constitution of the Company allow a shareholder of the Company to vote in person or 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.
Principle 15: Communication with Shareholders	
15.1	**Communication with Shareholders** The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. An investor relations contact was provided via the Company's website which stakeholders can use to voice their concerns or complaints about possible violation of their rights. Material information is communicated to shareholders on a timely and non-selective basis.
15.2	**Timely Information to 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. Where there is inadvertent disclosure made to a select group, the company will make the same disclosure publicly to all others as promptly as possible on the company's website. In addition, the Company regularly updated the website at www.vibrant.com.sg for disseminating information to and improving communication with shareholders.
15.3	**Regular Dialogue with Shareholders** General meetings have been and are still the principal forum for dialogue with shareholders. At these meetings, shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views or input and address shareholders' concerns at general meetings.
15.4	**Soliciting and Understand Views of Shareholders** To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation. Further, Management would meet analysts and fund managers as appropriate.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

Guide	Compliance with the code
15.5	**Dividend Policy** The Company does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's performance in the relevant financial period, cash position, projected capital requirements, working capital requirements and others factors as the Board may deem appropriate.
Principle 16: Conduct of Shareholder Meetings	
16.1	**Effective Shareholders Participation** To facilitate shareholders' effective participation at AGMs, shareholders are encouraged to refer to the SGX's investor guides, namely "An Investor's Guide to Reading Annual Reports" and "An Investor's Guide to preparing for Annual General Meetings". The guides, in both English and Chinese, are available at the SGX website. Notice of general meetings are announced via SGXNET and published in the newspapers, the notice of general meetings and annual reports or circulars are despatched to Shareholders within the time notice period as prescribed by the regulations. Shareholders are encouraged to attend the general meeting as this is the principal forum for any dialogue they may have with the directors and management of the Company. The Board welcomes views and questions from shareholders and the Chairman of the Board, members of the AC, NC and RC are present and available to address questions at general meetings. The External Auditors are also present to assist the Board.
16.2	**Separate Resolutions at General Meetings** 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.
16.3	**Attendees at General Meetings** 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.
16.4	**Minutes of General Meetings** 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.
16.5	**Voting by Poll at General Meetings** 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 in its AGM. The detailed results of each resolution are announced via SGXNET after the general meetings.

Corporate Governance Report (cont'd)

for the financial year ended 30 April 2017

COMPLIANCE WITH APPLICABLE MAINBOARD RULES	
Mainboard Rule	**Rule Description and Company's Compliance or Explanation**
907	**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 2017, 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 38 on Page 140 of the Annual Report are not interested person transactions within the ambit of Chapter 9 of the Listing Manual.
1207(19)	**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.
1207(20)	**UPDATE ON USE OF PLACEMENT PROCEEDS** On 20 September 2016, the Company raised S$9,880,000 (or net proceeds of S$9,840,000) from the placement of 26,000,000 new ordinary shares at S$0.38 each in the issued and paid-up share capital of the Company (the "Placement"). As announced by the Company on 26 October 2016, the Company has fully utilised the net proceeds as follows:

	Actual S$ million	**Intended S$ million**
Net Proceeds	9.84	9.84
Less:		
– Repayment of bank borrowings	(8.00)	(8.00)
– General working capital	(1.84)	(1.84)
	–	

The use of the net proceeds is in accordance with the intended use for the Placement as stated in the Company's placement announcements dated 18 August 2016.

On 25 May 2017, the Company raised S$26,600,000 (or net proceeds of S$26,562,000) from the placement of 70,000,000 new ordinary shares at S$0.38 each in the issued and paid-up share capital of the Company (the "Placement"). As announced by the Company on 13 July 2017, the Company has fully utilised the net proceeds as follows:

	Actual S$ million	**Intended S$ million**
Net Proceeds	26.56	26.56
Less:		
– Repayment of bank borrowings	(10.00)	(10.00)
– Acquisition of Blackgold International Holdings Limited	(16.56)	(16.56)
	–	

The use of the net proceeds is in accordance with the intended use for the Placement as stated in the Company's placement announcements dated 5 May 2017.

FINANCIAL STATEMENTS

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 2017.

In our opinion:

(a) the financial statements set out on pages 55 to 142 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 2017 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 2017
Khua Hock Su			
The Company			
– ordinary shares			
– deemed interests	305,046,220	321,685,273	321,685,273
Vibrant Capital Pte. Ltd.			
– ordinary shares			
– deemed interests	49,000	49,000	49,000
Lian Hup Holdings Pte Ltd			
– ordinary shares			
– interests held	4,200,000	4,200,000	4,200,000
– deemed interests	4,200,000	4,200,000	4,200,000

Directors' Statement (cont'd)

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 2017
Eric Khua Kian Keong			
The Company			
– ordinary shares			
– interests held	16,910,270	17,832,648	17,832,648
– deemed interests	305,040,015	321,678,562	321,678,562
Vibrant Capital Pte. Ltd.			
– ordinary shares			
– interests held	51,000	51,000	51,000
– deemed interests	49,000	49,000	49,000
Lian Hup Holdings Pte Ltd			
– ordinary shares			
– interests held	5,600,000	5,600,000	5,600,000
Henry Chua Tiong Hock			
The Company			
– ordinary shares			
– interests held	912,758	962,545	962,545
Thomas Woo Sai Meng			
The Company			
– ordinary shares			
– interests held	70,825	74,688	74,688

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

7 August 2017

Independent Auditors' Report

Members of the Company
Vibrant Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Vibrant Group Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 April 2017, the consolidated income statement and statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 55 to 142.

In our opinion, the accompanying 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 Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 April 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditors' Report (cont'd)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of trade and other receivables (S$311,858,000) (Refer to Notes 9, 11, 30 and 39 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group's trade and other receivables comprises a material portion of the Group's total assets. The Group identifies debtors with potential recoverability issues, based on repayment trends and aging of the receivables. Judgment is required to determine if adequate impairment losses have been recognised in relation to these exposures.	We assessed the recoverability of receivables, focusing on individually significant and long outstanding amounts. We also analysed the payment history of these debtors, the counterparty's financial position and checked for receipts subsequent to the year-end.

Valuation of investment properties (S$116,296,000) (Refer to Notes 6 and 31 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group's investment properties comprises residential, commercial and industrial properties. These investment properties are stated at their fair values based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions concerning rental rates, occupancy rates and discount rates, where a change in the assumptions can have a significant impact to the valuation. In addition, investment properties under construction are stated at their fair values as determined by valuers which involves estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin on construction and development.	We evaluated the independence, objectivity and competence of the valuers. We considered the valuation methodologies used against those applied by valuers for similar property types. We tested the appropriateness of key assumptions as follows: – Compared the valuation derived to recent transacted selling prices of comparable properties in the vicinity; – Compared the rental rates to those for similar properties in the vicinity; – Compared the discount rates and occupancy rates used to market data, including economic and industry data and forecasts; and – Assessed the reasonableness of the discount rates used in the valuation. In addition, for investment properties under construction, we evaluated the estimated cost to complete by comparing the cost incurred to date to management budgets and, where the works were contracted to third parties, agreed to the respective contracts.

Independent Auditors' Report (cont'd)

<table>
<tr><td colspan="2">Impairment of investments in subsidiaries and associates (S$18,318,000 and S$79,157,000 respectively)
(Refer to Notes 7, 8 and 39 to the financial statements)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group has significant investments in subsidiaries and associates. Certain of these subsidiaries and associates are loss making, which is an indicator or objective evidence of impairment.

Where an indicator/objective evidence of impairment exists, the recoverable amounts of these subsidiaries and associates, have been determined based on the higher of their fair value less cost to sell (FVLCTS) and value-in-use (VIU). The determination of recoverable amounts requires judgement.

The determination of recoverable amounts when VIU is applicable requires estimation of forecasted revenues, profit margins and computation of discount rates.

The determination of recoverable amounts when FVLCTS is applicable requires an estimation of the fair value of the underlying assets of these subsidiaries, which primarily comprise industrial properties. The Group had engaged independent external valuers to undertake the valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied, which includes recent transacted selling prices of comparable properties in the vicinity.</td><td>We reviewed the Group's assessment of indicators/objective evidence of impairment.

Where an indication or objective evidence of impairment was identified in relation to an investment in subsidiary/associate, we examined the Group's determination of FVLCTS where applicable, as follows:

– Evaluated the objectivity, independence and competence of the external valuers;
– Considered the valuation methodologies used against those applied by other valuers for similar property type;
– Assessed the appropriateness of valuation methodologies and key assumptions adopted, by comparing the recoverable amounts derived to recent transacted selling prices of comparable properties in the vicinity; and
– Assessed the appropriateness where net assets were used as estimates of FVLCTS.

Where an indication/objective evidence of impairment was identified in relation to an investment in subsidiary/associate, we examined the Group's determination of VIU where applicable, as follows:

– Discussed with management to understand their assessment of the future performance of the subsidiary/associate; and
– Assessed the appropriateness of the valuation methodologies and estimates utilised by management in deriving the VIU. This includes recomputing the discount rate utilised and comparing long-term growth rates and operating profit margins utilised in the discounted cash flows, to market data, including economic and industry forecasts, as well as past historical records.</td></tr>
</table>

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have not obtained any other information prior to the date of this auditors' report. The other information is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent Auditors' Report (cont'd)

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Ling Su Min.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 August 2017

Statements of Financial Position

As at 30 April 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Assets					
Property, plant and equipment	4	270,671	276,182	365	452
Intangible assets	5	472	472	–	–
Investment properties	6	116,296	250,426	–	–
Subsidiaries	7	–	–	18,318	17,781
Associates	8	79,157	97,290	22,049	37,291
Other investments	9	34,602	55,606	–	–
Deferred tax assets	10	1,495	2,551	–	–
Trade and other receivables	11	57,029	55,733	400,203	425,564
Non-current assets		559,722	738,260	440,935	481,088
Other investments	9	105,437	72,573	67,213	59,936
Development properties	12	88,475	–	–	–
Construction-in-progress	12	–	51,556	–	–
Inventories	13	497	505	–	–
Trade and other receivables	11	233,855	158,319	2,320	5,331
Cash and cash equivalents	14	63,039	23,088	322	1,057
Assets classified as held for disposal	15	–	29	–	–
Current assets		491,303	306,070	69,855	66,324
Total assets		1,051,025	1,044,330	510,790	547,412
Equity					
Share capital	16	139,854	122,476	139,854	122,476
Perpetual securities	17	97,947	97,947	97,947	97,947
Other reserves	18	(2,395)	1,900	5,323	5,995
Accumulated profits	18	134,952	148,848	33,751	58,851
Equity attributable to owners of the Company		370,358	371,171	276,875	285,269
Non-controlling interests	35	94,013	80,288	–	–
Total equity		464,371	451,459	276,875	285,269
Liabilities					
Loans and borrowings	19	112,136	141,387	–	–
Notes payable	19	–	101,509	–	101,509
Trade and other payables	20	65,138	41,732	63,603	65,683
Provisions	21	3,644	3,549	–	–
Deferred tax liabilities	10	7,901	6,328	–	–
Non-current liabilities		188,819	294,505	63,603	167,192
Loans and borrowings	19	130,241	206,020	63,200	90,853
Notes payable	19	101,919	–	101,919	–
Current tax payable		9,139	8,534	573	693
Trade and other payables	20	156,396	83,672	4,620	3,405
Provisions	21	140	136	–	–
Liabilities classified as held for disposal	15	–	4	–	–
Current liabilities		397,835	298,366	170,312	94,951
Total liabilities		586,654	592,871	233,915	262,143
Total equity and liabilities		1,051,025	1,044,330	510,790	547,412

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

Consolidated Income Statement
Year ended 30 April 2017

	Note	Group 2017 $'000	Group 2016 $'000
Revenue	22	184,620	280,731
Cost of sales		(123,984)	(217,322)
Gross profit		60,636	63,409
Other income	23	63,598	51,464
Administrative expenses		(44,717)	(41,582)
Other operating expenses		(38,710)	(40,313)
Profit from operations		40,807	32,978
Finance income		4,700	5,377
Finance costs		(13,810)	(12,919)
Net finance costs	24	(9,110)	(7,542)
Share of (losses)/profits of associates, net of tax		(6,329)	6,950
Profit before income tax		25,368	32,386
Income tax expense	25	(4,895)	(3,628)
Profit for the year	26	20,473	28,758
Profit attributable to:			
Owners of the Company		3,422	10,023
Non-controlling interests		17,051	18,735
Profit for the year		20,473	28,758
Earnings per share			
Basic earnings per share (cents)	27	0.59	1.86
Diluted earnings per share (cents)	27	0.59	1.86

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

Consolidated Statement of Comprehensive Income

Year ended 30 April 2017

	Group	
	2017 $'000	**2016 $'000**
Profit for the year	20,473	28,758
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	(5,736)	(10,383)
Net changes in fair value of available-for-sale financial assets	–	(11,630)
Net changes in fair value of available-for-sale financial assets reclassified to profit or loss	–	19,269
Share of reserves of associates	113	(22)
Other comprehensive income for the year, net of tax	(5,623)	(2,766)
Total comprehensive income for the year	14,850	25,992
Total comprehensive income attributable to:		
Owners of the Company	26	9,529
Non-controlling interests	14,824	16,463
Total comprehensive income for the year	14,850	25,992

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

Consolidated Statement of Changes in Equity
Year ended 30 April 2017

	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
Group											
At 1 May 2015	111,551	97,947	(1,087)	7,082	(6,318)	2,587	–	160,534	372,296	65,830	438,126
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	–	10,023	10,023	18,735	28,758
Other comprehensive income											
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 reserves of associates	–	–	–	–	(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 2017

