Vibrant Group Limited

Building Strengths,

Forging Ahead

Annual Report 2018

Contents

Building on our proven strategy of leveraging diversified growth drivers and capitalising on sound investment opportunities in the region, we will continue to focus on widening our horizons, seeking out brighter opportunities for driving sustainable growth into the future.

Our Vision Our Mission

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

OUR VISION

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

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.

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

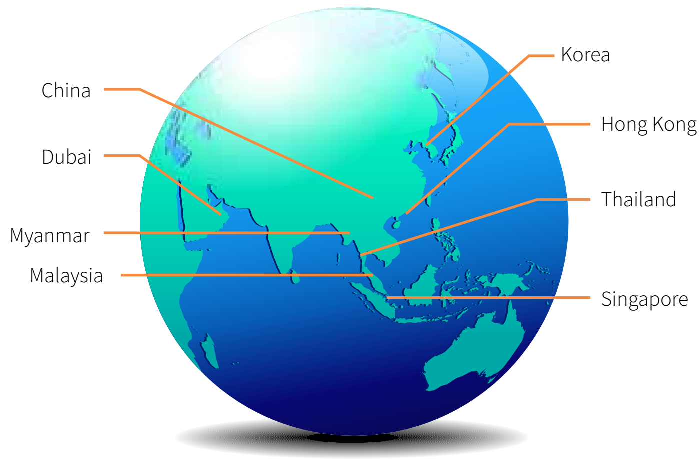
INTEGRATED LOGISTICS SERVICES

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

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

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$938 million.

SENTOSA ASIAN CREDIT FUND

Vibrant Group invested 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

Vibrant remains in a stable financial position with sound operations, and can return to sustainable growth.

Dear Shareholders,

First and foremost, and on behalf of the Board, I would like to express our apologies for the dismal results for FY 2018. It has been a challenging year for Vibrant Group Limited especially in the last six months as the Group was weighed down by issues at our Blackgold International Holdings Pty Ltd ("Blackgold") subsidiaries. We have taken the unprecedented decision to write off Blackgold in its entirety even as we continue to pursue all available options to recover our investments. This has affected our FY2018 performance significantly. Nevertheless our core businesses remain resilient and viable.

It would be remiss if we did not reflect on the problems and its consequences and we are now re-examining and restructuring our business strategy to see how the Group can return to delivering continued growth.

BACKGROUND ON BLACKGOLD

I am cognisant that the issues relating to Blackgold's acquisition and difficulties have been the subject of many announcements and press releases. That being said, I thought that we should nevertheless recall and review some of the key events relating to Blackgold.

The acquisition of Blackgold was opportunistic and at the time it was seen as a chance to expand our logistics business into an integrated commodity logistics and trading business. The Group acquired 94.18% ASX-listed Blackgold on 13 July 2017 through a scheme of arrangement approved by the Federal Court of Australia. However, the Group's Auditors, KPMG LLP subsequently discovered accounting irregularities and discrepancies during the 2018 year-end audit in respect of the coal mining and coal trading receipts and sales invoices of some of the subsidiaries of Blackgold.

Following the discovery of these irregularities and discrepancies, the accounting records of Blackgold and its subsidiaries were destroyed by a fire incident on 9 August 2018 which the Group has flagged as potentially a deliberate act to destroy the said accounting records. As a result, the Group is unable to consolidate Blackgold in accordance with Financial Reporting Standard 110 – *Consolidated Financial Statements*. The Group will take the necessary measures to protect the Group's interests. Further, while difficult, the Group has decided to write off Blackgold in its entirety so that the Group can focus on its recovery and revised strategy without distraction.

REVIEW OF FY2018

For the year ended 30 April 2018 under review, the Group's revenue was S$175.5 million, a decrease of about 4.9% as compared to S$184.6 million for FY2017.

The Group recorded a significant net loss of S$88.7 million for FY2018, which was primarily due to the write offs of our investment and receivables from Blackgold. Should we exclude the effects of Blackgold, our Freight and Logistics business continued to improve but this was offset by lower performance at our Real Estate and Financial Services divisions.

Overall, the Group is in a stable financial position, with firm support from our customers, noteholders and bankers. Our total asset base stands at S$957.0 million, with cash and cash equivalents of S$70.5 million and a net gearing of 1.31 times. As at 30 April 2018, the Group's net asset value remains at 30.12 cents per ordinary share after accounting for a loss per ordinary share of 13.09 cents in FY2018.

I was particularly heartened that the Group received very significant support for its Consent Solicitation Exercise with 100% of the Group's Noteholders voting in favour of the Extraordinary Resolution to amend the Trust Deed and Conditions for its S$66 million 7.5% Notes due in 2020. We have since also received all waivers from our bankers and lenders in relation to compliance with the covenants contained in the various facilities agreements.

We will adopt a strategy of balancing fixed asset holdings and liquidity so that gearing can be managed and capital deployed effectively. As part of this strategy we entered into exclusive discussions with a major international real estate fund for the sale and leaseback of our property located at 121 Banyan Drive on Jurong Island. Vibrant will seek further opportunities to find a sensible balance between asset ownership and maintaining flexibility and nimbleness.

BUSINESS SEGMENTS

Notwithstanding the challenging market conditions, our Freight and Logistics business managed to improve, with revenue growth of 3.9% to S$158.3 million compared to S$152.3 million in FY2017 following increased business activity from Chemical Logistics and higher occupancy rate from Warehousing Storage and Services.

A major event in our logistics business has been the acquisition of 31% shareholding interest in Vibrant Pucheng Logistics (Chongqing) Co., Ltd (Pucheng Logistics) which owns a 50-year lease land plot of 217,788 square metres in Chongqing, which it acquired for RMB176.4 million. The land will be redeveloped into a Multi-Modal Logistics Distribution Centre, and hopefully will be able to benefit from China's planned "One Belt One Road" initiative, as well as the Chongqing Connectivity Initiative between Singapore and China.

As for our Real Estate business, the construction of a mixed residential and commercial development in Jiangyin, China, the Master-Riviera Project, was completed in October 2018. Some 504 out of the total 508 units of residential apartments launched were sold as were approximately 40% of the commercial units launched. We expect a favourable contribution for FY2019.

Further, we secured a 10-year lease contract for the development of built-to-suit ("BTS") industrial factories for a listed American multinational company (expected to be completed by end of the year) and a seven-year lease contract to design and build a BTS factory for a listed European MNC (scheduled to be completed by June next year) for the Changshu High Tech Industrial Park Phase 2, both of which will see the Park fully occupied.

Closer to home, our associated company, Ececil Pte. Ltd, has entered into a binding 6 years lease agreement with a co-working space company on 5 October 2018 for the lease of the whole of 139 Cecil Street, Singapore which has a gross floor area of 8,253.9 square metres. The property is currently undergoing major additions and alteration work and is expected to be completed by mid-2019.

The poor performance of the Financial Services business segment in FY2018 is largely due to the write offs relating to Blackgold, as well as the impairment on receivables in financial leasing activities in China. The Group will therefore enhance its risk assessment and management systems and framework.

LOOKING FORWARD

The past year has been difficult and the Group must learn the very difficult lessons and take steps to rebuild trust but also improve at every level. Vibrant remains in a stable financial position with sound operations, and can return to sustainable growth.

I believe that the key remains a review and consequent reorganisation of the Group and its strategy and we expect to have this reorganisation concluded at the earliest opportunity.

OUR GRATITUDE

The Board wishes to express our heartfelt gratitude to all our stakeholders: shareholders, valued customers, bankers, noteholders, lenders and business partners for your patience, support, confidence and trust. I am confident that with your help and the right policies we will be able to emerge from this difficult year and regain our strength again.

Thank You.

Sebastian Tan Cher Liang
Group Chairman

尊敬的股东们：

首先，我谨代表董事会对2018财政年度不明朗的业绩表示歉意。因受到黑金国际控股有限公司（“黑金”）的负面影响，2018年尤其是刚过去的6个月对辉联集团来说是充满挑战性的。尽管集团继续在寻求所有可行的方式来挽回损失，但我们还是不得不将对黑金的投资从我们的报表中注销。这对我们2018财政年的财务业绩的影响非常大，但我们的核心业务仍然是可靠和充满活力的。

如果我们没有披露这些事项及影响，那是我们的失职，也是对广大的投资人不负责任的行为。我们正在对集团的战略重新审视并重组公司业务，以尽快恢复到实现可持续增长。

黑金背景

尽管我知道，有关黑金的收购事项以及周遭的困境已经在新交所网页及新闻媒体多次公告和报导。但是，我觉得还是应该在这里回顾和审视一些与黑金有关的关键事件。

当时收购黑金被视为扩大和整合公司商业暨物流业务的一个机会。集团于2017年7月13日通过澳大利亚联邦法院批准的方案下收购了94.18%澳大利亚证券交易所上市的黑金公司。随后，因在2018年年度审计时，集团审计师毕马威会计师事务所（KPMG LLP）在审计过程中发现黑金集团一些子公司的煤炭开采和煤炭交易收据以及销售发票存在会计违规和差异。

发现这些会计违规和差异之后，黑金及其子公司的会计记录却在2018年8月9日的一次火灾事故中被销毁，集团将此事故标记为涉嫌故意销毁会计记录的行为。因以上的事故，集团无法根据财务报告准则第110号 - 合并财务报表，将黑金纳入集团合并财务报表。集团将采取必要的措施来确保公司利益。为了进一步专注集团的复苏和重组计划，集团已决定全面注销对黑金的投资，尽管这是一个充满困难的决定。

2018财年营运回顾

集团在2018财年的收入为1.755亿新元，与2017财年相比的1.846亿新元减少约4.9%。

2018财年的净亏损达8,870万新元，主要是原因对黑金投资及应收账款的注销。排除黑金的影响，集团的货运和物流业务显著改善，但整体业绩被房地产和金融服务业务板块低绩效所抵消。

总体而言，集团仍然处于稳健的财务状况，同时也得到客户、债券持有人及银行的大力支持。集团的总资产基数为9亿5,700万新元，现金和现金资产为7,050万新元，资产负债率为1.31倍。截至2018年4月30日，该集团的每股净资产值为30.12分，每股亏损为13.09分。

我特别感到振奋的是，集团通过特别决议成功取得100%债券持有人的同意修改2020年到期的6,600万7.5%新元债券的条款。同时，集团也取得银行给于豁免遵守各项设施协定中所载的条款。

集团也将采取平衡固定资产持有量和流动性的策略，以便更有效的管理负债和运用资金。作为该战略的一部分，集团与一家国际房地产基金进行了独家讨论，以便出售和回租位于裕廊岛邦岩通道121号的物业。集团将寻求进一步的机会，在资产所有权与保持灵活性之间寻找可行性的平衡点。