	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
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners of the Company											
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)
Changes in ownership interests in subsidiaries											
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 from non-controlling shareholders	–	–	–	–	–	–	–	–	–	(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 Changes in Equity (cont'd)

Year ended 30 April 2017

	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
Group											
At 1 May 2016	122,476	97,947	(1,087)	7,212	–	(4,228)	3	148,848	371,171	80,288	451,459
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	–	3,422	3,422	17,051	20,473
Other comprehensive income											
Foreign currency translation differences for foreign operations	–	–	–	–	–	(3,509)	–	–	(3,509)	(2,227)	(5,736)
Share of reserves of associates	–	–	–	104	–	–	9	–	113	–	113
Total other comprehensive income	–	–	–	104	–	(3,509)	9	–	(3,396)	(2,227)	(5,623)
Total comprehensive income for the year	–	–	–	104	–	(3,509)	9	3,422	26	14,824	14,850
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends paid to owners (note 16)	–	–	–	–	–	–	–	(9,968)	(9,968)	–	(9,968)
Distributions on perpetual securities	–	–	–	–	–	–	–	(7,350)	(7,350)	–	(7,350)
Issue of new shares (note 16)	17,378	–	–	–	–	–	–	–	17,378	–	17,378
Purchase of treasury shares	–	–	(672)	–	–	–	–	–	(672)	–	(672)
Total contributions by and distributions to owners of the Company	17,378	–	(672)	–	–	–	–	(17,318)	(612)	–	(612)

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

Consolidated Statement of Changes in Equity (cont'd)

Year ended 30 April 2017

	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
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in control (note 33)	–	–	–	(228)	–	–	–	–	(228)	(5,006)	(5,234)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	3,629	3,629
Disposal of interest in a subsidiary without loss of control	–	–	–	1	–	–	–	–	1	278	279
Total changes in ownership interests in subsidiaries	–	–	–	(227)	–	–	–	–	(227)	(1,099)	(1,326)
Total transactions with owners of the Company	17,378	–	(672)	(227)	–	–	–	(17,318)	(839)	(1,099)	(1,938)
At 30 April 2017	139,854	97,947	(1,759)	7,089	–	(7,737)	12	134,952	370,358	94,013	464,371

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

Consolidated Statement of Cash Flows

Year ended 30 April 2017

	Note	Group 2017 $'000	Group 2016 $'000
Cash flows from operating activities			
Profit before income tax		25,368	32,386
Adjustments for:			
Accretion of deferred revenue	23	–	(11,339)
Depreciation of property, plant and equipment	4	12,766	10,721
Dividend income from available-for-sale financial assets	23	(1,018)	(1,313)
Fair value gain on foreign exchange forward contracts	23	(1,108)	(1,413)
Fair value gain on investment properties	23	(2,330)	(5,053)
Fair value gain on remeasurement of development property upon reclassification to investment property	23	–	(23,596)
Fair value loss on embedded derivative of convertible bond	26	–	7,582
Fair value (gain)/loss on securities designated at fair value through profit or loss	26	(5,095)	6,047
Finance costs	24	13,810	12,919
Finance income	24	(4,700)	(5,377)
Foreign exchange (gain)/loss		(662)	2,019
Gain on disposal of an associate	23	(52,135)	(52)
Gain on disposal of property, plant and equipment	23	(93)	(2)
Gain on disposal of securities designated at fair value through profit or loss	23	–	(42)
Impairment loss on available-for-sale financial assets	26	7,495	19,955
Impairment loss on trade and other receivables		8,703	62
Loss on deemed disposal of an associate	26	1,279	–
Loss on disposal of subsidiaries	26	8,182	191
Negative goodwill arising on acquisition of a subsidiary		(280)	–
Property, plant and equipment written off	26	–	1
REIT management fee received/receivable in units		(2,785)	(4,806)
Share of losses/(profits) of associates		6,329	(6,950)
Waiver of receivable from an associate		1,567	–
		15,293	31,940
Changes in working capital:			
Development properties		(89,832)	22,022
Construction-in-progress		51,246	(54,130)
Inventories		6	(91)
Trade and other receivables		(5,190)	(45,522)
Trade and other payables		88,419	39,817
Cash generated from/(used in) operations		59,942	(5,964)
Income taxes refunded		456	201
Income taxes paid		(2,022)	(1,354)
Net cash from/(used in) operating activities		58,376	(7,117)

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

Consolidated Statement of Cash Flows (cont'd)

Year ended 30 April 2017

	Note	Group 2017 $'000	Group 2016 $'000
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(1,036)	–
Cash contribution paid by non-controlling interests		1,431	7,178
Cash payment to non-controlling interest for share capital reduction		–	(5,500)
Deposit pledged		(11,320)	(3,814)
Dividends received:			
– associates		609	638
– available-for-sale financial assets		1,327	1,300
Finance income received		370	1,230
Loans to associates		(9,014)	–
Loan to third parties		(17,338)	(1,500)
Proceeds from disposal of an associate		–	234
Proceeds from disposal of a subsidiary, net of cash disposed		25,781	(213)
Proceeds from sale of other investments		39	6,525
Proceeds from sale of property, plant and equipment		98	98
Purchase of investment properties		(9,187)	(11,937)
Purchase of other investments		(8,185)	(39)
Purchase of property, plant and equipment		(5,624)	(53,427)
Redemption of convertible loan by an associate		2,651	–
Repayment of loan by an associate		–	7,350
Repayment of loan by third parties		36,756	1,771
Net cash from/(used in) investing activities		7,358	(50,106)
Cash flows from financing activities			
Distributions on perpetual securities	17	(7,350)	(7,370)
Dividends paid to non-controlling interests of a subsidiary		–	(20)
Dividends paid to shareholders of the Company		(2,470)	(3,414)
Finance costs paid		(11,751)	(15,110)
Government grants received		–	339
Payment of finance lease liabilities		(1,728)	(1,844)
Proceeds from borrowings		132,211	109,685
Proceeds from issue of share capital	16	9,880	–
Proceeds from loan from non-controlling interest		7,947	8,455
Purchase of treasury shares		(672)	–
Repayment of borrowings		(155,628)	(43,323)
Repayment of loans to third parties		(6,694)	(200)
Net cash (used in)/from financing activities		(36,255)	47,198
Net increase/(decrease) in cash and cash equivalents		29,479	(10,025)
Cash and cash equivalents at beginning of year		19,303	29,610
Effect of exchange rate fluctuations on cash and cash equivalents		(620)	(282)
Cash and cash equivalents at end of year	14	48,162	19,303

Significant non-cash transactions

During the year, the Company issued new ordinary shares for $7,498,000 (2016: $10,925,000) by way of offsetting against the dividends payable to the shareholders (note 16).

In 2016, the proceeds from the capital reduction by a subsidiary amounting to $1,500,000 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 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 7 August 2017.

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 Logisticentre, Singapore 609143.

The financial statements of the Group as at and for the year ended 30 April 2017 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 39.

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 2017

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.

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.

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, other contingent consideration is remeasured at fair value at each reporting date and 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.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

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.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate 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.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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 twelve 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.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets comprise debt securities.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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

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 less 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.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Compound financial instruments (cont'd)

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.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

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 is 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.

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 2017

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 2017

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.

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; 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.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Impairment (cont'd)

Non-derivative financial assets (cont'd)

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.

Loans and receivables and held-to-maturity financial assets

The Group considers evidence of impairment for loans and receivables and held-to-maturity financial assets at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity financial assets are assessed for specific impairment. All individually significant receivables and held-to-maturity financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity financial assets 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 or held-to-maturity financial assets. 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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Impairment (cont'd)

Non-financial assets (cont'd)

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.

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, classified as held for sale 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 2017

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 generates revenue principally 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 60 days of receiving the invoice and delivery order or service report.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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 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 2017

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 2017

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 other receivables, deposits, loans and 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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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 2017

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.

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.24 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 May 2016, and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, management is currently assessing the transition options and gathering the detailed analysis and potential impact of its financial statements. The Group does not plan to adopt these standards early.

Applicable to 2019 financial statements

FRS 109 *Financial Instruments*

FRS 109 *Financial Instruments*, replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect, will be recorded in opening equity as at 1 May 2018.

The Group has commenced an initial assessment of the impact on the Group's financial statements.

Overall, the Group does not expect a significant impact on its opening equity except for the effect of applying the impairment requirements of FRS 109 for which the Group expects to record a higher impairment loss allowance.

Classification and measurement – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables and non-derivative financial liabilities that are currently accounted for at amortised cost will continue to be accounted for using the amortised cost model under FRS 109.

For financial assets currently held at fair value, the Group expects to continue measuring these assets at fair value under FRS 109. The expected classification and measurement of these financial assets under FRS 109 are summarised below:

- The AFS equity securities are held as long-term investments. For these, the Group expects to elect to present subsequent changes in fair value in OCI. Under FRS 109, only dividend income is recognised in profit or loss.
- Any subsequent fair value changes are recognised in OCI and will not be reclassified to profit or loss even upon divestment.
- Equity securities and debt securities that are currently classified as held for trading and those that are currently designated at FVTPL will continue to be classified as financial assets subsequently measured at FVTPL.

Impairment – The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group expects an increase in the impairment loss allowance as it does not require collateral in respect of its loans and receivables and its debt securities. The Group is currently refining its impairment loss estimation methodology to quantify the impact on its financial statements.

Transition – The Group plans to adopt the standard when it becomes effective in 2019 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.24 New standards and interpretations not adopted (cont'd)

Applicable to 2019 financial statements (cont'd)

FRS 109 *Financial Instruments* (cont'd)

Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) 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 (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has commenced a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analysis.

Applicable to 2020 financial statements

FRS 116 *Leases*

FRS 116 *Leases* 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 right-of-use (ROU) assets and lease liabilities 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.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*; INT FRS 15 *Operating Leases – Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 May 2019, with early adoption permitted if FRS 115 is also applied.

The Group has commenced a preliminary high-level assessment of the new standard on its existing operating lease commitments as a lessee (refer to Note 36). Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis amounted to approximately 13% of the consolidated total assets and 23% of consolidated total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amounts of ROU asset and lease liability to be lower due to discounting and as the lease terms run down.

The Group plans to adopt the standard when it becomes effective in 2020. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients as part of its implementation plans.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Motor, vehicles trucks and prime movers $'000	Office equipment and machinery $'000	Furniture, fixtures and fittings $'000	Construction work-in-progress $'000	Total $'000
Group						
Cost						
At 1 May 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
Additions	–	2,652	1,648	709	2,819	7,828
Disposals/write-offs	–	(1,377)	(46)	(5)	–	(1,428)
Translation differences	(46)	(557)	(415)	15	–	(1,003)
At 30 April 2017	254,913	17,063	47,931	4,785	2,829	327,521
Accumulated depreciation						
At 1 May 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
Depreciation for the year	6,576	2,162	3,606	422	–	12,766
Disposals/write-offs	–	(1,372)	(46)	(5)	–	(1,423)
Translation differences	(6)	(340)	(100)	11	–	(435)
At 30 April 2017	24,162	8,319	20,835	3,534	–	56,850
Carrying amounts						
At 1 May 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
At 30 April 2017	230,751	8,744	27,096	1,251	2,829	270,671

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Motor vehicles $'000	Office equipment $'000	Furniture, fixtures and fittings $'000	Total $'000
Company				
Cost				
At 1 May 2015	767	206	37	1,010
Additions	–	5	5	10
At 30 April 2016 and 30 April 2017	767	211	42	1,020
Accumulated depreciation				
At 1 May 2015	267	175	36	478
Depreciation for the year	76	13	1	90
At 30 April 2016	343	188	37	568
Depreciation for the year	76	10	1	87
At 30 April 2017	419	198	38	655
Carrying amounts				
At 1 May 2015	500	31	1	532
At 30 April 2016	424	23	5	452
At 30 April 2017	348	13	4	365

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

	Group 2017 $'000	2016 $'000
Charged to profit or loss	12,766	10,721
Capitalised to development properties	–	6
	12,766	10,727

Construction work-in-progress

Cost of construction work-in-progress comprised:

	Group 2017 $'000	2016 $'000
Construction costs	2,813	10
Property taxes, interest and other overheads	16	–
	2,829	10

During the year, interest expense of $16,000 (2016: $465,000) was capitalised by the Group as cost of construction work-in-progress at the cost of borrowing of 2.77% (2016: 2.86%) per annum.

The Group's leasehold properties include provision for restoration costs of $3,013,000 (2016: $3,323,000).

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 2017, the net carrying amount of leased plant and equipment was $6,020,000 (2016: $5,575,000).

During the year, the Group acquired property, plant and equipment with an aggregate cost of $7,828,000 (2016: $55,674,000), of which $2,221,000 (2016: $1,195,000) was acquired under finance leases.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Security

The following property, plant and equipment have been pledged as securities to secure bank loans and other credit facilities extended to the Company and certain subsidiaries as set out in note 19:

	Group	
	2017 **$'000**	**2016** **$'000**
Net book value		
Leasehold properties	222,472	231,411
Construction work-in-progress	2,829	–
Machinery	23,538	23,850
	248,839	255,261

5 INTANGIBLE ASSETS

	Goodwill on consolidation $'000	**Customer list $'000**	**Total $'000**
Group			
Cost			
At 1 May 2015	1,599	498	2,097
Disposal of subsidiary	–	(498)	(498)
At 30 April 2016 and 30 April 2017	1,599	–	1,599
Accumulated amortisation and impairment losses			
At 1 May 2015	1,127	498	1,625
Disposal of subsidiary	–	(498)	(498)
At 30 April 2016 and 30 April 2017	1,127	–	1,127
Carrying amounts			
At 1 May 2015	472	–	472
At 30 April 2016	472	–	472
At 30 April 2017	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 (2016: $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.

6 INVESTMENT PROPERTIES

		Group	
	Note	**2017** **$'000**	**2016** **$'000**
At beginning of the year		250,426	102,474
Additions		9,027	10,411
Reclassification from development properties	12	–	140,000
Disposal of subsidiary	34	(140,000)	–
Changes in fair value		2,330	5,053
Translation differences		(5,487)	(7,512)
At end of the year		116,296	250,426

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

6 INVESTMENT PROPERTIES (cont'd)

Investment properties comprise residential and industrial properties (2016: residential, commercial and industrial properties) that are leased to external customers and/or held for capital appreciation. As at 30 April 2017, rental income from the Group's industrial properties which was leased under operating leases amounted to $505,000 (2016: $158,000). There is no rental income from the residential properties (2016: $nil).

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the year, amounted to $472,000 (2016: $773,000).

Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the year, amounted to $152,000 (2016: $337,000).

As at 30 April 2017 and 2016, 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 expense of approximately $65,000 (2016: $419,000) was capitalised in cost of investment properties at the cost of borrowing of 6.37% (2016: 8.00%) per annum.

Security

At 30 April 2017, investment properties of the Group with a carrying amount of $49,233,000 (2016: $179,354,000) were pledged as securities 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

	Company	
	2017	**2016**
	$'000	**$'000**
Equity investments, at cost	21,864	19,364
Less: Accumulated impairment losses		
At beginning of the year	(1,583)	(1,583)
Impairment losses recognised	(1,963)	–
At end of the year	(3,546)	(1,583)
	18,318	17,781

All subsidiaries of the Group are not considered to be significant as defined under the Singapore Exchange Limited Listing 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.

The Company's investments in subsidiaries are assessed for impairment at each reporting date. The Company evaluates, amongst other factors, the duration and extent to which the fair value of its investment in subsidiaries is less than its cost. Changes in the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, technology and operational and financial cash flows, will impact the recoverable amount of its investment in subsidiaries.

During the year, one of the subsidiaries became dormant and the management recognised an impairment loss of $1,963,000 on its investments in subsidiaries and this impairment has been included in "Other operating expense" by the Company. The Company estimated the recoverable amount of its subsidiary based on fair value less cost of disposal and the fair value has been categorised as a level 3 fair value. The fair value less cost of disposal is determined to approximate the book values of the subsidiary's net tangible asset.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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 2017 %	2016 %
Directly-owned subsidiaries of the Company			
Freight Links Express Pte Ltd[(1)]	Singapore	100	100
Freight Links Logistics Pte. Ltd.[(1)]	Singapore	100	100
Crystal Freight Services Pte Ltd[(1)]	Singapore	100	100
Freight Links Express Logisticentre Pte Ltd[(1)]	Singapore	100	100
Crystal Freight Services Distripark Pte Ltd[(1)]	Singapore	100	100
Singapore Enterprises Private Limited[(1)]	Singapore	100	100
LTH Logistics (Singapore) Pte Ltd[(1)]	Singapore	51	51
Lee Thong Hung Trading and Transport Sdn. Bhd.[(2)]	Malaysia	50.8	50.8
Freight Links Express (Thailand) Co., Ltd[(3)(7)]	Thailand	49	49
Sabana Investment Partners Pte. Ltd.[(1)]	Singapore	51	51
GLE Integrated Pte. Ltd.[(1)]	Singapore	100	100
Subsidiaries held by the Company's subsidiaries			
Freight Links E-logistics Technopark Pte Ltd[(1)]	Singapore	100	100
Freight Links Express Logisticpark Pte Ltd[(1)]	Singapore	100	100
Freight Links (Jiangsu) Co., Ltd[(5)]	People's Republic of China	65.5	65.5
San Lu Logistics Co., Ltd[(4)]	People's Republic of China	100	100
Sabana Real Estate Investment Management Pte. Ltd.[(1)]	Singapore	51	51
Sabana Property Management Pte. Ltd.[(1)]	Singapore	51	51
Glory Capital Pte. Ltd.[(1)]	Singapore	65	65
Vibrant Properties Pte. Ltd.[(1)]	Singapore	60	60
Sinolink Financial Leasing Co., Ltd[(5)(8)]	People's Republic of China	51	45.6
Fervent Industrial Development (Suzhou) Co., Ltd[(5)(8)(10)]	People's Republic of China	48	32.2
DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd[(5)(8)]	People's Republic of China	36	36
Vibrant Investment & Management (Shanghai) Co., Ltd[(4)(8)]	People's Republic of China	60	60
Master Development (Jiangyin) Co., Ltd[(5)(8)]	People's Republic of China	36	–
Shentoncil Pte. Ltd.[(1)]	Singapore	51	51
Vibrant DB2 Pte. Ltd.[(1)]	Singapore	51	51
Saujana Tiasa Sdn Bhd[(6)]	Malaysia	50	50
Ececil Pte. Ltd.[(1)(9)]	Singapore	20.4	51

(1) Audited by KPMG LLP Singapore
(2) Audited by SE Lai CK
(3) Audited by a member firm of KPMG International
(4) Not required to be audited under the laws of the country in which it is incorporated
(5) Audited by Grant Thornton, Shanghai
(6) Audited by BDO, Kuala Lumpur
(7) Although the Group owns less than or only half of the voting rights of Freight Links Express (Thailand) Co., Ltd (2016: Freight Links Express (Thailand) Co., 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.
(8) These entities are indirectly held by non-wholly owned subsidiaries.
(9) The Group disposed 30.6% of its effective interest in Ececil Pte. Ltd., resulting in loss of control in Ececil Pte. Ltd. As at 30 April 2017, Ececil Pte. Ltd. is recognised as an associate of the Group (See Note 34(b)).
(10) The Group acquired additional 15.8% effective interest in Fervent Industrial Development (Suzhou) Co., Ltd (See Note 33(c)).

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Convertible loans to an associate	–	3,961	–	3,961
Redeemable cumulative convertible preference shares in an associate	12,276	11,811	12,276	11,811
Loans and receivables	12,276	15,772	12,276	15,772
Investment in associates (equity-accounted investees)	66,881	81,518	9,773	21,519
	79,157	97,290	22,049	37,291

Convertible loans to an associate

(a) In 2016, convertible loans were extended to the following associate:

Name of associate	Principal place of business/country of incorporation
Fudao Petrochemicals Group Pte. Ltd. (Fudao)[1]	Singapore

[1] 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 bore a contractual interest rate of 8% per annum. The effective interest rate was 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.

(e) The convertible loans were fully redeemed in 2017.

Redeemable cumulative convertible preference shares (RCCPS) in an associate

(a) Details of the associate are as follows:

Name of associate	Principal place of business/country of incorporation
China GSD Logistics Pte. Ltd. (GSD)[1]	Singapore

[1] 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 2017

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 and right to preference dividends on a cumulative basis, of an amount equal to 7% (2016: 7%) per annum of the issue price payable on each RCCPS for 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.

The Group's investments in associates are assessed for impairment at each reporting date. The Group evaluates, amongst other factors, the duration and extent to which the fair value of its investment in associates is less than its cost. Changes in the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, technology and operational and financial cash flows, will impact the recoverable amount of its investment in associate.

During the year, one of the associates has suffered further losses and the management recognised an impairment loss of $9,246,000 (2016: $nil) on its investments in associate and this impairment has been included in "Other operating expense" of the Company. The Company estimated the recoverable amount of its associate based on fair value less cost of disposal and the fair value has been categorised as a level 3 fair value. The fair value less cost of disposal is determined to approximate the book values of the associate's net tangible assets.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES (cont'd)

Investment in associates (equity-accounted investees)

Summarised financial information of associates

The Group has four (2016: 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:

	China Southwest Energy Corporation Ltd (China SW)	**Freight Management Holdings Bhd (FMHB)**	**Figtree Holdings Limited (Figtree)**	**Plaza Ventures Pte. Ltd. (Plaza Ventures)^**	**Ececil Pte. Ltd. (Ececil)+**
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	Property development
Principal place of business	People's Republic of China	Malaysia	Singapore	Singapore	Singapore
Country of incorporation (if different from principal place of business)	Hong Kong	Not applicable	Not applicable	Not applicable	Not applicable
Ownership interest/voting rights held	25.52% (2016: 25.52%)	21.01% (2016: 21.58%)	21.39% (2016: 20.95%)	nil% (2016: 35%)	20.4% (2016: 51%)
Fair value of ownership interest (if listed)	Not applicable	$16,826,000# (2016: $16,259,000#)	$12,493,000# (2016: $11,647,000#)	Not applicable	Not applicable
Audited by	Grant Thornton, Shanghai	BDO, Kuala Lumpur	Ernst & Young LLP	KPMG LLP	KPMG LLP

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 2017 (2016: 30 April 2016) (Level 1 in the fair value hierarchy).

^ During the year, the Group entered into a sale and purchase agreement to dispose of its 35% interest in Plaza Ventures at a consideration of $79,819,000. The conditions precedent to the sale and purchase agreement were fulfilled as at 30 April 2017 and the Group ceased to exercise significant influence over Plaza Ventures as at 30 April 2017. The disposal of the associate resulted in a gain of $52,135,000 recognised in profit or loss (see note 23). The sale consideration was received by 31 July 2017.

+ Upon the dilution of equity interest in Ececil (see note 34(b)), Ececil became an associate of the Group.

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

8 ASSOCIATES (cont'd)

Investment in associates (equity-accounted investees) (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.

2017	China SW $'000	FMHB $'000	Figtree $'000	Plaza Ventures $'000	Ececil $'000	Immaterial associates $'000	Total $'000
Revenue	20,736	144,145	53,802	50,925	–		
(Loss)/profit from continuing operations	(39,724)	4,337	8,803	2,620	(2,222)		
Other comprehensive income	–	1,769	(601)	–	–		
Total comprehensive income	(39,724)	6,106	8,202	2,620	(2,222)		
Attributable to non-controlling interests	–	610	1,140	–	–		
Attributable to investee's shareholders	(39,724)	6,716	9,342	2,620	(2,222)		
Non-current assets	19,167	78,371	32,625	–	140,000		
Current assets	15,527	56,276	63,377	–	733		
Non-current liabilities	(15,863)	(27,284)	(11,490)	–	–		
Current liabilities	(2,552)	(23,011)	(35,432)	–	(86,659)		
Net assets	16,279	84,352	49,080	–	54,074		
Attributable to non-controlling interests	–	(5,502)	–	–	–		
Attributable to investee's shareholders	16,279	78,850	49,080	–	54,074		
Group's interest in net assets	4,154	16,566	10,498	–	21,630		
Other adjustments	5,931	(522)	6,913	–	(64)		
Carrying amount of investments	10,085	16,044	17,411	–	21,566		
Group's interest in net assets of investee at beginning of the year	20,400	15,971	15,590	26,767	–	2,790	81,518
Group's share of:							
– (loss)/profit from continuing operations	(10,138)	1,413	1,883	917	(889)	485	(6,329)
– other comprehensive income	–	(2)	115	–	–	–	113
– total comprehensive income	(10,138)	1,411	1,998	917	(889)	485	(6,216)
Group's contribution during the year	–	–	981	–	–	–	981
Addition of associate (formerly a subsidiary)					22,455		22,455
Group's share of translation reserve	(177)	(729)	(177)	–	–	59	(1,024)
Dividends received	–	(609)	(981)	–	–	–	(1,590)
Disposal	–	–	–	(27,684)	–	(1,559)	(29,243)
Carrying amount of interest in investee at end of the year	10,085	16,044	17,411	–	21,566	1,775	66,881

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES (cont'd)

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

2016	China SW $'000	FMHB $'000	Figtree $'000	Plaza Ventures $'000	Immaterial associates $'000	Total $'000
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)	–		
Total comprehensive income	(20,532)	6,999	11,230	24,149		
Attributable to non-controlling interests	–	(229)	163	–		
Attributable to investee's shareholders	(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)		
Net assets	56,880	71,970	41,709	76,478		
Attributable to non-controlling interests	–	(6,029)	(51)	–		
Attributable to investee's shareholders	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	–		
Carrying amount of investments	20,400	15,971	15,590	26,767		
Group's interest in net assets of investee at beginning of the year	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)
Carrying amount of interest in investee at end of the year	20,400	15,971	15,590	26,767	2,790	81,518

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

9 OTHER INVESTMENTS

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Non-current investments					
Available-for-sale financial assets					
– quoted equity securities		31,051	30,892	–	–
– unquoted equity securities		3,452	5,006	–	–
Financial assets at fair value through profit or loss					
– convertible bond	(c)	–	19,577	–	–
Restricted fixed deposits	(a)	84	117	–	–
Club membership		15	14	–	–
		34,602	55,606	–	–
Current investments					
Financial assets at fair value through profit or loss					
– quoted equity securities	(b)	84,463	72,573	67,213	59,936
Debt security, held to maturity	(c)	20,974	–	–	–
		105,437	72,573	67,213	59,936
		140,039	128,179	67,213	59,936

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

(b) The quoted equity securities of $31,212,000 (2016: $29,709,000) have been pledged as security to secure bank loans and other credit facilities extended to the Company as set out in note 19.

(c) 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. 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.

(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.

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. On 18 May 2016 and 18 May 2017, the Group extended the Completion End Date and the Right to Nominate End Date of the Convertible Bond Agreement to 18 May 2017 and 31 August 2017 respectively. As at 30 April 2017, the RTO has not occurred. The Group and Blackgold had entered into an agreement to modify the terms of the convertible bond, so that the convertible bond shall be redeemed in full on 31 August 2017. This modification was effective as of 30 April 2017.