业务分析

尽管市场形势严峻，集团的货运和物流业务仍然有所提升，收入取得了3.9%的增长，至1.583亿新元，而2017财年的收入为1.523亿新元，此增长主要来自仓储存储率的提高而导致化工物流业务的增长。

集团在物流业务方面做出了一个重大的收购，在埔程物流（重庆）有限公司（“埔程物流”）投资31%的股权，该公司在重庆购买一块50年租赁土地，占地面积为217,788平方米，埔程物流以人民币1亿7，640万元取得该块土地。这块土地将被重新开发成一个多模式的物流配送中心，并有望从中国的“一带一路”计划以及新加坡与中国的重庆互联计划从中受益。

至于集团的房地产业务板块，中国江阴商品房项目于2018年10月竣工。其推出的508套住宅单位中，504套已经售出，另外大约有40%的商业单元已经在开盘后陆续售出。此业绩将有望对2019年财政年度作出有利的贡献。

此外，集团与一家美国上市的跨国公司签订了一份为期10年的合同，为其开发成套工厂（预计年底完成）。与此同时， 集团也签订了一份为期七年的合同，为一家欧洲上市的跨国公司设计和建造工厂，原定于明年六月竣工。常熟高新技术工业区第二期工程，竣工后两期工程将取得百分百的入住率。

在新加坡，我们的联营公司，Ececil Pte. Ltd.于2018年10月5日与一家共享工作空间的公司签订了具有约束力的6年租赁协议，租赁位于丝丝街139号的整栋商业办公楼，总建筑面积为8,253.9平方米。该物业目前正在进行重大翻新工程，预计将在2019年中竣工。

2018财年金融服务业务板块表现欠佳，主要是因黑金相关的注销，以及在中国金融租赁的应收账款减值所致。因此，集团将加强公司风险评估和管理系统和架构。

展望未来

集团在过去的一年历经了重重困难，但是辉联集团必须要从困难中汲取教训，所以我们集团采取措施来重建信心，以求公司各个层级能够得以提升。辉联集团保持稳健的财务状况，运营良好，才可以恢复到可持续增长。

我认为最关键的是对集团的战略重新审视和重组，同时我们期待有关公司战略重组的决定能够尽快制定。

致谢

在此， 我谨代表董事会衷心感谢各位尊敬的股东，客户，银行家，债券持有人，贷款方和商业伙伴暨利益相关方给予的耐心，支持，信心和信任。我有信心，在您的支持帮助和我们正确的政策下，我们将能够克服挑战，重新获得我们的优势。

谢谢。

陈之亮
集团主席

Despite challenging market conditions, performance in our Freight and Logistics business continued to improve over the year.

FREIGHT AND LOGISTICS SERVICES

Despite challenging market conditions, performance in our Freight and Logistics business continued to improve over the year. Revenue improved by 3.9% to S$158.3 million compared to S$152.3 million in FY2017, following increased business activity from Chemical Logistics and a higher occupancy rate from Warehousing Storage and Services.

International Freight Forwarding

The Group's decision to develop new routes and capture growth opportunities over the past few years, together with its continued focus on improving customer experience, are producing the desired results.

As we established new footholds worldwide - in the Czech Republic, Poland, Slovenia, Suva in Fiji, East Timor, Papua New Guinea, Qatar - we secured more cargoes, more customers and more agency partnerships.

Over in China, we moved decisively to capture the growth opportunities arising from the One-Belt One-Road initiative. We expanded our existing logistics network by entering into a strategic partnership with The CCI Eurasia Land Bridge Logistics Development Co Ltd to provide warehousing and transhipment solutions for the Chongqing-based global logistics player in Singapore. We also deepened connectivity in the logistics hub of Chongqing, with planned construction of a Multi-Modal Logistics Distribution Centre at Yufu Industrial Park by our 31%-owned Vibrant Pucheng Logistics (Chongqing) Co., Ltd which was originally acquired for RMB176.4 million. Construction of the distribution centre is expected to commence by the first quarter of 2019.

To sharpen and enhance our competitive edge, the Group has begun to revamp its Freight Management System by incorporating the latest technologies, capitalising on mobility, big data and cloud-based solutions. This focus on technology adoption will not only allow us to meet our customers' needs of today, but also to better take on new challenges ahead of us.

We have in place an experienced and motivated team that will develop and enhance this core business for us. Repeat customers and continued agency development will further help us manage the business in the coming year.

Warehousing and Logistics

In terms of contract logistics, the team is continually reviewing and upscaling our operating spaces. We will also be making new investments into our Automated Storage and Retrieval System (ASRS) to modernise its controls and integrate it with the latest RFID technology to allow seamless pallet tracking within our logistics operations.

These initiatives will transform our existing spaces to support targeted industries, especially in small packages fulfilment for retail logistics and e-commerce. This puts us in a competitive position for further development of our contract logistics capabilities.

As for our warehouse business, we are taking firm action to make our operations more efficient through technology. The Group has already put in plan to use a mobile application to perform warehousing operations, such as inbound receiving and outbound picking. Besides the low cost of mobile applications, we can capture real-time warehouse operations and therefore deliver increased efficiency for our customers. We also have in the pipeline an improved website for our customers to manage their inventories with greater ease of use.

Chemical Logistics

Overall, revenue for the segment saw an improvement compared to the previous year, on the back of new projects both in Singapore and Malaysia.

In Singapore, our subsidiary, LTH Logistics (Singapore), completed the expansion of a speciality chemical storage space at its LTH Chemical Megahub facility located at 121 Banyan Drive on Jurong Island. Strong cross-border trade between Singapore and Malaysia, continued to bolster the transportation logistics activities of the Group.

Productivity measured in terms of revenue contribution per headcount grew as a result of improved work efficiencies, and the Group continued to maintain the high levels of operational and safety excellence expected in the chemical sector.

The year ahead may bring several new and recurring challenges. Among these are a rising cost environment, more stringent regulatory requirements, a tightening labour force, increasing competition and rising expectations from customers against a backdrop of disruptive technologies that are changing the way chemical logistics is traditionally run.

LTH will therefore continue to strengthen its business and operational processes and look to harness opportunities from technology, with a view to enhance work efficiencies and enable sustainable growth.

The Group achieved steady sales from our mixed residential and commercial development project in Jiangyin, China, the Master-Riviera

REAL ESTATE BUSINESS

Revenue was down by 64.5% to S$5.3 million (FY2017: S$14.9 million) against a high base in the previous financial year, which included recognition of revenue from the Jiangyin project, a China government-approved resettlement housing development project, upon its completion in May 2017.

Property Management

The Group provides real estate fund and property management services to Sabana Shari'ah Compliant Real Estate Investment Trust (Sabana REIT). After a challenging 2017, Sabana REIT adopted a refreshed strategy to improve performance, with a new CEO and refreshed Board of Directors at the helm. It divested its non-performing assets at 218 Pandan Loop and 6 Woodlands Loop, and has also earmarked for divestment its properties at 9 Tai Seng Drive and 1 Tuas Avenue 4. Net proceeds from these divestments were used or will be used to reduce borrowings and for allocation towards asset enhancement initiatives.

To unlock the value of our extensive portfolio of assets for stakeholders, the Group is in exclusive discussions with an international real estate fund for the possible sale and leaseback of LTH Chemical Megahub at 121 Banyan Drive, for a consideration of at least S$220 million.

In addition, our associated company, Ececil Pte. Ltd, has entered into a binding 6-year lease agreement with a co-working space company for the lease of the whole of 139 Cecil Street, Singapore which has a gross floor area of 8,253.9 square metres. The property is currently undergoing major additions and alteration work and is expected to be completed by mid-2019.

Property Development and Investment

The Group achieved steady sales from our mixed residential and commercial development project in Jiangyin, China, the Master-Riviera, which was completed in October 2018. To date, approximately

99% or 504 of the 508 units of residential apartments launched have been sold, while approximately 40% of the commercial units launched in December 2017 have been sold. The Group expects this project to make a positive contribution in FY2019.

We are making solid progress for the Changshu High Tech Industrial Park (Park) Phase 2 project in Jiangsu, China as well. During the year, we secured a 10-year lease contract for the development of built-to-suit (BTS) industrial factories for a listed American multinational company (MNC), which is currently in progress and to be completed by December 2018. Separately, we secured a 7-year lease contract to design and build a BTS factory for a listed European MNC which is scheduled to be completed by June 2019. Following these completions, Phase 2 of the Park will be fully occupied.

FINANCIAL SERVICES

Revenue decreased by 31.6% to S$11.9 million (FY2017: $17.4 million). The segment reported a significant loss of S$78.7 million as compared to a loss of S$6.3 million in FY2017. The losses were largely due to the write offs relating to Blackgold, as well as the impairment on receivables in financial leasing activities in China.

Fund management

The Group currently engages in assets management and fund management through proprietary investment activities. It continues to be the sponsor and largest unit holder of Sabana REIT, which has a portfolio of 19 properties across four industrial segments valued at S$939.3 million as at 30 September 2018.

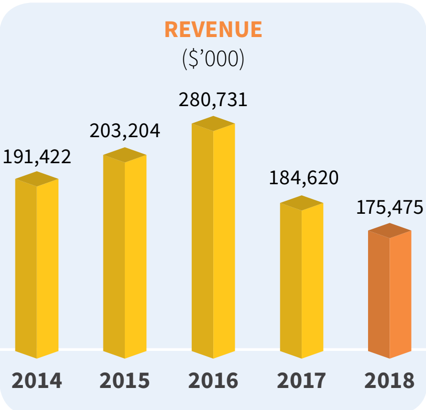
The Group's fund management associate, Sentosa Capital Pte Ltd, manages the Sentosa Asian Credit Fund, a liquid Asian ex-Japan credit fund investing in both hard currency bonds (US$/G3) and local currency denominated Asian bonds, and which has won numerous awards over the years. During the year, the Group partially redeemed its investment in the Sentosa Asian Credit Fund to realise value for stakeholders.

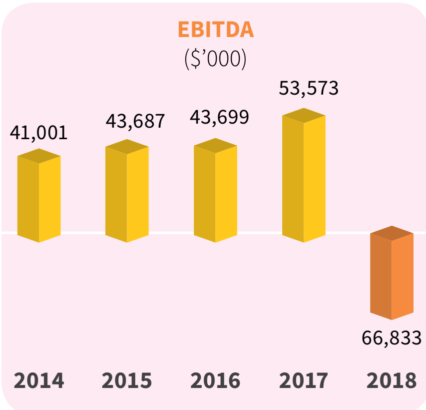
Financial Leasing Services

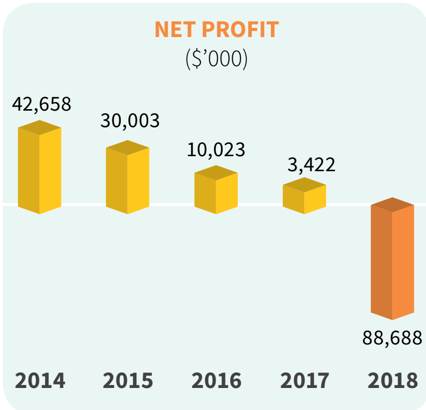
The Group also has a subsidiary in Mainland China providing financial leasing services, including hire purchases, equipment financing, shipping loads, working capital loans, letters of credit, project financing and receivables financing. With demand for leasing and the structured finance industry in China growing in tandem with economic development, the Group remains positive on the potential of the financial leasing services business.