As at 30 April 2016, 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 was recorded in "Other operating expenses" 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.

(iv) The convertible bond bears a contractual interest rate of 7.5% per annum.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

10 DEFERRED TAX

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

	At 1 May 2015 $'000	Recognised in profit or loss (note 25) $'000	Disposal of subsidiary $'000	Translation differences $'000	At 30 April 2016 $'000	Recognised in profit or loss (note 25) $'000	Translation differences $'000	At 30 April 2017 $'000
Group								
Deferred tax assets								
Available-for-sale financial assets	–	1,279	–	–	1,279	(1,279)	–	–
Deferred income	292	374	–	(26)	640	(633)	(6)	1
Property, plant and equipment	366	(20)	(300)	12	58	(19)	(3)	36
Provisions	98	333	–	(20)	411	–	(4)	407
Unutilised tax losses	134	(45)	–	(1)	88	985	(17)	1,056
Other items	61	24	–	(3)	82	(81)	(1)	–
Total	951	1,945	(300)	(38)	2,558	(1,027)	(31)	1,500
Deferred tax liabilities								
Investment properties	(1,919)	(826)	–	185	(2,560)	(257)	116	(2,701)
Property, plant and equipment	(513)	(155)	–	–	(668)	(690)	–	(1,358)
Trade and other receivables	–	(3,262)	–	155	(3,107)	(828)	88	(3,847)
Other items	(4)	4	–	–	–	–	–	–
Total	(2,436)	(4,239)	–	340	(6,335)	(1,775)	204	(7,906)

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

10 DEFERRED TAX (cont'd)

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

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Deferred tax assets	1,495	2,551	–	–
Deferred tax liabilities	(7,901)	(6,328)	–	–
	(6,406)	(3,777)	–	–

As at 30 April 2017, deferred tax liabilities of $830,000 (2016: $731,000) for temporary differences of $8,297,000 (2016: $7,306,000) 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:

	Group		
	2017 $'000	2016 (restated) $'000	2016 (as previously reported) $'000
Deductible temporary differences	3,643	4,695	4,325
Tax losses	57,080	50,202	56,116
	60,723	54,897	60,441

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 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 2017

11 TRADE AND OTHER RECEIVABLES

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Non-current assets					
Finance lease receivables		6,747	10,621	–	–
Trade receivables – third party		28,015	75	–	–
Non-trade amounts due from subsidiaries	(a)	–	–	95,946	100,514
Loans to subsidiaries	(b)	–	–	363,995	385,658
Impairment losses		–	–	(59,738)	(60,608)
Net receivables		34,762	10,696	400,203	425,564
Loan to an associate	(c)	2,014	–	–	–
Loans to third party	(d)	15,726	45,000	–	–
Other receivables		3,297	–	–	–
Deposits		1,199	–	–	–
Impairment losses		(16)	–	–	–
Loans and receivables		56,982	55,696	400,203	425,564
Prepayments		47	37	–	–
		57,029	55,733	400,203	425,564
Current assets					
Trade receivables:					
– subsidiaries		–	–	1,106	1,534
– third parties		49,290	71,132	–	–
Finance lease receivables		3,670	5,049	–	–
		52,960	76,181	1,106	1,534
Impairment losses		(4,530)	(285)	–	–
Net trade receivables		48,430	75,896	1,106	1,534
Loans to associates	(e)	459	39,484	–	–
Loans to non-controlling interests	(f)	19,990	11,876	–	–
Loans to third parties	(g)	60,211	1,106	279	–
Non-trade amounts due from associates	(h)	952	952	809	809
Non-trade amounts due from non-controlling interests	(h)	12,322	12,629	–	–
Non-trade amounts due from related parties	(h)	541	992	–	123
Deposits		1,365	1,280	2	2
Tax recoverable		134	53	–	–
Interest receivables		7,627	4,926	4,332	3,499
Other receivables		83,835	7,095	794	444
Impairment losses		(5,475)	(1,143)	(5,467)	(1,135)
Loans and receivables		230,391	155,146	1,855	5,276
Prepayments and advances		3,464	3,173	465	55
		233,855	158,319	2,320	5,331

(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 $3,926,000 (2016: $259,000) are interest-free and loans of $73,162,000 (2016: $57,703,000) bear fixed interest at 6.10% to 10.00% (2016: 6.10% to 10.00%) per annum. The remaining loans bear interest at 1.00% (2016: 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 1.56% (2016: 2.08%) per annum.

(c) Non-current loan to an associate of $2,014,000 is unsecured and is repayable in 2019. The average effective interest rate at reporting date was 2.65% per annum.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

11 TRADE AND OTHER RECEIVABLES (cont'd)

(d) Non-current loans to third party of $15,726,000 (2016: $45,000,000) is secured and is repayable by 2019. The average effective interest rate at reporting date was 13.53% (2016: 13.78%) per annum.

(e) Loan to an associate of $459,000 (2016: $459,000) is unsecured, repayable on demand and bears interest at 9.75% (2016: 9.75%) per annum. In 2016, 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) Loan to non-controlling interests of $5,541,000 (2016: $nil) are unsecured, interest-free and repayable on demand and loans of $7,591,000 (2016: $11,876,000) are unsecured, repayable on demand and bear interest at 6.00% to 10.00% (2016: 6.00% to 10.00%) per annum. The remaining loan of $6,579,000 (2016: $nil) is unsecured, repayable in the next twelve months and bore interest at 8.00% (2016: nil) per annum and the loan of $279,000 (2016: $nil) bore interest at 1.00% (2016: nil) above market swap rate determined at the beginning of each month and the average effective interest rate at reporting date was 1.42% (2016: nil) per annum.

(g) Loans to third parties of $46,304,000 (2016: $1,106,000) are unsecured, interest-free and repayable on demand, and includes a loan of $46,025,000 to a third party that was previously an associate in 2016. Loans of $8,958,000 (2016: $nil) are secured by third party guarantee, repayable on demand and bear interest at 3.00% to 15.00% (2016: nil) per annum. The remaining loan of $4,949,000 (2016: $nil) is unsecured, repayable on demand and bear interest at 8.00% (2016: nil) per annum.

(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 Group's legal title to the 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 2.75% to 6.40% (2016: 11.00% to 13.00%) per annum.

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

	Gross investment $'000	Unearned finance income $'000	Net investment $'000
Group			
2017			
Within one year	5,537	(1,867)	3,670
Between one and five years	7,457	(710)	6,747
	12,994	(2,577)	10,417
2016			
Within one year	6,348	(1,299)	5,049
Between one and five years	12,304	(1,683)	10,621
	18,652	(2,982)	15,670

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

12 DEVELOPMENT PROPERTIES AND CONSTRUCTION-IN-PROGRESS

		Group	
		2017	2016
		$'000	$'000
(a) Properties in the course of development			
Unsold properties	(i)	35,290	–
Unsold properties (with a sales contract)			
– Fulfilment cost	(ii)	53,185	–
		88,475	–
(b) Construction-in-progress			
– Fulfilment cost		–	44,000
– Attributable profits		–	7,556
		–	51,556

(a) Properties in the course of development

(i) In 2017, the amount relates to cost attributable to the unsold residential apartments and commercial spaces in the mixed residential and commercial development project in Jiangyin, China.

In 2016, interest expense of $2,475,000 was capitalised by the Group as cost of development property at the cost of borrowing of 2.99% per annum. The development property was reclassified to investment property in the prior year 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) in the prior year.

(ii) The amount relates to the costs attributable to the sold units for the residential apartments in the mixed residential and commercial development project in Jiangyin, China. 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 2017.

(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 bore a contractual interest rate of 1.2 times of 1-year CHIBOR per annum. The construction-in-progress was completed during the year.

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

	$'000
Balance as at 1 May 2015	–
Cost incurred during the year	44,000
Attributable profits	7,831
Translation differences	(275)
Balance as at 30 April 2016	51,556
Cost incurred during the year	8,449
Attributable profits	1,750
Translation differences	(431)
Amount billed	(61,324)
Balance as at 30 April 2017	–

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

13 INVENTORIES

	Group	
	2017 $'000	2016 $'000
Consumables	497	505

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash at bank and in hand	36,102	19,735	322	1,057
Deposits with banks	26,937	3,353	–	–
Cash and cash equivalents	63,039	23,088	322	1,057
Deposits pledged and restricted cash	(14,877)	(3,814)		
Cash and cash equivalents of disposal group held for sale (note 15)	–	29		
Cash and cash equivalents in the consolidated statement of cash flows	48,162	19,303		

Deposits pledged represent bank balances of the Company pledged as security to obtain credit facility (see note 19).

Included in cash and cash equivalents are amounts of $48,254,000 (2016: $7,834,000) 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 0.90% to 4.25% (2016: 1.00% to 3.97%). Interest rates reprice at intervals of overnight, one or twelve months (2016: overnight, fortnightly, one, three or twelve months).

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISPOSAL

During the year, the group has completed the dissolution of the remaining entities within the disposal group which was held as disposal group within the freight and logistics segment as at 30 April 2016.

Assets and liabilities of disposal group classified as held for disposal

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

	Group	
	2017 $'000	2016 $'000
Cash and cash equivalents	–	29
Assets classified as held for disposal	–	29
Other payables	–	4
Liabilities classified as held for disposal	–	4

Cumulative income or expense recognised in other comprehensive income

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

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

16 SHARE CAPITAL

	Group and Company 2017 No. of shares ('000)	2016 No. of shares ('000)
Fully paid ordinary shares, with no par value:		
At beginning of the year	556,708	2,621,699
Issue of new shares	48,722	161,849
Share consolidation	–	(2,226,840)
At end of the year	605,430	556,708

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 18 October 2016 and 8 October 2015, the Company issued 22,722,000 (2016: 161,849,000) new ordinary shares for value of $7,498,000 (2016: $10,925,000) 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 2016 and 30 April 2015, respectively.

On 20 September 2016, the Company issued 26,000,000 new ordinary shares for value of $9,880,000.

On 22 October 2015, the Company completed a share consolidation exercise and every five existing shares were 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% (2016: 14.00% and 18.00%). In 2017, the Group achieved a ROE of 0.92% (2016: 2.70%).

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 0.76 as at 30 April 2017 (2016: 1.15).

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

	Group and Company 2017 $'000	2016 $'000
First and final dividend paid in respect of the previous financial year of 1.80 cents (2016: 0.55 cent*) per share	9,968	14,339

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

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

16 SHARE CAPITAL (cont'd)

Dividends (cont'd)

Paid by a subsidiary to non-controlling interests

	Group	
	2017 $'000	2016 $'000
Dividend paid of $nil per qualifying ordinary share (2016: 1.00)	–	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.

	Group and Company	
	2017 $'000	2016 $'000
First and final dividend payable/paid in respect of the current financial year of 1.50 cents (2016: 1.80 cents) per share	9,010	9,968

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 $7,350,000 (2016: $7,370,000) were paid to perpetual securities holders.

18 RESERVES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Treasury shares	(1,759)	(1,087)	(1,759)	(1,087)
Capital reserve	7,089	7,212	7,082	7,082
Foreign currency translation reserve	(7,737)	(4,228)	–	–
Other reserves	12	3	–	–
	(2,395)	1,900	5,323	5,995
Accumulated profits	134,952	148,848	33,751	58,851
	132,557	150,748	39,074	64,846

The treasury shares reserve comprises the cost of the Company's shares held by the Group. On 30 April 2017, the Group held 4,738,560 of the Company's shares (2016: 2,920,560).

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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

18 RESERVES (cont'd)

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.

19 LOANS AND BORROWINGS

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Non-current liabilities				
Floating rate bank loans				
– secured	102,483	139,578	–	–
Fixed rate bank loans				
– secured	7,642	–	–	–
Finance lease liabilities	2,011	1,809	–	–
	112,136	141,387	–	–
Notes payable	–	101,509	–	101,509
	112,136	242,896	–	101,509
Current liabilities				
Floating rate bank loans				
– secured	17,922	85,416	–	–
– unsecured	500	11,703	500	11,703
Fixed rate bank loans				
– secured	87,778	78,510	41,700	50,150
– unsecured	22,500	29,000	21,000	29,000
Finance lease liabilities	1,541	1,391	–	–
	130,241	206,020	63,200	90,853
Notes payable	101,919	–	101,919	–
	232,160	206,020	165,119	90,853
	344,296	448,916	165,119	192,362

The bank loans of the Company and certain subsidiaries of $215,825,000 (2016: $233,530,000) are secured by legal mortgages over property, plant and equipment, investment properties and equity securities of the Group as disclosed in notes 4, 6 and 9 respectively.

The notes payable were issued under the $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 5 years (2016: 2 to 5 years). As at the reporting date, the Group has obligations under finance leases that are payable as follows:

	Principal 2017 $'000	Interest 2017 $'000	Payments 2017 $'000	Principal 2016 $'000	Interest 2016 $'000	Payments 2016 $'000
Group						
Repayable within 1 year	1,541	164	1,705	1,391	142	1,533
Repayable after 1 year but within 5 years	2,011	112	2,123	1,809	88	1,897
Repayable after 5 years	–	–	–	–	–	–
Total	3,552	276	3,828	3,200	230	3,430

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

19 LOANS AND BORROWINGS (cont'd)

Finance lease liabilities (cont'd)

Terms and debt repayment schedule

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

		2017			2016		
	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000	Year of maturity	Face value $'000	Carrying amount $'000
Group							
Floating rate bank loans	1.00% – 2.50% above SIBOR rate	2021	4,516	4,516	2017 – 2021	7,623	7,623
	1.50% – 2.00% above bank's 3 months cost of funds	2018 – 2021	16,919	16,919	2017 – 2021	24,663	24,663
	1.25% – 2.00% above swap rate	2018 – 2022	99,470	99,470	2017 – 2021	187,630	187,630
	2.00% – 2.80% above LIBOR rate	–	–	–	2017	7,603	7,603
	1.30 times CHIBOR rate	–	–	–	2025	9,178	9,178
Fixed rate bank loans	2.22% – 6.37%	2018 – 2025	117,920	117,920	2017 - 2025	107,510	107,510
Finance lease liabilities	1.16% – 7.66%	2018 – 2021	3,552	3,552	2017 – 2020	3,200	3,200
Notes payable	4.60%	2018	101,919	101,919	2018	101,509	101,509
			344,296	344,296		448,916	448,916
Company							
Floating rate bank loans	2.50% above SIBOR rate	2018	–	–	2017	2,600	2,600
	2.00% above bank's 3 months cost of funds	2018	500	500	2018	1,500	1,500
	2.00% – 2.80% above LIBOR rate	–	–	–	2017	7,603	7,603
Fixed rate bank loans	2.48% – 3.98%	2018	62,700	62,700	2017	79,150	79,150
Notes payable	4.60%	2018	101,919	101,919	2018	101,509	101,509
			165,119	165,119		192,362	192,362

Of the Group and Company's bank loans, $118,561,000 (2016: $131,310,000) and $63,200,000 (2016: $90,853,000) 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 2017

20 TRADE AND OTHER PAYABLES

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Non-current liabilities					
Trade payables – third parties		22,866	21,610	–	–
Deposits		283	–	–	–
Loans from subsidiaries	(a)	–	–	55,037	57,431
Loans from an associate	(b)	3,332	–	–	–
Loans from non-controlling interests	(c)	30,849	15,178	–	–
Non-trade amounts due to subsidiaries	(d)	–	–	7,077	6,850
Non-trade amounts due to non-controlling interests	(e)	707	–	–	–
Other payables		5,329	3,253	–	–
Accrued operating expenses		2	–	–	–
Long-term employee benefits	(f)	1,770	1,691	1,489	1,402
		65,138	41,732	63,603	65,683
Current liabilities					
Trade payables					
– related party		22	3,158	–	–
– third parties		57,001	37,451	–	–
Deposits		3,946	3,597	–	–
Advances – development properties	(g)	61,256	–	–	–
Other advances		2,367	1,377	–	–
Loans from an associate	(h)	3,630	8,439	–	–
Loans from non-controlling interests	(i)	6,852	9,401	–	–
Non-trade amounts due to related parties	(j)	1,278	1,133	–	–
Non-trade amounts due to non-controlling interests	(j)	858	2,119	–	–
Other payables		12,887	10,175	2,430	369
Accrued operating expenses		6,104	5,519	1,995	1,733
Fair value through profit or loss					
– Foreign exchange contracts		195	1,303	195	1,303
		156,396	83,672	4,620	3,405
Total trade and other payables		221,534	125,404	68,223	69,088

(a) 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 $775,000 (2016: $702,000) are interest-free and a loan of $3,219,000 (2016: $3,219,000) bears interest at 2.86% (2016: 2.21%) and another loan of $1,450,000 (2016: $nil) bears interest at 1.95% over SIBOR. A loan of $5,440,000 (2016: $6,800,000) bears interest at 1.50% over bank's cost of funds with the final maturity date of repayment on 1 March 2021. The remaining loans bear interest at 1.00% (2016: 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 1.56% (2016: 2.08%) per annum.

(b) The non-current loans from an associate of $3,332,000 (2016: $nil) bears interest at 6.00% (2016: nil) per annum and is repayable in 2019.

(c) The non-current loans from non-controlling interests of $30,129,000 (2016: $10,528,000) are unsecured, interest-free, have no fixed terms of repayment and will not be repaid within the next twelve months. The remaining loan of $720,000 (2016: $4,650,000) bears interest at 10.00% (2016: 10.00%) per annum and is repayable in 2019.

(d) 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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

20 TRADE AND OTHER PAYABLES (cont'd)

(e) Non-trade amounts due to non-controlling interests are unsecured, interest-free with no fixed terms of repayment and will not be repaid within the next twelve months from the reporting date.

(f) 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.

(g) Advances for development properties pertains to advance payments received from customers in relation to a development project in Jiangyin, China.

(h) Loans from an associate bear interest at 8.00% (2016: 6.00% to 10.00%) are unsecured and are repayable on demand.

(i) The current loans from non-controlling interests are unsecured and expected to be repaid within the next twelve months. A loan of $252,000 (2016: $4,901,000) is interest-free and remaining loans of $6,600,000 (2016: $4,500,000) bear interest at 12.00% (2016: 12.00%) per annum.

(j) Non-trade amounts due to non-controlling interest and related parties are unsecured, interest-free and repayable on demand.

21 PROVISIONS

	Site restoration	
	2017	**2016**
	$'000	**$'000**
Group		
At beginning of the year	3,685	5,192
Provision made during the year	99	1,136
Provision reversed during the year	–	(2,643)
Balance as at end of the year	3,784	3,685
Provisions due:		
– within 1 year	140	136
– after 5 years	3,644	3,549
	3,784	3,685

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 2017

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	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Primary geographical markets										
Singapore	122,664	129,688	15,630	15,410	2,704	2,943	–	–	140,998	148,041
Malaysia	15,981	15,725	–	–	–	–	–	–	15,981	15,725
China	5,370	5,552	1,514	1,545	12,221	101,387	–	–	19,105	108,484
Thailand	6,604	6,225	–	–	–	–	–	–	6,604	6,225
Hong Kong	1,698	1,733	234	523	–	–	–	–	1,932	2,256
	152,317	158,923	17,378	17,478	14,925	104,330	–	–	184,620	280,731
Inter-segment revenue	331	326	2,479	381	–	–	(2,810)	(707)	–	–
	152,648	159,249	19,857	17,859	14,925	104,330	(2,810)	(707)	184,620	280,731
Major products and service lines										
Freight services	67,270	64,173	–	–	–	–	–	–	67,270	64,173
Logistics services	85,047	94,750	–	–	–	–	–	–	85,047	94,750
Management services	–	–	4,005	6,007	–	–	–	–	4,005	6,007
Fee income	–	–	1,748	2,151	–	–	–	–	1,748	2,151
Dividend income	–	–	1,781	3,120	–	–	–	–	1,781	3,120
Interest income	–	–	9,844	6,200	–	–	–	–	9,844	6,200
Sale of development properties	–	–	–	–	–	47,501	–	–	–	47,501
Construction services	–	–	–	–	11,497	53,640	–	–	11,497	53,640
Property management services	–	–	–	–	2,923	3,031	–	–	2,923	3,031
Rental income	–	–	–	–	505	158	–	–	505	158
	152,317	158,923	17,378	17,478	14,925	104,330	–	–	184,620	280,731
Inter-segment revenue	331	326	2,479	381	–	–	(2,810)	(707)	–	–
	152,648	159,249	19,857	17,859	14,925	104,330	(2,810)	(707)	184,620	280,731
Timing of revenue recognition										
Products and services transferred at a point in time	–	–	1,748	2,151	–	47,501	–	–	1,748	49,652
Products and services transferred over time	152,317	158,923	4,005	6,007	14,420	56,671	–	–	170,742	221,601
Others*	–	–	11,625	9,320	505	158	–	–	12,130	9,478
	152,317	158,923	17,378	17,478	14,925	104,330	–	–	184,620	280,731
	331	326	2,479	381	–	–	(2,810)	(707)	–	–
Inter-segment revenue	152,648	159,249	19,857	17,859	14,925	104,330	(2,810)	(707)	184,620	280,731

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

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

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.

23 OTHER INCOME

	Group	
	2017	**2016**
	$'000	**$'000**
Accretion of deferred revenue	–	11,339
Dividend income from available-for-sale financial assets	1,018	1,313
Fair value gain on foreign currency forward contracts	1,108	1,413
Fair value gain on investment properties	2,330	5,053
Fair value gain on remeasurement of development property upon reclassification to investment property	–	23,596
Foreign exchange gain	–	1,830
Gain on disposal of securities designated at fair value through profit or loss	–	42
Gain on disposal of an associate	52,135	52
Gain on disposal of property, plant and equipment	93	2
Management fee	42	42
Others	6,872	6,782
	63,598	51,464

24 FINANCE INCOME AND COSTS

	Group	
	2017	**2016**
	$'000	**$'000**
Interest income:		
– other receivables	1,748	1,995
– bank deposits	344	141
– loans to an associate	73	45
– investment in an associate	926	1,467
– convertible loan to an associate	202	318
– held-to-maturity debt security	1,407	1,411
Finance income	4,700	5,377
Interest expense:		
– term loans	(7,103)	(6,003)
– notes payable	(4,600)	(4,613)
– loans from non-controlling interests	(733)	(517)
– loans from a related party	(1,014)	(657)
– finance lease liabilities	(231)	(322)
– unwind of discount on site restoration provision	(99)	(71)
– others	(30)	(736)
Finance costs	(13,810)	(12,919)
Net finance costs	(9,110)	(7,542)

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

24 FINANCE INCOME AND COSTS (cont'd)

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:

	Group	
	2017 $'000	2016 $'000
Total interest income on loans and receivables	3,774	2,499
Total interest expense on financial liabilities measured at amortised cost	(13,681)	(12,112)

25 INCOME TAX

	Group	
	2017 $'000	2016 $'000
Current tax expense		
Current year	3,241	2,334
Adjustment for prior years	(1,148)	(1,000)
	2,093	1,334
Deferred tax expense		
Origination and reversal of temporary differences	(163)	2,631
Adjustment for prior years	2,965	(337)
	2,802	2,294
Total income tax expense	4,895	3,628

Reconciliation of effective tax rate

	2017 $'000	2016 $'000
Profit before income tax	25,368	32,386
Share of losses/(profits) of associates, net of tax	6,329	(6,950)
Profit before share of profits of associates	31,697	25,436
Tax calculated using Singapore tax rate of 17% (2016: 17%)	5,388	4,324
Effect of tax rates in foreign jurisdictions	(116)	2,565
Non-deductible expenses	7,184	9,858
Tax exempt income	(10,531)	(12,395)
Tax incentives	(246)	(672)
Recognition of tax effect of previously unrecognised tax losses	(44)	(47)
Current year losses for which no deferred tax asset was recognised	1,025	1,620
Under/(over) provided in prior years	1,817	(1,337)
Others	418	(288)
	4,895	3,628

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

26 PROFIT FOR THE YEAR

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

	Group 2017 $'000	Group 2016 $'000
Audit fees paid to:		
– auditors of the Company	523	473
– other auditors	63	133
Contributions to defined contribution plans included in staff costs	3,842	3,458
Depreciation of property, plant and equipment	12,766	10,721
Fair value loss on embedded derivative of convertible bond	–	7,582
Fair value (gain)/loss on securities designated at fair value through profit or loss	(5,095)	6,047
Impairment loss on available-for-sale financial assets	7,495	19,955
Impairment loss on receivables, net	8,703	8
Loss on deemed disposal of an associate	1,279	–
Loss on disposal of subsidiaries	8,182	191
Non-audit fees paid to:		
– auditors of the Company	22	37
– other auditors	24	15
Property, plant and equipment written off	–	1
Operating lease expense	21,038	29,162
Staff costs	31,462	30,088

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

	Group 2017 $'000	Group 2016 $'000
Loans and receivables	4,123	15,149
Fair value through profit or loss	7,742	(10,107)
Available-for-sale	(5,582)	(16,914)
Liabilities at amortised cost	(13,348)	(12,474)
	(7,065)	(24,346)

27 EARNINGS PER SHARE

	Group 2017 $'000	Group 2016 $'000
Basic earnings per share is computed based on:		
Net profit attributable to ordinary shareholders	3,422	10,023

	No. of shares ('000)	No. of shares ('000)
Issued ordinary shares at beginning of the year	553,787	2,607,096
Effect of share consolidation	–	(2,215,158)
Effect of own shares held	(134)	129,479
Effect of ordinary shares issued	28,024	18,219
Weighted average number of ordinary shares at end of the year	581,677	539,636

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

27 EARNINGS PER SHARE (cont'd)

	$'000	$'000
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	3,422	10,023

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 (2016: nil).

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.