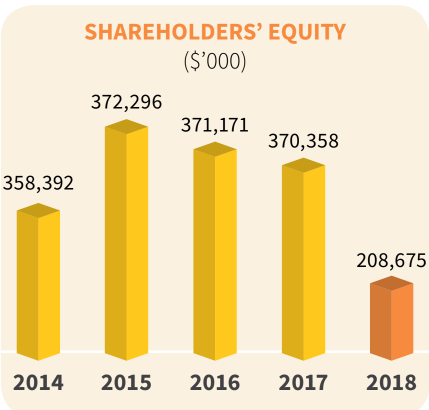
5-Year Financial Summary

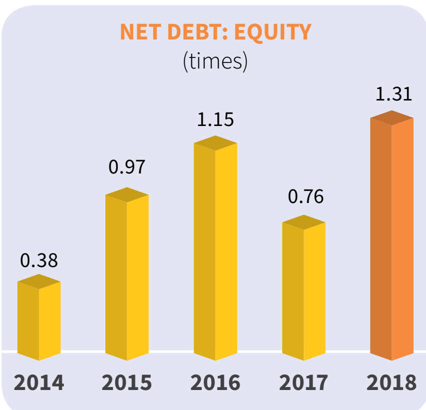
	FY2014	FY2015	FY2016	FY2017	FY2018
OPERATING RESULTS					
Revenue ($'000)	191,422	203,204	280,731	184,620	175,475
EBITDA ($'000)	41,001	43,687	43,699	53,573	(66,833)
Pretax profit/(loss) ($'000)	47,583	29,165	32,386	25,368	(93,806)
Net Profit ($'000)	42,658	30,003	10,023	3,422	(88,688)
EBITDA margin (%)	21.42	21.50	15.57	29.02	(38.09)
Pretax margin (%)	24.86	14.35	11.54	13.74	(53.46)
Net margin (%)	22.28	14.76	3.57	1.85	(50.54)
FINANCIAL POSITION					
Cash and Cash equivalents	82,982	23,260	23,088	63,039	70,549
Total assets ($'000)	700,586	933,512	1,044,330	1,051,025	957,026
Total debt ($'000)	217,504	384,543	448,916	344,296	344,086
Debt/Assets (%)	31.05	41.19	42.99	32.76	35.95
Shareholders' equity ($'000)	358,392	372,296	371,171	370,358	208,675
Return on Assets (%)	6.09	3.21	0.96	0.33	(9.27)
Return on Equity (%)	11.90	8.06	2.70	0.92	(42.50)
Net debt : Equity (times)	0.38	0.97	1.15	0.76	1.31
PER SHARE DATA					
Earnings (cents) - Basic	8.62	5.84	1.86	0.59	(13.09)
Earnings (cents) - Diluted	8.62	5.84	1.86	0.59	(13.09)
Dividend (cents)	2.75	2.75	1.80	1.50	-
Net tangible assets (cents)	71.08	71.31	66.94	61.58	30.05

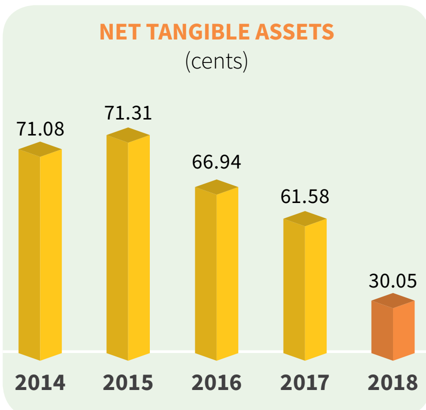






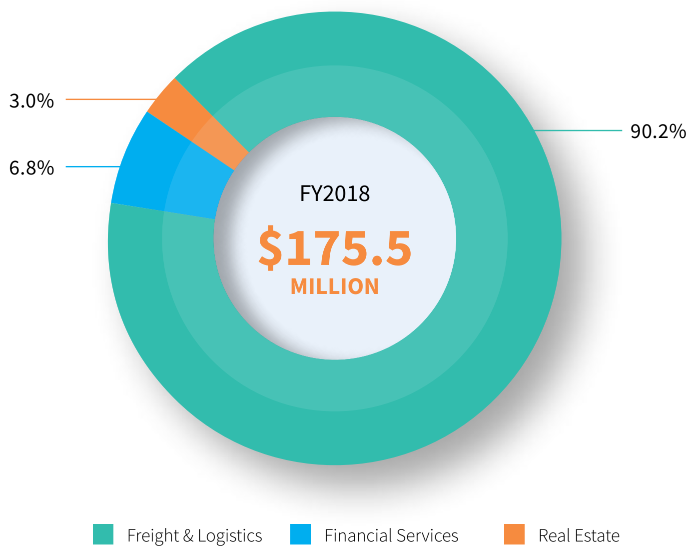




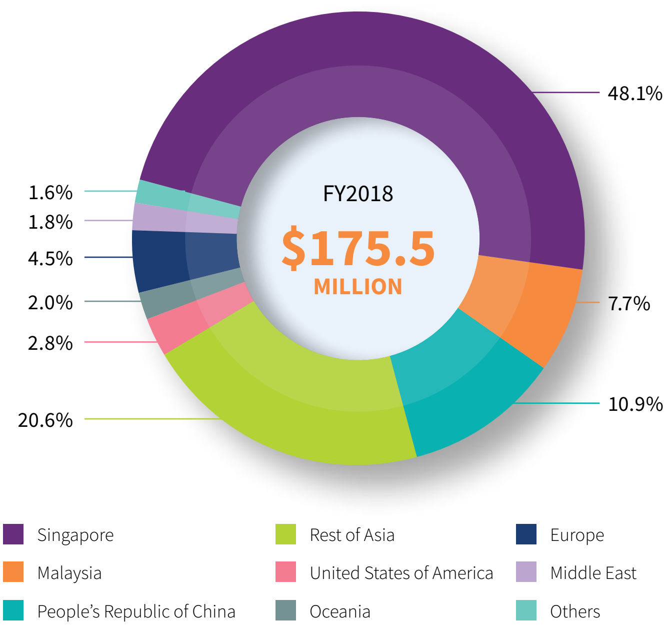


Segmental Results

REVENUE BY OPERATING SEGMENTS



REVENUE BY GEOGRAPHICAL SEGMENTS



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

Freight & Logistics

	FY2017 $'000	FY2018 $'000
Revenue	152,317	158,313
Profit after tax	(5,098)	1,639

Financial Services

	FY2017 $'000	FY2018 $'000
Revenue	17,378	11,860
Profit after tax	(6,320)	(78,708)

Real Estate Business

	FY2017 $'000	FY2018 $'000
Revenue	14,925	5,302
Profit after tax	42,846	(4,602)

Note:
These segmental results exclude unallocated corporate costs, share of profit of associates.

Vibrant Group Limited

Freight and Logistics

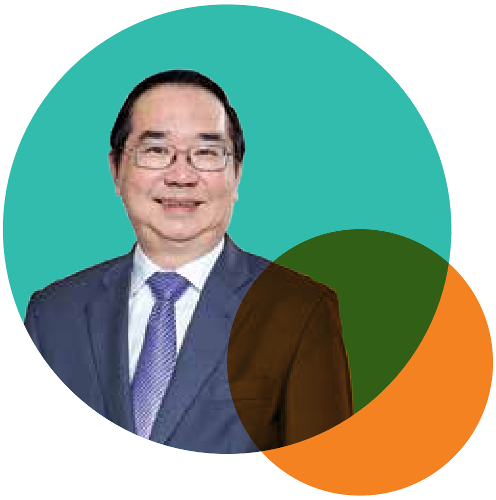
- **Warehouse & Logistics**
  - 100% Freight Links Logistics Pte Ltd
  - 100% Freight Links E-Logistics Technopark Pte Ltd
  - 100% Freight Links Express Logisticentre Pte Ltd
  - 100% Freight Links Express Logisticpark Pte Ltd
  - 100% Freight Links Properties Pte Ltd
  - 100% Crystal Freight Services Distripark Pte Ltd
  - 100% Freight Links Express Archivers Pte Ltd
  - 65.5% Freight Links (Jiangsu) Co., Ltd
  - 65.5% Jiangyin Huan Lian International Trade Co., Ltd
  - 100% Sanlu 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 Bhd
  - 25% MFL Logistics LLC
  - 40% Wagon Links Pte Ltd
  - 27.6% Wagon Links Co., Ltd (Myanmar)
- **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 Pty Ltd
  - 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
  - 26% Ruijin Sinolink Factoring 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% Figtree Holdings Ltd
- **Property Management**
  - 51% Sabana Property Management Pte Ltd



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 SGX-ST Main Board. 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 Chairman of Jumbo Group Limited. He is also an Independent Director of Kingsmen Creatives Ltd, Ezra Holdings Limited and Wilton Resources Corporation Ltd. He also holds directorships in charitable organizations such as the D. S. Lee Foundation, EtonHouse Community Fund and Children's Charities Association. In addition, he is a trustee of Kwan Im Thong Hood Cho Temple.

He is a qualified financial professional from the Association of Chartered 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 Fund-Raising 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募捐组主任。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会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 joined the Group in May 1997, first as Chief Financial Officer until November 2010, then as Chief Investment Officer until his recent retirement. In September 2001, he was concurrently appointed an Executive Director of the Board.

Mr Woo has extensive experience in financial reporting and restructuring, investments and corporate management initiatives. He received his Bachelor of Economics from the University of New England and his MBA from the University of Queensland. Mr Woo is a fellow member of both the CPA Australia and the Institute of Singapore Chartered Accountants.

Mr Woo retired as the Executive Director and Chief Investment Officer of the Group on 30 June 2018. He currently sits on the Board of Figtree Holdings Limited, a company listed on Catalist.

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.

柯福赐先生去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, Adventus Holdings Ltd, DISA Limited and Federal International (2000) 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 a registered charity in Singapore.

Vibrant Group Limited

1

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 31 years of working experience in finance, taxation and accounting, of which 24 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.

2

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.

3

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 11 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.

4

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 20 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

5

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 34 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.

6

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 30 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.

7

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.

8

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 36 years of experience in freight operations.