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 (2016: eight) 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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

28 SEGMENT REPORTING (cont'd)

Operating segments

	Freight and logistics $'000	Financial services $'000	Real estate $'000	Eliminations $'000	Total operations $'000
2017					
Revenue					
External revenue	152,317	17,378	14,925	–	184,620
Inter-segment revenue	331	2,479	–	(2,810)	–
Total revenue	152,648	19,857	14,925	(2,810)	184,620
Results					
Segment results	639	(795)	45,309	–	45,153
Negative goodwill arising on acquisition of subsidiary	–	280	–	–	280
Unallocated corporate costs					
– other corporate costs					(4,626)
Results from operating activities					40,807
Finance income	147	2,566	1,987	–	4,700
Finance costs	(4,537)	(6,877)	(2,396)	–	(13,810)
Share of loss of associates, net of tax					(6,329)
Profit before income tax					25,368
Income tax expense	(1,347)	(1,494)	(2,054)	–	(4,895)
(Loss)/profit for the year	(5,098)	(6,320)	42,846	–	20,473
Other material non-cash items					
Fair value gain on foreign currency forward contract	–	1,108	–	–	1,108
Fair value gain on investment properties	–	–	2,330	–	2,330
Fair value gain on securities designated at fair value through profit or loss	–	5,095	–	–	5,095
Gain on disposal of an associate	–	–	52,135	–	52,135
Impairment loss on available-for-sale financial assets	–	(7,495)	–	–	(7,495)
Impairment loss on receivables	(83)	(8,620)	–	–	(8,703)
Loss on deemed disposal of an associate	–	(1,279)	–	–	(1,279)
Loss on disposal of subsidiaries	–	–	(8,182)	–	(8,182)
Loss on waiver of receivable from associate	–	(1,567)	–	–	(1,567)

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

28 SEGMENT REPORTING (cont'd)

Operating segments (cont'd)

	Freight and logistics $'000	Financial services $'000	Real estate $'000	Eliminations $'000	Total operations $'000
2016					
Revenue					
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
Results					
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
Other material non-cash items					
Accretion of deferred revenue	11,339	–	–	–	11,339
Fair value gain on foreign currency forward contract	–	1,413	–	–	1,413
Fair value gain on investment properties	–	–	5,053	–	5,053
Gain on disposal of an associate	52	–	–	–	52
Impairment loss on receivables	(62)	–	–	–	(62)
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)
Loss on disposal of subsidiaries	(191)	–	–	–	(191)
Impairment loss on available-for-sale financial assets	–	(19,955)	–	–	(19,955)

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

28 SEGMENT REPORTING (cont'd)

Operating segments (cont'd)

	Freight and logistics $'000	Financial services $'000	Real estate $'000	Eliminations $'000	Total operations $'000
2017					
Assets and liabilities					
Segment assets	329,973	200,640	437,725	–	968,338
Tax recoverable					134
Associates					79,157
Deferred tax assets					1,495
Cash and cash equivalents					322
Other unallocated assets					1,579
Total assets					1,051,025
Segment liabilities	201,971	69,941	189,673	–	461,585
Notes payable					101,919
Deferred tax liabilities					7,901
Current tax payable					9,139
Other unallocated liabilities					6,110
Total liabilities					586,654
2016					
Assets and liabilities					
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
2017					
Other segment information					
Capital expenditure	7,647	53	9,316	–	17,016
Depreciation	12,535	151	80	–	12,766
2016					
Other segment information					
Capital expenditure	55,573	45	10,467	–	66,085
Depreciation	10,490	145	86	–	10,721

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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
2017										
Revenue from external customers	85,233	13,758	22,195	42,509	5,319	3,335	6,917	2,723	2,631	184,620
Non-current assets*	324,923	71,726	55,447	2,286	–	–	–	–	–	454,382
Capital expenditure	5,799	1,793	9,379	45	–	–	–	–	–	17,016
2016										
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

* 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 $11,497,000 (2016: $101,142,000) of the Group's total revenue.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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 2017

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:

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Freight and logistics	39,431	40,763	93,594	90,051
Financial services	59,498	86,780	308,461	340,782
Real estate	188,444	134,855	3	7
	287,373	262,398	402,058	430,840

* Excludes prepayments and advances

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Impairment losses (cont'd)

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

	Gross 2017 $'000	Impairment losses 2017 $'000	Gross 2016 $'000	Impairment losses 2016 $'000
Group				
No credit terms	98,264	(5,491)	13,389	(1,143)
Not past due	159,058	–	234,324	–
Past due 0 – 30 days	9,481	–	8,960	–
Past due 31 – 120 days	4,264	(73)	4,420	–
More than 120 days	26,327	(4,457)	2,733	(285)
	297,394	(10,021)	263,826	(1,428)
Company				
No credit terms	5,937	(5,467)	4,754	(1,135)
Not past due	460,397	(59,738)	486,374	(60,608)
Past due 0 – 30 days	124	–	108	–
Past due 31 – 120 days	105	–	242	–
More than 120 days	700	–	1,105	–
	467,263	(65,205)	492,583	(61,743)

* 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:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
At beginning of the year	1,428	1,647	61,743	64,012
Impairment loss recognised	8,703	27	5,618	–
Impairment loss utilised	(46)	(224)	–	(13)
Impairment loss written back	–	(19)	(2,156)	(2,256)
Translation differences	(64)	(3)	–	–
At end of the year	10,021	1,428	65,205	61,743

* Excludes prepayments and advances

At 30 April 2017, an impairment loss of the Group of $4,300,000 related to a receivable from a shareholder of an associate with financial difficulties. Another impairment loss of $4,300,000 related to a customer with financial difficulties. The remainder of the impairment loss of the Group and the impairment loss of the Company as at 30 April 2017 related to balances due from several customers, which are long outstanding, with no objective evidence of likely repayment in the foreseeable future.

Based on the Group's monitoring of customer credit risk, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

Fair value of collaterals

At 30 April 2017, the fair value of financial and non-financial assets accepted as collaterals that the Group is permitted to sell or repledge in the event of default by the Group's debtors was $156,702,000 (2016: $152,694,000). The amounts are derived, 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 demand 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.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Impairment losses (cont'd)

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 does not expect any counterparty to fail to meet its obligations.

The Group's held-to-maturity debt security was not past due nor impaired at 30 April 2017.

Cash and cash equivalents

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

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
Group					
2017					
Derivative financial instruments					
Foreign exchange contracts	(195)				
– Inflow		10,420	10,420	–	–
– Outflow		(10,615)	(10,615)	–	–
	(195)	(195)	(195)	–	–
Non-derivative financial liabilities					
Finance lease liabilities	(3,552)	(3,828)	(1,705)	(2,123)	–
Term loans	(238,825)	(296,042)	(134,646)	(144,733)	(16,663)
Notes payable	(101,919)	(102,281)	(102,281)	–	–
Trade and other payables*	(155,946)	(157,287)	(93,679)	(63,608)	–
	(500,242)	(559,438)	(332,311)	(210,464)	(16,663)
	(500,437)	(559,633)	(332,506)	(210,464)	(16,663)
2016					
Derivative financial instruments					
Foreign exchange contracts	(1,303)				
– Inflow		19,576	19,576	–	–
– Outflow		(20,879)	(20,879)	–	–
	(1,303)	(1,303)	(1,303)	–	–
Non-derivative financial liabilities					
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)

* Excludes 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 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd)

	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Company					
2017					
Derivative financial instruments					
Foreign exchange contracts	(195)				
– Inflow		10,420	10,420	–	–
– Outflow		(10,615)	(10,615)	–	–
	(195)	(195)	(195)	–	–
Non-derivative financial liabilities					
Term loans	(63,200)	(64,680)	(64,680)	–	–
Notes payable	(101,919)	(102,281)	(102,281)	–	–
Trade and other payables*	(66,539)	(67,569)	(11,332)	(56,237)	–
Intra-group financial guarantees	–	(166,285)	(56,890)	(109,395)	–
	(231,658)	(400,815)	(235,183)	(165,632)	–
	(231,853)	(401,010)	(235,378)	(165,632)	–
2016					
Derivative financial instruments					
Foreign exchange contracts	(1,303)				
– Inflow		19,576	19,576	–	–
– Outflow		(20,879)	(20,879)	–	–
	(1,303)	(1,303)	(1,303)	–	–
Non-derivative financial liabilities					
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)	–

* Excludes 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 2017

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:

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Fixed rate instruments				
Associates	–	3,961	–	3,961
Convertible bond	–	19,577	–	–
Held-to-maturity debt security	20,974	–	–	–
Restricted fixed deposits	84	117	–	–
Finance lease receivables	10,417	15,670	–	–
Loans to subsidiaries	–	–	73,162	57,703
Loan to an associate	459	459	–	–
Loans to non-controlling interests	14,170	11,876	–	–
Loans to third parties	29,633	45,000	–	–
Deposits with banks	26,937	3,353	–	–
Bank loans	(117,920)	(107,510)	(62,700)	(79,150)
Notes payable	(101,919)	(101,509)	(101,919)	(101,509)
Finance lease liabilities	(3,552)	(3,200)	–	–
Loan from a subsidiary	–	–	(3,219)	(3,219)
Loans from non-controlling interests	(7,320)	(9,150)	–	–
Loans from related parties	(6,962)	(8,439)	–	–
	(134,999)	(129,795)	(94,676)	(122,214)
Variable rate instruments				
Loans to subsidiaries	–	–	249,609	294,237
Loan to an associate	2,014	–	–	–
Loans to non-controlling interest	279	–	–	–
Construction-in-progress	–	51,556	–	–
Bank loans	(120,905)	(236,697)	(500)	(11,703)
Loans from subsidiaries	–	–	(51,043)	(53,510)
	(118,612)	(185,141)	198,066	229,024

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. An increase of 100 basis points (bp) would decrease the Group's profit or loss by $10,000. A decrease of 100 bp in interest rate would have an equal but opposite effect. There was 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 2017

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.

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Profit or loss				
Variable rate instruments	(984)	(1,537)	1,644	1,901

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:

	2017				2016			
	USD $'000	RMB $'000	AUD $'000	RM $'000	USD $'000	RMB $'000	AUD $'000	RM $'000
Group								
Convertible loans to an associate and RCCPS in an associate	12,276	–	–	–	11,811	3,961	–	–
Other investments	61,237	–	1,670	120	54,247	–	3,127	98
Trade and other receivables	4,908	4,332	–	3,063	8,913	3,499	6	4,463
Cash and cash equivalents	4,596	51	–	120	4,071	670	–	109
Trade and other payables	(8,671)	(2,253)	–	(13)	(12,136)	(173)	–	(550)
Term loans	(12,219)	–	–	–	(22,929)	–	–	–
Net statement of financial position exposure	62,127	2,130	1,670	3,290	43,977	7,957	3,133	4,120
Foreign exchange contracts	–	–	–	–	19,576	–	–	–
Net exposure	62,127	2,130	1,670	3,290	63,553	7,957	3,133	4,120
Company								
Convertible loans to an associate and RCCPS in an associate	12,276	–	–	–	11,811	3,961	–	–
Other investments	61,237	–	–	–	54,247	–	–	–
Trade and other receivables	465	9,884	–	–	–	5,791	–	–
Cash and cash equivalents	41	41	–	–	210	661	–	–
Trade and other payables	(195)	(2,253)	–	–	(1,305)	(173)	–	–
Term loans	–	–	–	–	(7,603)	–	–	–
Net statement of financial position exposure	73,824	7,672	–	–	57,360	10,240	–	–
Foreign exchange contracts	–	–	–	–	19,576	–	–	–
Net exposure	73,824	7,672	–	–	76,936	10,240	–	–

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Profit or loss				
USD	(5,157)	(5,275)	(6,127)	(6,386)
RMB	(177)	(660)	(637)	(850)
AUD	(139)	(260)	–	–
RM	(273)	(342)	–	–

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/decrease in the underlying equity prices at the reporting date, with all other variables held constant, would increase/(decrease) profit/equity by the following amounts:

	Group		Company	
	10% increase	**10% decrease**	**10% increase**	**10% decrease**
	$'000	**$'000**	**$'000**	**$'000**
30 April 2017				
Profit or loss	7,010	(8,153)	5,579	(6,721)
Equity	2,577	(3,105)	–	–
30 April 2016				
Profit or loss	6,024	(7,042)	4,975	(5,994)
Equity	2,564	(3,089)	–	–

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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.

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. In 2016, 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 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.

In prior 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 believed that this was 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 prior year.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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

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.

	Group and Company	
	2017	2016
	%	%
Associates	7.00	8.00
Trade and other receivables	1.69 – 15.00	2.08 – 13.78
Loans and borrowings	1.79 – 6.37	1.84 – 6.37
Trade and other payables	1.69 – 12.00	2.08 – 10.00

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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.

		Carrying amount							Fair value			
	Note	Loans and receivables $'000	Available-for-sale $'000	Held-to-maturity $'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
Group												
30 April 2017												
Financial assets measured at fair value												
Available-for-sale financial assets, excluding unquoted equity securities held at cost	9	–	31,051	–	–	–	–	31,051	31,051	–	–	31,051
Financial assets at fair value through profit or loss	9	–	–	–	84,463	–	–	84,463	23,226	61,237	–	84,463
		–	31,051	–	84,463	–	–	115,514				
Financial assets not measured at fair value												
Associates	8	12,276	–	–	–	–	–	12,276	–	12,276	–	12,276
Restricted fixed deposits	9	84	–	–	–	–	–	84				
Held-to-maturity debt security	9	–	–	20,974	–	–	–	20,974				
Trade and other receivables, excluding prepayments and advances	11	287,373	–	–	–	–	–	287,373	–	286,518	–	286,518
Cash and cash equivalents	14	63,039	–	–	–	–	–	63,039				
		362,772	–	20,974	–	–	–	383,746				
Financial liabilities measured at fair value												
Foreign exchange contracts	20	–	–	–	–	195	–	195	–	195	–	195
Financial liabilities not measured at fair value												
Loans and borrowings	19	–	–	–	–	–	344,296	344,296	–	348,256	–	348,256
Trade and other payables*	20	–	–	–	–	–	155,946	155,946	–	154,082	–	154,082
		–	–	–	–	–	500,242	500,242				

* Excludes 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 2017

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

	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
Group											
30 April 2016											
Financial assets measured at fair value											
Available-for-sale financial assets, excluding unquoted equity securities held at cost	9	–	30,892	–	–	–	30,892	30,892	–	–	30,892
Financial assets at fair value through profit or loss	9	–	–	72,573	19,577	–	92,150	18,326	54,247	19,577	92,150
		–	30,892	72,573	19,577	–	123,042				
Financial assets not measured at fair value											
Associates	8	15,772	–	–	–	–	15,772	–	15,772	–	15,772
Restricted fixed deposits	9	117	–	–	–	–	117				
Trade and other receivables, excluding prepayments and advances	11	210,842	–	–	–	–	210,842	–	210,842	–	210,842
Construction-in-progress	12	51,556	–	–	–	–	51,556	–	51,556	–	51,556
Cash and cash equivalents	14	23,088	–	–	–	–	23,088				
		301,375	–	–	–	–	301,375				
Financial liabilities measured at fair value											
Foreign exchange contracts	20	–	–	–	1,303	–	1,303	–	1,303	–	1,303
Financial liabilities not measured at fair value											
Loans and borrowings	19	–	–	–	–	448,916	448,916	–	451,866	–	451,866
Trade and other payables*	20	–	–	–	–	121,033	121,033	–	120,920	–	120,920
		–	–	–	–	569,949	569,949				