9

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 29 years of experience in sales and marketing.

10

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

Mr Leong has more than 43 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 32 years of experience in freight consolidation, operations, marketing and claims administration.

11

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 21 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.

12

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.

13

VINCENT SEE CHIN HOK
Vice President
Freight Links Logistics Pte Ltd

Mr See joined the Group in January 1997 and has more than 39 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.

14

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. 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 contract logistics services and other upscaling projects. Mr Sim holds a Bachelor of Science (Mechanical Engineering) from the National University of Singapore.

Real Estate

15

ERIC KHUA KIAN KEONG
Executive Director and Chief Executive Officer

Mr Khua has more than 25 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.

16

HENRY CHUA TIONG HOCK
Executive Director and Chief Corporate Development Officer

Mr Henry Chua has more than 25 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 19 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 of 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 21 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

Vibrant Group believes strongly in lending a hand to the underprivileged and giving back to the society. Over the years, the Group actively engages its employees to contribute to the community. Internally, the Group invests in its human capital through various welfare and staff development initiatives for its employees across all business lines and also continue to uphold safety standards.

In the year under review, the Group continues to donate generously to causes that benefit the society, such as Singapore Thong Chai Medical Institution (STCMI), Ain Society, People's Association (Community Development Council Project Fund Management Committee), PAP Community Foundation Charity Division, etc.

As the Group advocates inclusion and anti-discrimination in its business practices, the Group has long been supporting STCMI in its efforts in providing free medical consultation and Traditional Chinese Medicine (TCM) to the public regardless of race, religion and nationality. The Group is also honoured to celebrate with STCMI's at its 150th Anniversary Charity Dinner to mark a milestone on STCMI's remarkable contribution to healthcare in Singapore. The Group also supports Ain Society in its outreach of cancer care and elderly programmes to diverse group of beneficiaries and clients across various race and religion.

The Group also volunteered its time with Society for the Aged Sick with a meaningful cooking session with a group of residents. Society for the Aged Sick provides 24 hours care 7 days a week for 400 residents and holds in-home programmes to improve physical and mental health of the residents. The Group had the opportunity to engage a group of residents in the cooking therapy session, assisting the residents with strengthening of fine motor skills by guiding them on cutting, frying and cooking. These activities were conducted through participation of staff volunteers to encourage sharing and giving back to the community.

As in previous years, the Group continues to hold educational tours as part of grooming the next generation. This year, the Group warmly opened its doors to students from Nanyang Technological University (NTU) Chinese Mayors' Class master's degree programme in public administration, a course aimed at mentoring public administrators and leaders on policy-making and public governance in the rapidly changing worlds. The Group's Chief Executive Officer and Executive Vice President shared on the Group's best practices, business policies and strategies on managing operations across countries in Asia.

In addition, the Group has constantly emphasised on providing a safe and healthy working environment for all employees. During the year, LTH Logistics (Singapore) Pte Ltd, the chemical logistics arm of the Group, was awarded Responsible Care Awards by Singapore Chemical Industry Council for achievements in Community Awareness & Emergency Response Code, Distribution Code and Employee Health and Safety Code. Some of the initiatives to maintain physical and mental wellbeing of all employees include annual health screening for chronic conditions such as diabetes, high blood pressure and high cholesterol.

Through the various aspects, the Group will continue to strive for the betterment of the society and a wholesome workplace for its employees.

Sustainability Report Summary

At Vibrant Group, we believe sustainability is integral to our business. We strive to ensure that sustainable practices are integrated into our business strategy and daily operations. Information on our sustainability policies, initiatives and performance can be found in our inaugural sustainability report, which will be published by April 2019 on the Group's website and SGXNet.

The inaugural report will provide an overview of the Group's sustainability performance for the financial year ended 30 April 2018 ("FY2018") and cover the Group's international freight forwarding, warehousing property, chemical storage and logistics operations in Singapore. We will outline our progress in addressing key sustainability risks and opportunities, our approach to managing and monitoring the Group's sustainability performance and our targets in relation to each material factor identified in FY2018. Details on the Group's sustainability governance structure, stakeholder engagement as well as materiality assessment process and results will also be included in the report.

In FY2018, the following material issues were identified:

CATEGORY	MATERIAL FACTORS
Economic	Economic Performance
Environment	Emissions, Effluents and Waste
Social	Health and Safety
	Employment
	Customer Privacy
Governance	Compliance with Laws and Regulations

Our inaugural report will be prepared with reference to the Global Reporting Initiative ("GRI") Standards, 2016 and in accordance with Singapore Exchange ("SGX")'s sustainability reporting requirements.

BOARD OF DIRECTORS

Chairman
Sebastian Tan Cher Liang, PBM

Executive
Eric Khua Kian Keong
Henry Chua Tiong Hock

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

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.

This report sets out the Group's corporate governance practices in place during the financial year ended 30 April 2018 ("FY2018"). The Company will continually review its corporate governance practices in compliance with the Code. The Board confirms that the Group has generally adhered to the principles and guidelines set out in the Code for FY2018. Where there are deviations from the Code, appropriate explanations are provided.

The new Code of Corporate Governance 2018 was issued on 6 August 2018 (the "Revised Code"), and will only take effect for annual reports covering financial years commencing from 1 January 2019. As such, the Revised Code will not affect the Company's latest financial year ended 30 April 2018, and accordingly, the Group will only make reference to the Code in reviewing and implementing its corporate governance structures and practices.

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. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

<table>
<tr><th>Guide</th><th>Compliance with the code</th></tr>
<tr><td>1.4</td><td>

Meetings of Board and Board Committees and Directors' Record of Attendance

The Board and its Committees meets on a quarterly basis based on schedules planned one year ahead to review and approve the release of the Group's quarterly results and additional meetings are convened as and when circumstances warrant. In addition, ad-hoc meetings are held to address significant issues and transactions. 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 2018, as well as the frequency of such meetings is disclosed below.

<table>
<tr><th rowspan="3">Name of Director</th><th colspan="2">Board</th><th colspan="2">Audit Committee</th><th colspan="2">Remuneration Committee</th><th colspan="2">Nominating Committee</th></tr>
<tr><th colspan="2">No. of Meetings</th><th colspan="2">No. of Meetings</th><th colspan="2">No. of Meetings</th><th colspan="2">No. of Meetings</th></tr>
<tr><th>Held</th><th>Attended</th><th>Held</th><th>Attended</th><th>Held</th><th>Attended</th><th>Held</th><th>Attended</th></tr>
<tr><td>Eric Khua Kian Keong</td><td>4</td><td>4</td><td>-</td><td>-</td><td>-</td><td>-</td><td>1</td><td>1</td></tr>
<tr><td>Henry Chua Tiong Hock</td><td>4</td><td>4</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Thomas Woo Sai Meng</td><td>4</td><td>4</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Sebastian Tan Cher Liang</td><td>4</td><td>4</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Khua Hock Su</td><td>4</td><td>4</td><td>4</td><td>4</td><td>1</td><td>1</td><td>-</td><td>-</td></tr>
<tr><td>Derek Loh Eu Tse</td><td>4</td><td>4</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
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<tr><td>1.5</td><td>

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.

</td></tr>
<tr><td>1.6</td><td>

Continuous Training and Development of Directors

All new Directors appointed to the Board are briefed by the Chairman, as well as the chairmen of the Board Committees, on issues relevant to the Board and Board Committees. They are also briefed by senior management on the Group's business activities, strategic direction and policies, key business risks, the regulatory environment in which the Group operates and governance practices, as well as their statutory and other duties and responsibilities as Directors. 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.

</td></tr>
</table>

Guide	Compliance with the code
1.7	**Letter to Director on Appointment** Upon appointment to the Board, all new Directors receive a formal letter setting up his/her duties and responsibilities. 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.
Principle 2: Independent Element on the Board	
2.1	**Independent Element of the Board** The Board, taking into account the views of the NC, assesses the independence of each Director annually in accordance with the guidance in the Singapore Code. A Director is considered independent if he has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in 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, making up at least 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** An independent Director is one who has no relationship with the company, its related companies, its 10% shareholders or its officers who can interfere, or be reasonably perceived to interfere with the exercise of the Director's Independent business judgement with a view to the best interests of the Company. 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.

<table>
<tr><th>Guide</th><th>Compliance with the code</th></tr>
<tr><td>2.5</td><td>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. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

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 2018 are as follows:

<table>
<tr><th>Name of Director</th><th>Nature of Appointment</th></tr>
<tr><td>Sebastian Tan Cher Liang</td><td>Non-executive, Independent</td></tr>
<tr><td>Eric Khua Kian Keong</td><td>Executive, Non-independent</td></tr>
<tr><td>Henry Chua Tiong Hock</td><td>Executive, Non-independent</td></tr>
<tr><td>Thomas Woo Sai Meng</td><td>Executive, Non-independent (Retired on 30 June 2018)</td></tr>
<tr><td>Khua Hock Su</td><td>Non-executive, Non-independent</td></tr>
<tr><td>Derek Loh Eu Tse</td><td>Non-executive, Independent</td></tr>
</table>
</td></tr>
<tr><td>2.6</td><td>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.</td></tr>
<tr><td>2.7</td><td>Role of Non-Executive Directors

The role of the non-executive Directors encompasses the following: (i) to constructively challenge and help develop proposals on strategy; and (ii) to review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.</td></tr>
<tr><td>2.8</td><td>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.</td></tr>
</table>

Guide	Compliance with the code
Principle 3: Clear Division of Responsibilities and Balance of Power and Authority	
3.1	**Separate Role of Chairman and CEO** The Chairman of the Board is a non-executive appointment and is separate from the office of the Group CEO. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the Group CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business. The Chairman and the Group CEO are not related.
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.
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. 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.

Guide	Compliance with the code
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 board succession plans for directors, in particular, 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.

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.
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.

Guide	Compliance with the code
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 fulfill 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.

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 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.

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. 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.

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 2018 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 FY2018 is set out below:

	Mix of Remuneration by %			
	Salary	**Bonus**	**Directors' fees**	**Total**
Directors				
$500,000 to $750,000				
Eric Khua Kian Keong	70.7	28.6	1.2	100
$250,000 to $499,999				
Henry Chua Tiong Hock	76.6	10.2	13.2	100
Thomas Woo Sai Meng	75.4	14.4	10.3	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.

	Mix of Remuneration by %			
	Salary	**Bonus**	**Directors' fees**	**Total**
Senior Executives				
Below $300,000				
Alex Ng Boon Chuan	86.2	13.8	-	100
Below $250,000				
Charles Chan Choong Poh	91.6	8.4	-	100
Simon Sim Geok Beng	87.3	12.7	-	100
Lawrence Sim Kay Sin	88.2	11.8	-	100
Don Tang Fook Yuen	88.3	11.7	-	100
Total Remuneration of top 5 Senior Executive	$1,003,410 88.2%	$134,167 11.8%		

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

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	88.3	11.7	-	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 2018.

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

Guide	Compliance with the code
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.

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. 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 & 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.

<table>
<tr><th>Guide</th><th>Compliance with the code</th></tr>
<tr><td colspan="2">Principle 12: Establishment of Audit Committee with Written Terms of Reference</td></tr>
<tr><td>12.1</td><td>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:

<table><tr><td>Mr Sebastian Tan Cher Liang</td><td>Chairman (Non-executive, Independent)</td></tr><tr><td>Mr Khua Hock Su</td><td>Member (Non-executive, Non-independent)</td></tr><tr><td>Mr Derek Loh Eu Tse</td><td>Member (Non-executive, Independent)</td></tr></table></td></tr>
<tr><td>12.2</td><td>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.</td></tr>
<tr><td>12.3 & 12.4</td><td>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.</td></tr>
<tr><td>12.5</td><td>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.</td></tr>
</table>

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 FY2018	$'000	% of Total Fees
Total Audit Fees	592	92.7
Total Non-Audit Fees	44	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.
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.

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 allows 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.

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. 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.

<table>
<tr><th>Guide</th><th>Compliance with the code</th></tr>
<tr><td colspan="2">COMPLIANCE WITH APPLICABLE MAINBOARD RULES</td></tr>
<tr><td>Mainboard Rule</td><td>Rule Description and Company's Compliance or Explanation</td></tr>
<tr><td>907</td><td>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 2018, 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 133 of the Annual Report are not interested person transactions within the ambit of Chapter 9 of the Listing Manual.</td></tr>
<tr><td>1207(19)</td><td>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.</td></tr>
<tr><td>1207(20)</td><td>UPDATE ON USE OF PLACEMENT PROCEEDS

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 utilized the net proceeds as follows:

<table>
<tr><th></th><th>Actual
S$ million</th><th>Intended
S$ million</th></tr>
<tr><td>Net Proceeds</td><td>26.56</td><td>26.56</td></tr>
<tr><td>Less:</td><td></td><td></td></tr>
<tr><td>- Repayment of bank borrowings</td><td>(10.00)</td><td>(10.00)</td></tr>
<tr><td>- Acquisition of Blackgold International Holdings Limited</td><td>(16.56)</td><td>(16.56)</td></tr>
<tr><td></td><td>-</td><td></td></tr>
</table>

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.</td></tr>
</table>

Financial Statements Contents

We submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 April 2018.

In our opinion:

(a) having regard to and taking into consideration the matters disclosed in the financial statements, in particular note 2 to the financial statements, the financial statements set out on pages 52 to 138 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 2018 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, having regard to the matters set out in note 2 of the financial statements, 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

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
Khua Hock Su		
The Company		
- ordinary shares		
- deemed interests	321,685,273	335,471,785
Vibrant Capital Pte. Ltd.		
- ordinary shares		
- deemed interests	49,000	49,000
Lian Hup Holdings Pte Ltd		
- ordinary shares		
- interests held	4,200,000	4,200,000
- deemed interests	4,200,000	4,200,000

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Eric Khua Kian Keong		
The Company		
- ordinary shares		
- interests held	17,832,648	19,350,056
- deemed interests	321,678,562	335,464,786
Vibrant Capital Pte. Ltd.		
- ordinary shares		
- interests held	51,000	51,000
- deemed interests	49,000	49,000
Lian Hup Holdings Pte Ltd		
- ordinary shares		
- interests held	5,600,000	5,600,000
Henry Chua Tiong Hock		
The Company		
- ordinary shares		
- interests held	962,545	1,003,797

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.

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

____
Henry Chua Tiong Hock
Director

7 December 2018

Independent Auditors' Report

Members of the Company
Vibrant Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit 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 2018, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, 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 52 to 138.

Because of the significance of the matters described in the '*Basis for disclaimer of opinion*' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. Accordingly, we do not express an opinion on the accompanying financial statements.

Basis for disclaimer of opinion

As described in note 2 to the financial statements, during our audit of Blackgold Group, we identified irregularities and discrepancies in relation to certain invoices and receipts. The accounting records of Blackgold Group were destroyed in a fire incident in August 2018. Accordingly, we were not able to complete our audit procedures, as we were not able to obtain sufficient and appropriate audit evidence over the account balances of Blackgold Group as at the acquisition date and 30 April 2018 as well as transactions of Blackgold Group for the period from the acquisition date to 30 April 2018. Management has not consolidated the balances and transactions relating to Blackgold Group in the Group's consolidated financial statements for the year ended 30 April 2018, as required by FRS 110 *Consolidated Financial Statements*. The Special Audit of the irregularities identified and the accounting records of the Blackgold Group, conducted by the Company's investigating auditors, has not been completed. We are unable to determine the extent of adjustments necessary in respect of the Group's consolidated financial statements for the year ended 30 April 2018 and in particular, the implications of any findings which may arise out of the Special Audit.

In relation to the redeemable cumulative convertible preference shares (RCCPS) in China GSD Logistics Pte. Ltd., amounting to $11,632,000 as at 30 April 2018 (described in note 9 to the financial statements), we are unable to obtain sufficient and appropriate supporting information with respect to the recoverability of these RCCPS. This is due to difficulties in accessing information pertaining to the overseas associate. Accordingly, we are unable to determine the extent of adjustments and disclosures necessary in respect of these RCCPS.

We also draw attention to note 2 to the financial statements. The Group has incurred a net loss of $88,688,000 for the year ended 30 April 2018. As at 30 April 2018, the Group and the Company are in a net current liabilities position of $189,662,000 and $129,382,000, respectively. As at 30 April 2018, the Group's current liabilities include loans and borrowings of $160,290,000 which were classified as current liabilities, as a result of the Company and some of its subsidiaries being in breach of certain loan covenants. Although waivers have been obtained after the year-end in respect of all of the loan covenant breaches, the waivers will lapse at the earlier of 31 December 2018 or issuance of the Special Audit Report. At the expiration of these waivers, the loans will contractually become immediately due. The Group plans to seek an extension of these waivers from the respective lender banks, upon issuance of the Special Audit Report.

The Group is currently in discussions to sell and leaseback the property located at 121 Banyan Drive in Singapore, for an anticipated consideration of at least $220 million. The ability of the Group and the Company to generate sufficient cash flows to pay its debts as and when they become due over the next twelve months is primarily dependent upon the completion of this transaction, along with the receipt of sales proceeds.

These factors indicate the existence of material uncertainties which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditors' report. However, because of the matters described in the '*Basis for disclaimer of opinion*' section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code')* together with the ethical requirement 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, except for the effect of the matters described in the '*Basis for disclaimer of opinion*' section of our report, 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 auditors' report is Ling Su Min.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 December 2018

Statements of Financial Position

As at 30 April 2018

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Assets					
Property, plant and equipment	5	261,761	270,671	295	365
Intangible assets	6	472	472	–	–
Investment properties	7	127,147	116,296	–	–
Subsidiaries	8	–	–	17,752	18,318
Associates	9	82,178	79,157	27,730	22,049
Other investments	10	29,256	34,602	–	–
Deferred tax assets	11	4,629	1,495	–	–
Trade and other receivables	12	56,271	57,029	328,541	400,203
Non-current assets		561,714	559,722	374,318	440,935
Other investments	10	47,244	105,437	31,532	67,213
Development properties	13	120,398	88,475	–	–
Inventories	14	525	497	–	–
Trade and other receivables	12	156,596	233,855	2,230	2,320
Cash and cash equivalents	15	70,549	63,039	805	322
Current assets		395,312	491,303	34,567	69,855
Total assets		957,026	1,051,025	408,885	510,790
Equity					
Share capital	16	174,337	139,854	174,337	139,854
Perpetual securities	17	–	97,947	–	97,947
Other reserves	18	1,376	(2,395)	5,147	5,323
Accumulated profits/(losses)	18	32,962	134,952	(15,306)	33,751
Equity attributable to owners of the Company		208,675	370,358	164,178	276,875
Non-controlling interests	35	92,603	94,013	–	–
Total equity		301,278	464,371	164,178	276,875
Liabilities					
Loans and borrowings	19	18,750	112,136	–	–
Trade and other payables	20	39,868	65,138	80,758	63,603
Provisions	21	3,742	3,644	–	–
Deferred tax liabilities	11	8,414	7,901	–	–
Non-current liabilities		70,774	188,819	80,758	63,603
Loans and borrowings	19	232,898	130,241	75,844	63,200
Notes payable	19	92,438	101,919	65,311	101,919
Current tax payable		9,118	9,139	890	573
Trade and other payables	20	250,379	156,396	21,904	4,620
Provisions	21	141	140	–	–
Current liabilities		584,974	397,835	163,949	170,312
Total liabilities		655,748	586,654	244,707	233,915
Total equity and liabilities		957,026	1,051,025	408,885	510,790

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

Consolidated Income Statement

Year ended 30 April 2018

	Note	Group 2018 $'000	Group 2017 $'000
Revenue	22	175,475	184,620
Cost of sales		(118,838)	(123,984)
Gross profit		56,637	60,636
Other income	23	6,064	63,598
Administrative expenses		(48,159)	(44,717)
Other operating expenses		(94,064)	(38,710)
(Loss)/Profit from operations		(79,522)	40,807
Finance income		2,376	4,700
Finance costs		(13,903)	(13,810)
Net finance costs	24	(11,527)	(9,110)
Impairment loss on investment in associate		(5,864)	–
Share of profits/(losses) of associates, net of tax		3,107	(6,329)
(Loss)/Profit before income tax		(93,806)	25,368
Tax credit/(expense)	25	714	(4,895)
(Loss)/Profit for the year	26	(93,092)	20,473
(Loss)/Profit attributable to:			
Owners of the Company		(88,688)	3,422
Non-controlling interests		(4,404)	17,051
(Loss)/Profit for the year		(93,092)	20,473
Earnings per share			
Diluted and basic (loss)/earnings per share (cents)	27	(13.09)	0.59

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

Consolidated Statement of Comprehensive Income

Year ended 30 April 2018

	Group	
	2018	**2017**
	$'000	**$'000**
(Loss)/Profit for the year	(93,092)	20,473
Other comprehensive (expense)/income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	6,825	(5,736)
Share of reserves of associates	550	113
Other comprehensive income/(expense) for the year, net of tax	7,375	(5,623)
Total comprehensive (expense)/income for the year	(85,717)	14,850
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(84,741)	26
Non-controlling interests	(976)	14,824
Total comprehensive (expense)/income for the year	(85,717)	14,850