* Excludes 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 2017

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

		Carrying amount						Fair value			
	Note	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
Company											
30 April 2017											
Financial assets measured at fair value											
Financial assets at fair value through profit or loss	9	–	–	67,213	–	–	67,213	5,976	61,237	–	67,213
Financial assets not measured at fair value											
Associates	8	12,276	–	–	–	–	12,276	–	12,276	–	12,276
Trade and other receivables, excluding prepayments and advances	11	402,058	–	–	–	–	402,058	–	400,021	–	400,021
Cash and cash equivalents	14	322	–	–	–	–	322				
		414,656	–	–	–	–	414,656				
Financial liabilities measured at fair value											
Foreign exchange contracts	20	–	–	–	195	–	195	–	195	–	195
Financial liabilities not measured at fair value											
Loans and borrowings	19	–	–	–	–	165,119	165,119	–	165,119	–	165,119
Trade and other payables*	20	–	–	–	–	66,539	66,539	–	66,332	–	66,332
		–	–	–	–	231,658	231,658				

* Excludes 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 2017

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

		Carrying amount						Fair value			
	Note	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
Company											
30 April 2016											
Financial assets measured at fair value											
Financial assets at fair value through profit or loss	9	–	–	59,936	–	–	59,936	5,689	54,247	–	59,936
Financial assets not measured at fair value											
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				
Financial liabilities measured at fair value											
Foreign exchange contracts	20	–	–	–	1,303	–	1,303	–	1,303	–	1,303
Financial liabilities not measured at fair value											
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 long-term employee benefits, advances and foreign exchange contracts at fair value through profit or loss.

In 2017 and 2016, there were no transfers between the different levels of the fair value hierarchy.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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
Group			
Fair value through profit or loss			
– Convertible bond	As at 30 April 2016 Proprietary valuation model, developed from the Black-Scholes Model: The valuation model includes the utilisation of the adjusted net asset value 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).	As at 30 April 2016 • Adjusted net asset value of Blackgold International Holdings Limited • Discount for lack of marketability: 30% • Discount for lack of control: 60.12% • Probability weighting applied of 0%	The estimated fair value would increase/(decrease) if: • the adjusted net asset value of Blackgold International Holdings Limited was higher/(lower); • the discount for lack of marketability was lower/(higher); • the discount for lack of control was lower/(higher); and • the probability weighting applied was higher/(lower).
Investment properties			
– 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.	• Discount rate: 5.96% (2016: 6.17%) • Rental rates: \$49 to \$87 (2016: \$52 to \$89) per square metre per annum	The estimated fair value would increase/(decrease) if: • the discount rate was lower/(higher); and • the rental rate was higher/(lower).
– 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.	• 2016: In-house adjustments made by valuer on comparable prices of \$18,686 to \$37,265	The estimated fair value would increase/(decrease) if the adjustments and comparable prices were higher/(lower).
– 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.	• In-house adjustments made by valuer on comparable prices of \$2,834 to \$5,242 (2016: \$3,625 to \$4,446) per square metre • Estimated cost to complete the construction	The estimated fair value would increase/(decrease) if: • the adjustments and comparable prices were higher/(lower); and • the estimated cost to complete the construction was lower/(higher).

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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

Assets and liabilities measured at fair value (cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group and Company			
Quoted equity securities	Certain quoted equity 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
Fair value through profit or loss			
– 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

Type	Valuation technique	Significant unobservable inputs
Group and Company		
Associates	Discounted cash flows*	Not applicable
Held-to-maturity debt security	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 2017

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.

	Fair value through profit or loss – convertible bond $'000	Investment properties $'000	Total $'000
At 1 May 2016	19,577	250,426	270,003
Purchases	–	9,027	9,027
Total gains or losses recognised in profit or loss			
– finance income	1,407	–	1,407
– changes in fair value recorded in "other income"	–	2,330	2,330
Disposal of subsidiary	–	(140,000)	(140,000)
Translation differences	(10)	(5,487)	(5,497)
Modification of terms and reclassification to held-to-maturity debt security (note 9)	(20,974)	–	(20,974)
At 30 April 2017	–	116,296	116,296
At 1 May 2015	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)
At 30 April 2016	19,577	250,426	270,003

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

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

Reconciliation of Level 3 fair value (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.

	Group Profit or loss Increase $'000	Group Profit or loss Decrease $'000
30 April 2017		
Investment properties		
– Discount rate (1% movement)	(3,164)	3,164
– Rental rates (5% movement)	3,142	(3,142)
– Comparable prices (5% movement)	3,604	(3,604)
– Estimated cost to complete the construction (5% movement)	(189)	189
30 April 2016		
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

There is no impact on equity.

32 ACQUISITION OF SUBSIDIARIES

(a) Celestine Management Private Limited

On 20 January 2017, the Company acquired 50% of the shares and voting interests in Celestine Management Private Limited (Celestine) for a total consideration of $1. As a result, the Group's equity interest in Celestine increased from 50% to 100%, obtaining control of Celestine.

The principal activities of Celestine are those relating to the provision of real estate management services.

Revenue and profit contribution

From the date that the Group assumed control to 30 April 2017, Celestine contributed losses of $137,000 to the Group's results. As Celestine has not commenced its business, no revenue was recognised. If the acquisition had occurred on 1 May 2016, there would have been no impact to the consolidated revenue and Group results for the year ended 30 April 2017.

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

32 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) Celestine Management Private Limited (cont'd)

Consideration transferred

	$'000
Effect on cash flows of the Group	
Cash paid	*
Less: Cash and cash equivalents in subsidiary acquired	56
Cash inflow on acquisition	56

	At fair value $'000
Identifiable assets acquired and liabilities assumed	
Other receivables	514
Cash and cash equivalents	56
Total assets	570
Other payables	10
Total liabilities	10
Total net identifiable assets	560
Less: Negative goodwill on acquisition	(280)
Less: Fair value of existing interest	(280)
Total consideration transferred	*

* $1 or immaterial.

Measurement of fair value for material assets acquired and liabilities assumed

The other receivables comprise mainly the loan to the Company which approximate fair value.

33 ACQUISITION OF NON-CONTROLLING INTERESTS

(a) Legend Capital Gain Inc.

On 10 August 2016, the Group acquired additional effective interest of 39.66% in Legend Capital Gain Inc. for a consideration of $1,091,000 in cash and assignment of $1,364,000 loan, increasing its effective interest in the subsidiary from 60.34% to 100%. The carrying amount of Legend Capital Gain Inc.'s net liabilities in the consolidated financial statements on the date of acquisition was $229,000. The Group recognised a decrease in non-controlling interests and a decrease in other reserves of $1,182,000, 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 Legend Capital Gain Inc.:

	Group $'000
Parent's ownership interest at beginning of the year	1,154
Capital injection during the year	1,092
Effect of increase in parent's ownership interest	(1,182)
Share of other comprehensive income	(1,190)
Parent's ownership interest at end of the year	(126)

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

33 ACQUISITION OF NON-CONTROLLING INTERESTS (cont'd)

(b) Advanced Resources Capital Holding Limited

On 13 October 2016, the Group increased its effective interest in the subsidiary, Advanced Resources Capital Holding Limited (ARCHL) from 75.65% to 100%, as a result of unconditional withdrawal by the non-controlling shareholder.

The carrying amount of ARCHL's net assets in the consolidated financial statements on the date of acquisition was $340,000. The Group recognised a decrease in non-controlling interests and an increase in other reserves of $83,000, 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 ARCHL:

	Group $'000
Parent's ownership interest at beginning of the year	1,197
Effect of increase in parent's ownership interest	83
Share of comprehensive income	(1,483)
Parent's ownership interest at end of the year	(203)

(c) Fervent Industrial Development (Suzhou) Co., Ltd

In May 2016, the Group acquired additional effective interest of 15.83% in Fervent Industrial Development (Suzhou) Co., Ltd for a consideration of $10,678,000 in cash, increasing its effective interest in the subsidiary from 32.17% to 48.00%. The carrying amount of Fervent Industrial Development (Suzhou) Co., Ltd's net assets in the consolidated financial statements on the date of acquisition was $19,667,220. The Group recognised a decrease in non-controlling interests and an increase in other reserves of $871,000, being the excess of the net assets acquired over the cost of the acquisition.

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:

	Group	
	2017 $'000	2016 $'000
Parent's ownership interest at beginning of the year	8,939	6,863
Capital injection during the year	10,678	1,094
Effect of increase in parent's ownership interest	871	130
Share of comprehensive income	390	852
Parent's ownership interest at end of the year	20,878	8,939

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

34 DISPOSAL OF INTERESTS IN SUBSIDIARIES

(a) Disposal of interest in a subsidiary without loss of control

Sinolink Finance International Limited

On 13 October 2016, the Group disposed of a 49% equity interest out of the 100% equity interest held in Sinolink Finance International Limited at a consideration of $279,000. This resulted in an increase in equity attributable to owners of the parents of $142,000.

(b) Disposal of interest in a subsidiary resulting in loss of control

Ececil Pte. Ltd.

On 14 September 2016, the Group dispose of 30.6% of its controlling interest out of the 51% interests in Ececil Pte. Ltd. at a consideration of $25,500,000. This resulted in a loss of disposal of $8,182,000 recognised in profit or loss (disclosed in note 26).

35 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 2017 %	2016 %
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	49	54.4
Fervent Industrial Development (Suzhou) Co., Ltd (Fervent)	People's Republic of China	Real estate	52	67.8
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
Lee Thong Hung Trading & Transport Sdn Bhd (LTHM)	Malaysia	Freight and logistics	49.2	49.2
Glory Capital Pte Ltd (GCPL)	Singapore	Financial leasing	35	35

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

35 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	GCPL $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2017												
Revenue	45,460	4,006	1,483	725	13,455	–	–	–	9,844			
Profit/(loss) after tax	200	1,190	(2,316)	(853)	1,488	(1,472)	58,000	3,290	5,285			
Other comprehensive income	–	–	(646)	(572)	(1,184)	(1,388)	–	–	–			
Total comprehensive income	200	1,190	(2,962)	(1,425)	304	(2,860)	58,000	3,290	5,285			
Attributable to non-controlling interests:												
– Profit/(loss) after tax	98	583	(1,135)	(444)	952	(736)	28,420	1,612	1,850	(2,268)	(11,881)	17,051
– Other comprehensive income	–	–	(317)	(297)	(757)	(694)	–	–	–	84	(246)	(2,227)
Total comprehensive income	98	583	(1,452)	(741)	195	(1,430)	28,420	1,612	1,850	(2,184)	(12,127)	14,824
Non-current assets	129,051	18,849	9,213	49,345	30,854	67,063	–	16,476	15,726			
Current assets	37,290	2,219	20,419	516	68,888	46	126,077	161	1,509			
Non-current liabilities	(87,115)	–	(863)	(17,316)	(19,418)	(1,274)	–	–	(6,470)			
Current liabilities	(73,023)	(4,050)	(2,140)	(7,867)	(30,775)	(45,985)	(64,853)	(4)	(1,205)			
Net assets	6,203	17,018	26,629	24,678	49,549	19,850	61,224	16,633	9,560			
Net assets attributable to non-controlling interests	3,039	8,339	13,048	12,833	31,712	9,925	30,000	8,150	3,346	4,726	(31,105)	94,013
Cash flows from operating activities	9,875	(2,733)	(10,918)	(2,334)	57,385	–	(23,109)	(4,145)	35,102			
Cash flows from investing activities	(3,159)	(544)	–	(7,012)	(46,884)	–	16,100	22,999	–			
Cash flows from financing activities (dividends to non-controlling interests: $nil)	(6,002)	3,048	10,530	(9,410)	1,446	–	7,000	(18,732)	(34,880)			
Net increase/(decrease) in cash and cash equivalents	714	(229)	(388)	(18,756)	11,947	–	(9)	122	222			

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

35 NON-CONTROLLING INTERESTS (cont'd)

	LTH $'000	SREIM $'000	Sinolink $'000	Fervent $'000	DP-Master $'000	Saujana $'000	Vibrant DB2 $'000	Shentoncil $'000	Ececil $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2016												
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)	–	–	–			
Total comprehensive income	(407)	608	210	4,168	6,710	(3,648)	(4,104)	(956)	22,350			
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)
Total comprehensive income	(199)	298	114	2,827	4,295	(1,825)	(2,011)	(468)	10,951	65	2,416	16,463
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)			
Net assets	6,002	15,858	22,517	19,579	47,815	22,694	3,224	13,343	44,692			
Net assets attributable to non-controlling interests	2,941	7,770	12,238	13,281	30,601	11,347	1,580	6,538	21,899	6,853	(34,760)	80,288
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			
Net increase/(decrease) in cash and cash equivalents	282	(574)	(3,506)	(438)	1,557	(3)	11	–	(45)			

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

36 COMMITMENTS

Capital commitments

	2017 $'000	2016 $'000
Expenditure contracted for:		
– Property, plant and equipment	2,974	244
– Investment properties	–	1,615
	2,974	1,859

Capital commitments relate to outstanding contracts in respect of the purchase consideration payable for the 18 units of trucks in Malaysia (2017), the development of a bromine warehouse at Banyan Drive, Jurong Island, Singapore (2016 and 2017) and industrial development project in Changshu, China (2016).