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

Consolidated Statement of Changes in Equity

Year ended 30 April 2018

	Share capital $'000	Perpetual securities $'000	Treasury shares $'000	Capital 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	–	–	–	–	(2,485)	–	–	(2,485)	(2,227)	(4,712)
Share of reserves of associates	–	–	–	104	(1,024)	9	–	(911)	–	(911)
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)
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 Changes in Equity (cont'd)

Year ended 30 April 2018

	Share capital $'000	Perpetual securities $'000	Treasury shares $'000	Capital 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 2017	139,854	97,947	(1,759)	7,089	(7,737)	12	134,952	370,358	94,013	464,371
Total comprehensive income for the year										
Loss for the year	–	–	–	–	–	–	(88,688)	(88,688)	(4,404)	(93,092)
Other comprehensive income										
Foreign currency translation differences for foreign operations	–	–	–	–	3,397	–	–	3,397	3,428	6,825
Share of reserves of associates	–	–	–	–	538	12	–	550	–	550
Total other comprehensive income	–	–	–	–	3,935	12	–	3,947	3,428	7,375
Total comprehensive income for the year	–	–	–	–	3,935	12	(88,688)	(84,741)	(976)	(85,717)
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)	–	–	–	–	–	–	(9,664)	(9,664)	–	(9,664)
Distributions on perpetual securities	–	–	–	–	–	–	(3,638)	(3,638)	–	(3,638)
Issue of new shares (note 16)	34,483	–	–	–	–	–	–	34,483	–	34,483
Purchase of treasury shares	–	–	(176)	–	–	–	–	(176)	–	(176)
Redemption of perpetual securities	–	(97,947)	–	–	–	–	–	(97,947)	–	(97,947)
Total contributions by and distributions to owners of the Company	34,483	(97,947)	(176)	–	–	–	(13,302)	(76,942)	–	(76,942)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	–	–	(434)	(434)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	(434)	(434)
Total transactions with owners of the Company	34,483	(97,947)	(176)	–	–	–	(13,302)	(76,942)	(434)	(77,376)
At 30 April 2018	174,337	–	(1,935)	7,089	(3,802)	24	32,962	208,675	92,603	301,278

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

Consolidated Statement of Cash Flows

Year ended 30 April 2018

	Note	Group 2018 $'000	Group 2017 $'000
Cash flows from operating activities			
(Loss)/Profit before income tax		(93,806)	25,368
Adjustments for:			
Depreciation of property, plant and equipment	5	12,689	12,766
Dividend income from available-for-sale financial assets	23	(1,735)	(1,018)
Fair value loss/(gain) on foreign exchange forward contracts		383	(1,108)
Fair value gain on investment properties	23	(1,068)	(2,330)
Fair value gain on securities designated at fair value through profit or loss	23	(959)	(5,095)
Finance costs	24	13,903	13,810
Finance income	24	(2,376)	(4,700)
Foreign exchange loss/(gain)		982	(662)
Gain on disposal of an associate	23	–	(52,135)
Gain on disposal of property, plant and equipment	23	(79)	(93)
Impairment loss on available-for-sale financial assets	26	5,353	7,495
Impairment loss on investment in an associate	26	5,864	–
Impairment loss on property, plant and equipment	5	703	–
Impairment loss on trade and other receivables, net	26	12,169	8,703
Investment in Blackgold Group written off	26	41,352	–
Loss on deemed disposal of an associate	26	–	1,279
Loss on disposal of securities designated at fair value through profit or loss		111	–
Loss on disposal of subsidiaries	26	–	8,182
Negative goodwill arising on acquisition of a subsidiary		–	(280)
Property, plant and equipment written off	26	240	–
Receivables from Blackgold Group written off	26	21,847	–
REIT management fee received/receivable in units		–	(2,785)
Share of (profits)/losses of associates		(3,107)	6,329
Waiver of receivable from an associate		–	1,567
		12,466	15,293
Changes in:			
Development properties		(28,373)	(89,832)
Construction-in-progress		–	51,246
Inventories		(25)	6
Trade and other receivables		(21,849)	(5,190)
Trade and other payables		50,598	88,419
Cash generated from operations		12,817	59,942
Income taxes refunded		154	456
Income taxes paid		(2,322)	(2,022)
Net cash from operating activities		10,649	58,376

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

Consolidated Statement of Cash Flows (cont'd)

Year ended 30 April 2018

	Note	Group 2018 $'000	Group 2017 $'000
Cash flows from investing activities			
Acquisition of shares in associates		(6,492)	–
Acquisition of subsidiaries, net of cash acquired		(39,602)	(1,036)
Cash contribution paid by non-controlling interests		–	1,431
Dividends received:			
- associates		620	609
- available-for-sale financial assets		1,372	1,327
Finance income received		1,245	370
Loans to associates		(1,900)	(9,014)
Loans to non-controlling interests		(30,361)	(557)
Loans to third parties		(14,411)	(16,781)
Proceeds from disposal of an associate		79,632	–
Proceeds from disposal of a subsidiary, net of cash disposed		–	25,781
Proceeds from sale of other investments		38,607	39
Proceeds from sale of property, plant and equipment		101	98
Purchase of investment properties		(5,728)	(9,187)
Purchase of other investments		(5,000)	(8,185)
Purchase of property, plant and equipment		(3,201)	(5,624)
Redemption of convertible loan by an associate		–	2,651
Repayment of loan by non-controlling interest		836	–
Repayment of loan by third parties		56,344	36,756
Net cash from investing activities		72,062	18,678
Cash flows from financing activities			
Deposit pledged		(808)	(11,320)
Distributions on perpetual securities	17	(3,638)	(7,350)
Dividends paid to shareholders of the Company		(1,781)	(2,470)
Finance costs paid		(14,459)	(11,751)
Government grant received		1,079	–
Net proceeds from issue of notes payable		63,500	–
Payment of transaction costs related to notes payable		(1,322)	–
Proceeds from borrowings		193,613	132,211
Proceeds from issue of share capital	16	26,600	9,880
Proceeds from loan from a director		13,937	–
Proceeds from loan from a related party		7,000	–
Proceeds from loan from non-controlling interest		8,620	7,947
Purchase of treasury shares		(176)	(672)
Redemption of notes payable		(100,200)	–
Redemption of perpetual securities		(70,500)	–
Repayment of borrowings		(184,473)	(155,628)
Repayment of finance lease liabilities		(1,836)	(1,728)
Repayment of loan to an associate		(3,598)	–
Repayment of loans to non-controlling interest		(9,312)	(6,694)
Net cash used in financing activities		(77,754)	(47,575)

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

	Note	Group 2018 $'000	Group 2017 $'000
Net increase in cash and cash equivalents		4,957	29,479
Cash and cash equivalents at beginning of year		48,162	19,303
Effect of exchange rate fluctuations on cash and cash equivalents		1,216	(620)
Cash and cash equivalents at end of year	15	54,335	48,162

Significant non-cash transactions

During the year, there were the following significant non-cash transactions:

- the Company issued new ordinary shares for $7,883,000 (2017: $7,498,000) pursuant to the Company's Scrip Dividend Scheme (note 16);
- perpetual securities of $29,500,000 were exchanged for notes due in 2020 under the $500,000,000 Multicurrency Debt Issuance Programme (note 19);
- loan to a third party of $2,216,000 was offset against loan from a Director (note 19); and
- loans to a non-controlling interest of $10,504,000 was offset against loans from this non-controlling interest (note 19).

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 7 December 2018.

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 2018 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 GOING CONCERN AND BLACKGOLD GROUP (BLACKGOLD INTERNATIONAL HOLDINGS PTY LTD & ITS SUBSIDIARIES)

Going concern

The financial statements have been prepared on a going concern basis. The Group incurred losses of $88,688,000 for the year ended 30 April 2018. As at that date, the Group and the Company are in a net current liabilities position of $189,662,000 and $129,382,000 respectively. The current liabilities include loans and borrowings of $160,290,000 which were classified as current liabilities, as a result of breaches of certain loan covenants of the Company and some of its subsidiaries as at 30 April 2018. Although waivers have been obtained subsequent to 30 April 2018 in respect of the loan covenant breaches, the waivers will lapse at the earlier of 31 December 2018 or issuance of the Special Audit Report by the Company's investigating auditors.

The directors consider that different possibilities regarding the future exist and that differing outcomes can cause the Group's financial position as at 30 April 2018 to be very different from what is currently presented in these financial statements. The directors also consider that there are no practical means available to resolve the differing possibilities in the preparation of these financial statements for the financial year. Having regard to the matters detailed below, the directors are of the opinion that the preparation of these financial statements on a going concern basis provides sufficient information to serve the interests of all stakeholders who may read these financial statements:

(i) The Group is currently in discussions to sell and leaseback the property located at 121 Banyan Drive in Singapore for an anticipated consideration of at least $220 million. The Group's ability to pay its debts as and when they fall due in the next twelve months is primarily dependent upon the completion of this transaction along with the receipt of sales proceeds; and

(ii) Upon expiry of the waivers, the Group will be seeking an extension to the waivers on the breaches of the above loan covenants.

2 GOING CONCERN AND BLACKGOLD GROUP (BLACKGOLD INTERNATIONAL HOLDINGS PTY LTD & ITS SUBSIDIARIES) (CONT'D)

Blackgold Group

The Company acquired 94.18% of the shares of Blackgold International Holdings Pty Ltd through a scheme of arrangement approved by the Federal Court of Australia, on 13 July 2017 (the Acquisition). The Company paid a consideration of $39,602,000 to the shareholders of Blackgold Group for the Acquisition. Subsequent to the Acquisition, Blackgold Group became a wholly owned subsidiary of the Company and the Group is required to consolidate Blackgold Group in accordance with Financial Reporting Standard 110 – *Consolidated Financial Statements* ("FRS 110").

During the course of the audit, accounting irregularities and discrepancies in respect of the coal mining and coal trading receipts and sales invoices of certain subsidiaries of Blackgold Group were discovered. The Group had attempted to take steps to control and safeguard the cash, other assets, and accounting records of Blackgold Group, but the accounting records of Blackgold Group were destroyed in a fire incident on 9 August 2018. Due to the irregularities found and the fire incident, the financial information was deemed as incomplete, inaccurate and unreliable. Thus, the Group did not consolidate the financial results of Blackgold Group as required by FRS 110.

The Special Audit of the accounting records and irregularities identified in relation to the Blackgold Group (conducted by the Company's investigating auditors) has not been completed. The Group's financial statements do not reflect any adjustments that may be necessary arising from the findings of the Special Audit.

The Group has also written off its investment in and receivables from Blackgold Group of $41,352,000 and $21,847,000 respectively on the basis that the recoverability is remote.

3 BASIS OF PREPARATION

3.1 Statement of compliance

Except for the non-consolidation of Blackgold Group as disclosed at note 2, the financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

3.2 Basis of measurement

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

3.3 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.

3.4 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.

3 BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements (cont'd)

Significant valuation issues are reported to the Audit Committee.

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.

3.5 Changes in accounting policies

The Company has applied the following amendments for the first time for the annual period beginning on 1 May 2017:

- *Disclosure Initiative (Amendments to FRS 7);*
- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 12); and*
- *Clarification of the scope of FRS 112 (Improvements to FRSs 2016).*

Other than the amendments to FRS 7, the adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

Disclosure Initiative (Amendments to FRS 7)

From 1 May 2017, as a result of the amendments to FRS 7, the Company has provided additional disclosure in relation to the changes in liabilities arising from financing activities for the year ended 30 April 2018. Comparative information has not been presented (see note 19).

4 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.

4.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination*s 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

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.

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 significant 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

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.

4.2 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 translated 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 translated 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 translation are recognised in profit or loss, except for the translation 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments

Non-derivative financial assets

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

Financial assets at fair value through profit or loss

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

Financial assets designated at fair value through profit or loss comprise equity 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.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

Available-for-sale financial assets

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

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

Available-for-sale financial assets comprise equity securities.

Non-derivative financial liabilities

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

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

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value 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.

Compound financial instruments

The Group has investments in associates in the form of redeemable cumulative convertible preference shares with embedded options to convert them into ordinary equity shares. The redeemable cumulative convertible preference shares are classified as loans and receivables and stated in the Group's statement of financial position at amortised cost using the effective interest method.

The embedded options are separated from the host contract and accounted for separately as derivative financial instruments if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair values of the embedded options are taken to profit or loss.

Derivative financial instruments

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 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.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 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.

4.6 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.

4.7 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 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.

4.9 Development properties

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.

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.

4.10 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment

Non-derivative financial assets

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

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 12 months to be prolonged.

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 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

Non-financial assets

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

With respect to fulfilment costs, after applying the impairment test in note 4.9, 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.

4.12 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Employee benefits (cont'd)

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.

4.13 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.

4.14 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.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Revenue recognition (cont'd)

Logistics services (cont'd)

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.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Revenue recognition (cont'd)

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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 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.

4.16 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.

4.17 Tax

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 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Tax (cont'd)

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

In 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.

4.18 Dividends

Dividends on ordinary shares are recognised when they are approved for payments. Dividends on ordinary shares classified as equity are accounted for as movements in accumulated profits.

4.19 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.

4.20 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, investment properties and intangible assets other than goodwill.

4.21 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.

4.22 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 Fair value measurement (cont'd)

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.

5 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Motor vehicles, trucks and prime movers	Office equipment and machinery	Furniture, fixtures and fittings	Construction work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Cost						
At 1 May 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
Additions	6	2,950	325	295	1,582	5,158
Transfer from construction WIP	4,411	–	–	–	(4,411)	–
Disposals/write-offs	–	(1,270)	(450)	(2)	–	(1,722)
Translation differences	383	543	(1,315)	14	–	(375)
At 30 April 2018	259,713	19,286	46,491	5,092	–	330,582
Accumulated depreciation and impairment losses						
At 1 May 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
Depreciation for the year	6,649	2,124	3,398	518	–	12,689
Disposals/write-offs	–	(1,248)	(210)	(2)	–	(1,460)
Translation differences	78	290	(339)	10	–	39
Impairment	–	–	626	77	–	703
Reclassifications	–	–	(2)	2	–	–
At 30 April 2018	30,889	9,485	24,308	4,139	–	68,821
Carrying amounts						
At 1 May 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
At 30 April 2018	228,824	9,801	22,183	953	–	261,761

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles $'000	Office equipment $'000	Furniture, fixtures and fittings $'000	Total $'000
Company				
Cost				
At 1 May 2016 and 30 April 2017	767	211	42	1,020
Additions	–	15	2	17
At 30 April 2018	767	226	44	1,037
Accumulated depreciation				
At 1 May 2016	343	188	37	568
Depreciation for the year	76	10	1	87
At 30 April 2017	419	198	38	655
Depreciation for the year	77	9	1	87
At 30 April 2018	496	207	39	742
Carrying amounts				
At 1 May 2016	424	23	5	452
At 30 April 2017	348	13	4	365
At 30 April 2018	271	19	5	295

Construction work-in-progress

Cost of construction work-in-progress comprised:

	Group 2018 $'000	Group 2017 $'000
Construction costs	–	2,813
Property taxes, interest and other overheads	–	16
	–	2,829

In 2017, interest expense of $16,000 was capitalised by the Group as cost of construction work-in-progress at the cost of borrowing of 2.77% per annum.

The Group's leasehold properties include provision for restoration costs of $2,937,000 (2017: $3,013,000).

Impairment assessment of property, plant and equipment

In 2018, due to continued negative margins and losses suffered by two entities in the Freight and Logistics segment, the Group determined that the cash flows arising from the equipment relating to the respective cash-generating units ("CGUs"), discounted at a pre-tax discount rate of 3.27%, were insufficient to support its respective net book values as at 30 April 2018. Accordingly, an impairment loss in relation to the CGUs amounting to $703,000 was allocated to the equipment and recognised in current year's "Other operating expenses".

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 2018, the net carrying amount of leased plant and equipment was $6,485,000 (2017: $6,020,000).

During the year, the Group acquired property, plant and equipment with an aggregate cost of $5,158,000 (2017: $7,828,000), of which $1,956,000 (2017: $2,204,000) was acquired under finance leases.

5 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	
	2018	2017
	$'000	$'000
Net book value		
Leasehold properties	220,484	222,472
Construction work-in-progress	–	2,829
Machinery	21,722	23,538
	242,206	248,839

6 INTANGIBLE ASSETS

	Goodwill on consolidation
	$'000
Group	
Cost	
At 1 May 2016, 30 April 2017 and 30 April 2018	1,599
Accumulated impairment losses	
At 1 May 2016, 30 April 2017 and 30 April 2018	1,127
Carrying amounts	
At 1 May 2016, 30 April 2017 and 30 April 2018	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 (2017: $472,000) is allocated to the financial services segment (CGU).

The recoverable amount of the financial services segment, determined based on its value in use discounted at a pre-tax discount rate of 3.27% (2017: 2.69%), exceeded the carrying amount of the goodwill.

7 INVESTMENT PROPERTIES

		Group	
	Note	2018	2017
		$'000	$'000
At beginning of the year		116,296	250,426
Additions		5,728	9,187
Government grant received		(1,079)	–
Disposal of subsidiary	34	–	(140,000)
Changes in fair value		1,068	2,330
Translation differences		5,134	(5,647)
At end of the year		127,147	116,296

7 INVESTMENT PROPERTIES (CONT'D)

Investment properties comprise residential and industrial properties (2017: residential and industrial properties) that are leased to external customers and/or held for capital appreciation. As at 30 April 2018, rental income from the Group's industrial properties which was leased under operating leases amounted to $1,788,000 (2017: $505,000). There is no rental income from the residential properties (2017: $nil).

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the year, amounted to $1,539,000 (2017: $472,000).

Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the year, amounted to $89,000 (2017: $152,000).

As at 30 April 2018 and 2017, 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 $81,000 (2017: $65,000) was capitalised in cost of investment properties at the cost of borrowing of 6.37% (2017: 6.37%) per annum.

Security

At 30 April 2018, investment properties of the Group with a carrying amount of $56,751,000 (2017: $49,233,000) were pledged as securities to secure bank loans of 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).

8 SUBSIDIARIES

	Company	
	2018	2017
	$'000	$'000
Equity investments, at cost	22,298	21,864
Less: Accumulated impairment losses		
At beginning of the year	(3,546)	(1,583)
Impairment losses recognised	(1,000)	(1,963)
At end of the year	(4,546)	(3,546)
	17,752	18,318

All consolidated 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.

8 SUBSIDIARIES (CONT'D)

As at 30 April 2018, arising from events pertaining to the Blackgold Group as stated in note 2 to the financial statements, management has written off its investment in Blackgold International Holding Pty Ltd amounting to $41,352,000. This write-off has been included in "Other operating expense" by the Company and Group.

In addition, as at 30 April 2018 and 2017, another one (2017: one) of the subsidiaries became dormant and the management recognised an impairment loss of $1,000,000 (2017: $1,963,000) on its investments in subsidiaries. These impairments have been included in "Other operating expense" by the Company. The Company estimated the recoverable amounts of its subsidiaries 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 assets.

Details of material subsidiaries of the Group are as follows:

Name of subsidiaries	Principal place of business/country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
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][8]	Thailand	49	49
Sabana Investment Partners Pte. Ltd.[1]	Singapore	51	51
GLE Integrated Pte. Ltd.[1]	Singapore	100	100
Blackgold International Holdings Pty Ltd[4]	People's Republic of China/Australia	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[7]	People's Republic of China	65.5	65.5
San Lu Logistics Co., Ltd[5]	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[7][9]	People's Republic of China	51	51
Fervent Industrial Development (Suzhou) Co., Ltd[7][9]	People's Republic of China	48	48
DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd[7][9]	People's Republic of China	36	36
Vibrant investment & Management (Shanghai) Co., Ltd[7][9]	People's Republic of China	60	60

8 SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal place of business/country of incorporation	Effective equity held by the Group 2018 %	2017 %
Subsidiaries held by the Company's subsidiaries (cont'd)			
Master Development (Jiangyin) Co., Ltd[3][9]	People's Republic of China	36	36
Shentoncil Pte. Ltd.[1]	Singapore	51	51
Vibrant DB2 Pte. Ltd.[1]	Singapore	51	51
Saujana Tiasa Sdn Bhd[6]	Malaysia	50	50

[1] Audited by KPMG LLP Singapore
[2] Audited by SE Lai CK
[3] Audited by a member firm of KPMG International
[4] See note 2
[5] Not required to be audited under the laws of the country in which it is incorporated
[6] Audited by BDO, Kuala Lumpur
[7] Audited by Grant Thornton, Shanghai
[8] Although the Group owns less than or only half of the voting rights of Freight Links Express (Thailand) Co., Ltd (2017: 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.
[9] These entities are indirectly held and controlled by non-wholly owned subsidiaries.

9 ASSOCIATES

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Redeemable cumulative convertible preference shares in an associate	11,632	12,276	11,632	12,276
Loans and receivables	11,632	12,276	11,632	12,276
Investment in associates (equity-accounted investees)	70,546	66,881	16,098	9,773
	82,178	79,157	27,730	22,049

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.

9 ASSOCIATES (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 the right to preference dividends on a cumulative basis, of an amount equal to 7% (2017: 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.

In 2018, one of the associates has suffered further losses and the management recognised an impairment loss of $5,864,000 on its investments in this associate in the consolidated income statement. The Group estimated the recoverable amount of the associate based on fair value less cost of disposal and the fair value has been categorised as a level 1 fair value based on the associate's stock exchange quoted bid price as at 30 April 2018.