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 2017, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2017 $'000	2016 $'000
Within 1 year	14,234	14,636
After 1 year but within 5 years	12,965	13,858
After 5 years	107,927	124,808
	135,126	153,302

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 2017, the future minimum lease receivable under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group	
	2017 $'000	2016 $'000
Within 1 year	2,198	695
After 1 year but within 5 years	11,181	3,066
After 5 years	9,609	837
	22,988	4,598

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

37 CONTINGENT LIABILITIES (UNSECURED)

Intra-group financial guarantees comprise corporate guarantees amounting to $166,285,000 (2016: $195,107,000) 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:

	Company	
	2017 **$'000**	**2016** **$'000**
Within 1 year	56,890	69,858
After 1 year but within 5 years	109,395	94,952
After 5 years	–	30,297
	166,285	195,107

As at 30 April 2017, the Group has also extended $16,830,000 (2016: $nil) of corporate guarantee to its associate Ececil Pte. Ltd. The corporate guarantee will expire within 1 year.

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 or associate which the guarantees were given on behalf of.

To mitigate this risk, the Company continually monitors the risks and has established processes including performing evaluation of the subsidiaries and associate's profitability that it is providing guarantee on behalf of.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows and the Company only issue guarantees to its subsidiaries and related entities.

The intra-group financial guarantees for subsidiaries are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

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 2017 amounted to $378,647,000 (2016: $271,381,000).

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

38 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:

	Group	
	2017	**2016**
	$'000	**$'000**
Short-term employee benefits	4,263	4,019
Long-term employee benefits	87	87
Defined contribution plans	253	218
	4,603	4,324

Other related party transactions

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

	Group	
	2017	**2016**
	$'000	**$'000**
Purchases from a related party	4,051	46,077
Professional fees paid to TSMP Law Corporation	67	26

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

39 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 2017

39 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, construction-in-progress and held-to-maturity debt security

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 2017

39 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Key sources of estimation uncertainty (cont'd)

Valuation of development properties

The Group estimates the net realisable value of completed units and properties under development, by making references to comparable properties, location of property, management's expected selling price and estimated development expenditure. Market condition may, however, change which may affect the future selling prices of the remaining unsold units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

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.

40 SUBSEQUENT EVENTS

On 3 May 2017, the Company entered into a placement agreement with Mr Teo Kee Bock to allot and issue an aggregate of 70,000,000 new ordinary shares in the share capital of the Company at S$0.38 for each Placement share with an aggregate consideration of S$26,600,000. The placement shares was completed on 25 May 2017 and the total number of issued shares subsequent to the issue of the placement shares issued increased from 605,429,955 ordinary shares to 675,429,955 ordinary shares.

On 29 May 2017, the Group successfully redeemed the outstanding fixed rate notes issued on 29 May 2013 with a principal amount of S$100,000,000. Accordingly, there are no Notes outstanding subsequent to the year end.

On 13 July 2017, the Board of Directors announced that the Group has been successfully implemented the Scheme of Arrangement and the Group now holds all the ordinary shares in Blackgold International Holdings Limited (BGG). The Scheme Consideration of A$0.045 for each Scheme Shares has been paid to shareholders on 13 July 2017 and BGG becomes a wholly-owned subsidiary of the Group.

On 14 July 2017, the Group announced that it has through its wholly-owned subsidiary, Freight Links Express Pte Ltd ("Freight Links Express") incorporated an associate, Wagon Links Pte Ltd ("Wagon Links") in Singapore. Wagon Links, which is registered with an initial capital of US$300,000, is 40% owned by the Group through its subsidiary, Freight Links Express.

On 31 July 2017, the Board of Directors announced that an indirect subsidiary, 瑞金市中达商业保理有限公司 ("瑞金市中达"), has been incorporated on 27 July 2017 as a limited liability company in JiangXi Province, China. The subsidiary, which is registered with an initial capital of S$20,200,000, is 51% owned by the Group through its subsidiary, Sinolink Financial Leasing Co., Ltd.

Supplementary Information
(SGX Listing Manual disclosure requirements)

1 DIRECTORS' REMUNERATION

Company's directors receiving remuneration from the Group

	Number of directors	
	2017	**2016**
Remuneration of:		
$500,000 to below $750,000	1	1
$250,000 to below $500,000	2	2
Below $250,000	3	3
	6	6

Properties Held for Investment

PROPERTIES HELD FOR INVESTMENT

Location	Approximate Land Area	Tenure	Usage
Lorong Palas, Off Jalan Ampang, Malaysia	6,382.8 m^2	Freehold	Residential property
Changshu Fervent Industrial Park, Jiangsu – Phase 1	101,150 m^2	50 years lease commencing March 2014	Industrial property
Changshu Fervent Industrial Park, Jiangsu – Phase 2	76,553 m^2	50 years lease commencing March 2017	Industrial property

Shareholders' Information

As at 17 July 2017

Issued and fully paid	675,429,955 ordinary shares
Issued and fully paid (excluding treasury shares)	670,241,395 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	491	4.26	17,292	0.00
100 – 1,000	3,037	26.38	1,971,053	0.29
1,001 – 10,000	5,615	48.77	21,413,600	3.20
10,001 – 1,000,000	2,347	20.39	124,672,773	18.60
1,000,001 – above	23	0.20	522,166,677	77.91
Grand Total	**11,513**	**100.00**	**670,241,395**	**100.00**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

The percentage of shareholding held by the public is approximately 49.19%. 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	153,659,137	22.93
2	Teo Kee Bock	70,000,000	10.44
3	Maybank Nominees (S) Pte Ltd	61,007,339	9.10
4	CIMB Securities (Singapore) Pte Ltd	60,157,042	8.98
5	Hong Leong Finance Nominees Pte Ltd	52,926,003	7.90
6	Wang Yixin	26,000,000	3.88
7	Citibank Nominees Singapore Pte Ltd	21,082,906	3.15
8	United Overseas Bank Nominees (Private) Limited	20,352,546	3.04
9	DBS Nominees Pte Ltd	11,972,069	1.79
10	Raffles Nominees (Pte) Ltd	8,009,506	1.20
11	Maybank Kim Eng Securities Pte Ltd	7,580,961	1.13
12	Phillip Securities Pte Ltd	5,272,342	0.79
13	OCBC Nominees Singapore Pte Ltd	5,016,442	0.75
14	UOB Kay Hian Pte Ltd	3,260,631	0.49
15	Lee Kim Heok	2,750,539	0.41
16	OCBC Securities Private Ltd	2,113,687	0.32
17	Yim Chee Chong	2,005,066	0.30
18	Tan Soon Hoe	1,981,376	0.30
19	Goh Ah Tee @ Goh Hui Chua	1,978,735	0.30
20	Andrew Lim Chee Seng	1,755,190	0.26
	Total	**518,881,517**	**77.46**

Shareholders' Information

As at 17 July 2017

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders

		Number of Shares	
Name of Substantial Shareholders	**Notes**	**Direct Interest**	**Deemed Interest**
Vibrant Capital Pte. Ltd.		321,678,562	Nil
Eric Khua Kian Keong	1	17,832,648	321,678,562
Lian Hup Holdings Pte. Ltd.	2	Nil	321,678,562
Khua Hock Su	3	Nil	321,685,273
Vincent Khua Kian Ann	4	Nil	321,678,562
Khua Kian Hua	4	Nil	321,678,562
Teo Kee Bock		70,000,000	Nil

Notes:

(1) Mr Eric Khua Kian Keong is deemed to be interested in 321,678,562 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 321,678,562 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 321,685,273 shares, of which 321,678,562 shares are held by Vibrant by virtue of his shareholding interests in Lian Hup and 6,711 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 321,678,562 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 Logisticentre, Singapore 609143, on Thursday, 31 August 2017 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 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a First and Final Dividend of 1.50 cents per ordinary share for the year ended 30 April 2017 (2016: First and Final 1.80 cents). **(Resolution 2)**

3. To approve the Directors' Fees of S$187,500/- for the year ended 30 April 2017 (2016: S$187,500/-). **(Resolution 3)**

4. To re-elect Mr Thomas Woo Sai Meng as a Director retiring under Regulation 94 of the Company's Constitution. **(Resolution 4)**

5. To re-elect Mr Loh Eu Tse Derek as a Director retiring under Regulation 94 of the Company's Constitution. **(Resolution 5)**

   [Note: Subject to his re-election, Mr Loh Eu Tse Derek shall remain as Chairman of the Remuneration Committee and the Nominating Committee and a member of the Audit Committee. 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 KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

Notice of Annual General Meeting (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 7)

8. **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 8)

Notice of Annual General Meeting (cont'd)

9. **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 9)**

10. 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
Company Secretary

Singapore, 16 August 2017

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 authorized 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 authorized 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 Logisticentre, Singapore 609143 not less than 48 hours before the time set for the Meeting.

Explanatory Notes:

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

(2) Resolution 8 proposed in item 8 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 1 August 2017 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 9 proposed in item 9 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 7 September 2017 for the purpose of determining shareholders' entitlements to a First and Final Dividend of 1.50 cents per share for the financial year ended 30 April 2017 ("Dividend 2017") to be proposed at the Annual General Meeting of the Company to be held on 31 August 2017.

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 7 September 2017 will be entitled to the Dividend 2017 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 7 September 2017 will be registered to determine shareholders' entitlements to Dividend 2017.

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 2017 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 2017 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
Company Secretary

Singapore, 16 August 2017

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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 16 August 2017.

Proxy Form

Annual General Meeting to be held on 31 August 2017

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 Logisticentre, Singapore 609143 on **Thursday, 31 August 2017 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 Thomas Woo Sai Meng		
5.	Re-election of Mr Derek Loh Eu Tse		
6.	Re-appointment of Auditors		
	SPECIAL BUSINESS:		
7.	Authority to issue shares		
8.	Renewal of Share Buyback Mandate		
9.	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 ______________________ 2017

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 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 Logisticentre, Singapore 609143 not less than 48 hours before the time set for the Meeting.

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

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

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

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register 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 Logisticentre
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 Logisticentre
Singapore 609143
Tel : (65) 6267 5511 (20 Lines)
Fax : (65) 6267 5577
E-Mail : flesin@freightlinks.net
TOLL FREE LINE (65) 6566 2866

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

GLE Integrated Pte Ltd
Blk 162 Bukit Merah Central
#03-3545
Singapore 150162
Tel : (65) 6536 2188
Fax : (65) 6535 9188
E-Mail : sales@gleintegrated.com
Web : www.glelog.com

WAREHOUSING AND LOGISTICS

Freight Links Logistics Pte Ltd
51 Penjuru Road #03-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6262 6988
Fax : (65) 6262 6928
E-Mail : logistics@freightlinks.net

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

Freight Links Express Logisticpark Pte Ltd
33/35 Penjuru Lane
Singapore 609200
Tel : (65) 6262 6988
Fax : (65) 6262 6928

Crystal Freight Services Distripark Pte Ltd
146 Gul Circle
Singapore 629604
Tel : (65) 6262 6988
Fax : (65) 6262 6928

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

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

DOCUMENTS MANAGEMENT SERVICES

Freight Links Express Archivers Pte Ltd
30 Tuas Avenue 10
Singapore 639150
Tel : (65) 6262 6966
Fax : (65) 6262 6928
E-Mail : flear@freightlinks.net

CHEMICAL STORAGE AND LOGISTICS

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

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

REAL ESTATE MANAGEMENT SERVICES

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

OVERSEAS OFFICES

CHINA

Freight Links (Jiangsu) Co., Ltd
Lingang Distripark, 18# Sugang Road,
Jiangyin, Jiangsu Province
214442 P.R.C
Tel : (86) 510 81662101/2/3
Fax : (86) 510 81662100

San Lu Logistics Co., Ltd
18 Haigang Road, Jiangyin City
(In the bonded logistics center warehouse no. 3)
214443, P.R.C.
Tel : (86) 510 81662101/2/3
Fax : (86) 510 81662100

Fervent Industrial Development (Suzhou) Co., Ltd
55 Sunshine Avenue, Changshu
Jiangsu Province, 215500, China
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Fax : (86) 512 80651616
E-mail : info@fervent-industrial.com

DP-Master-Vibrant (Jiangyin) Real Estate Development Co.,Ltd
6F, No. 203 Zhujiang Road, Lingang Economic
Development Zone, Jiangyin City, 214400, China
Tel/Fax : (86) 510 86887163

Master Development (Jiangyin) Co., Ltd
6F, No. 203 Zhujiang Road, Lingang Economic
Development Zone, Jiangyin City, 214400, China
Tel/Fax : (86) 510 86887163

Sinolink Financial Leasing Co., Ltd
Rm402, Building A, No. 1151, Hong Xu Road,
Changning District, Shanghai, 200336, China
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Fax : (86) 21 62953656-809

Blackgold International Holdings Limited
12th Floor, No.18, Mian Hua Street
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Tel : (86) 23 6377 6619
Fax : (86) 23 6377 7154
Web : www.blackgoldglobal.net

MALAYSIA

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Lee Thong Hung Trading & Transport Sdn Bhd
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THAILAND

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Yannawa, Bangkok 10120
Tel : (662) 210 2888 (40 lines)
Fax : (662) 674 3720-26
E-mail : flebkk@fleth.co.th
Web : www.fleth.co.th

ASSOCIATES

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Web : www.fmmalaysia.com.my

Figtree Holdings Limited
8 Jalan Kilang Barat
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139 Cecil St #01-00 Cecil House
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China GSD Logistics Pte Ltd
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Block 139, 6th Floor, Liantang
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