In 2017, one of the associates had suffered further losses and the management recognised an impairment loss of $9,246,000 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 assets.

Acquisition of an associate

On 20 July 2017, the Company acquired 31% of ownership and voting interests in Vibrant Pucheng Logistics (Chongqing) Co., Ltd, via subscription to newly issued shares, amounting to $6,325,000. At the acquisition date, a provisional goodwill of $4,634,000 was recognised.

9 ASSOCIATES (CONT'D)

Investment in associates (equity-accounted investees)

Summarised financial information of associates

The Group has five (2017: 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)**	**Ececil Pte Ltd (Ececil)**	**Vibrant Pucheng Logistics (Chongqing) Co., Ltd (Vibrant Pucheng)**
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	Provision of integrated logistics services
Principal place of business	People's Republic of China	Malaysia	Singapore	Singapore	People's Republic of China
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% (2017: 25.52%)	20.05% (2017: 21.01%)	21.63% (2017: 21.39%)	20.4% (2017: 20.4%)	35.33%* (2017: Nil)
Fair value of ownership interest (if listed)	Not applicable	$14,256,000# (2017: $16,826,000#)	$12,041,000# (2017: $12,493,000#)	Not applicable	Not applicable
Audited by	Grant Thornton, Shanghai	BDO, Kuala Lumpur	Ernst & Young LLP	KPMG LLP	KPMG Huazhen LLP

\# Fair value of quoted investments in associates is determined by reference to the stock exchange quoted bid price as at 30 April 2018 (2017: 30 April 2017) (Level 1 in the fair value hierarchy).

* The Group's effective shareholding interest in Vibrant Pucheng comprises direct interest of 31% and indirect interest through an associate of 4.33%.

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.

9 ASSOCIATES (CONT'D)

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

	China SW $'000	FMHB $'000	Figtree $'000	Ececil $'000	Vibrant Pucheng $'000	Immaterial associates $'000	Total $'000
2018							
Revenue	25,304	165,791	10,873	–	3,941		
Profit/(loss) from continuing operations	3,370	4,327	1,843	1,441	(245)		
Other comprehensive income	–	(2,825)	550	–	–		
Total comprehensive income	3,370	1,502	2,393	1,441	(245)		
Attributable to non-controlling interests	–	5,563	(487)	–	–		
Attributable to investee's shareholders	3,370	7,065	1,906	1,441	(245)		
Non-current assets	11,145	73,825	30,749	149,739	41,508		
Current assets	27,353	60,966	54,826	224	4,179		
Non-current liabilities	(6,519)	(25,443)	(17,449)	–	–		
Current liabilities	(11,709)	(23,520)	(16,870)	(94,608)	(40,350)		
Net assets	20,270	85,828	51,256	55,355	5,337		
Attributable to non-controlling interests	–	(1,559)	(2)	–	–		
Attributable to investee's shareholders	20,270	84,269	51,254	55,355	5,337		
Group's interest in net assets	5,173	16,896	11,086	22,142	1,655		
Other adjustments	5,931	193	955	–	4,650		
Carrying amount of investments	11,104	17,089	12,041	22,142	6,305		
Group's interest in net assets of investee at beginning of the year	10,085	16,044	17,411	21,566	–	1,775	66,881
Group's share of:							
- profit/(loss) from continuing operations	860	1,418	399	576	(76)	(70)	3,107
- other comprehensive income	–	(1)	13	–	–	–	12
- total comprehensive income	860	1,417	412	576	(76)	(70)	3,119
Group's contribution during the year	–	–	844	–	6,325	167	7,336
Group's share of translation reserve	159	248	82	–	56	(7)	538
Impairment during the year	–	–	(5,864)	–	–	–	(5,864)
Dividends received	–	(620)	(844)	–	–	–	(1,464)
Carrying amount of interest in investee at end of the year	11,104	17,089	12,041	22,142	6,305	1,865	70,546

9 ASSOCIATES (CONT'D)

	China SW $'000	FMHB $'000	Figtree $'000	Plaza Ventures # $'000	Ececil $'000	Immaterial associates $'000	Total $'000
2017							
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

In 2017, 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.

10 OTHER INVESTMENTS

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Non-current investments					
Available-for-sale financial assets					
- quoted equity securities	(a)	29,138	31,051	–	–
- unquoted equity securities		13	3,452	–	–
Restricted fixed deposits	(b)	89	84	–	–
Club membership		16	15	–	–
		29,256	34,602	–	–
Current investments					
Financial assets at fair value through profit or loss					
- quoted equity securities	(a)	47,244	84,463	31,532	67,213
Debt security, held to maturity	(c)	–	20,974	–	–
		47,244	105,437	31,532	67,213
		76,500	140,039	31,532	67,213

(a) The quoted equity securities of $55,380,000 (2017: $31,212,000) have been pledged as security to secure bank loans and other credit facilities extended to the Company as set out in note 19.

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

(c) In December 2014, the Group entered into an agreement with Blackgold International Holdings Limited (Blackgold) in respect of a subscription of convertible bond for an aggregate amount of $18,750,000 with the terms and conditions of the agreement with 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). The convertible bond bore a contractual interest rate of 7.5% per annum and was agreed to be redeemed in full on 31 August 2017. On 13 July 2017, the Company acquired 94.18% of the shares of Blackgold through a scheme of arrangement approved by the Federal Court of Australia. Following the acquisition, the convertible bond was written off (please see note 2 for further information).

11 DEFERRED TAX

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

	At 1 May 2016 $'000	Recognised in profit or loss (note 25) $'000	Translation differences $'000	At 30 April 2017 $'000	Recognised in profit or loss (note 25) $'000	Translation differences $'000	At 30 April 2018 $'000
Group							
Deferred tax assets							
Available-for-sale financial assets	1,279	(1,279)	–	–	–	–	–
Deferred income	640	(633)	(6)	1	–	–	1
Property, plant and equipment	58	(19)	(3)	36	(19)	1	18
Provisions	411	–	(4)	407	(272)	10	145
Unutilised tax losses	88	985	(17)	1,056	3,319	93	4,468
Other items	82	(81)	(1)	–	–	–	–
Total	2,558	(1,027)	(31)	1,500	3,028	104	4,632
Deferred tax liabilities							
Investment properties	(2,560)	(257)	116	(2,701)	(198)	(116)	(3,015)
Property, plant and equipment	(668)	(690)	–	(1,358)	169	(1)	(1,190)
Trade and other receivables	(3,107)	(828)	88	(3,847)	(228)	(137)	(4,212)
Total	(6,335)	(1,775)	204	(7,906)	(257)	(254)	(8,417)

11 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	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Deferred tax assets	4,629	1,495	–	–
Deferred tax liabilities	(8,414)	(7,901)	–	–
	(3,785)	(6,406)	–	–

As at 30 April 2018, deferred tax liabilities of $855,000 (2017: $830,000) were not recognised for temporary differences of $8,550,000 (2017: $8,297,000) related to investments in subsidiaries 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		
	2018	2017 (restated)	2017 (as previously reported)
	$'000	$'000	$'000
Deductible temporary differences	186	1,408	3,643
Tax losses	20,484	18,238	57,080
	20,670	19,646	60,723

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 4.17.

12 TRADE AND OTHER RECEIVABLES

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Non-current assets					
Finance lease receivables		9,910	6,747	–	–
Trade receivables – third party		24,796	28,015	–	–
Non-trade amounts due from subsidiaries	(a)	–	–	96,536	95,946
Loans to subsidiaries	(b)	–	–	269,591	363,995
Impairment losses		(1,590)	–	(37,586)	(59,738)
Net receivables		33,116	34,762	328,541	400,203
Loan to an associate	(c)	–	2,014	–	–
Loan to a non-controlling interest	(d)	1,672	–	–	–
Loans to third parties	(e)	21,167	15,726	–	–
Other receivables		–	3,297	–	–
Deposits		224	1,199	–	–
Impairment losses		–	(16)	–	–
Loans and receivables		56,179	56,982	328,541	400,203
Prepayments		92	47	–	–
		56,271	57,029	328,541	400,203
Current assets					
Trade receivables:					
- subsidiaries		–	–	1,744	1,106
- third parties		61,443	49,290	–	–
Finance lease receivables		20,553	3,670	–	–
		81,996	52,960	1,744	1,106
Impairment losses		(14,129)	(4,530)	–	–
Net trade receivables		67,867	48,430	1,744	1,106
Loans to associates	(f)	4,373	459	–	–
Loans to non-controlling interests	(g)	37,400	19,990	–	–
Loans to third parties	(h)	13,664	60,211	–	279
Non-trade amounts due from associates	(i)	952	952	809	809
Non-trade amounts due from non-controlling interests	(i)	11,896	12,322	–	–
Non-trade amounts due from related parties	(i)	407	541	–	–
Deposits		3,334	1,365	2	2
Tax recoverable		200	134	–	–
Interest receivables		6,872	7,627	4,332	4,332
Other receivables		10,832	83,835	746	794
Impairment losses		(6,829)	(5,475)	(5,467)	(5,467)
Loans and receivables		150,968	230,391	2,166	1,855
Prepayments and advances		5,628	3,464	64	465
		156,596	233,855	2,230	2,320

12 TRADE AND OTHER RECEIVABLES (CONT'D)

(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 $47,733,000 (2017: $41,224,000) are interest-free and loans of $56,093,000 (2017: $73,162,000) bear fixed interest at 4.56% to 10.00% (2017: 6.10% to 10.00%) per annum. The remaining loans bear interest at 1.00% (2017: 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 1.92% (2017: 1.56%) per annum.

(c) In 2017, non-current loan to an associate of $2,014,000 was unsecured, bore interest at 1.88% above bank's prescribed rate, and was repayable in 2019. The average effective interest rate at reporting date was 2.65% per annum.

(d) Non-current loan to a non-controlling interest is interest-free, unsecured and is not expected to be repaid within the next twelve months from the reporting date.

(e) Non-current loans to third parties of $5,121,000 are unsecured, not expected to be repaid within the next twelve months from the reporting date and bear interest at 8.00% per annum. Loan of $16,046,000 (2017: $15,726,000) is secured and repayable in 2019. The effective interest rate at reporting date was 9.95% (2017: 13.53%) per annum.

(f) Loan to an associate of $459,000 (2017: $459,000) is unsecured, repayable on demand and bears interest at 9.75% (2017: 9.75%) per annum. Loan of $3,914,000 is unsecured, repayable in 2019 and bears interest at 1.88% above bank's prescribed rate. The effective interest rate at reporting date was 3.26% per annum.

(g) Loan to non-controlling interests of $7,871,000 (2017: $7,591,000) are unsecured, repayable on demand and bear interest at 6.00% to 10.00% (2017: 6.00% to 10.00%) per annum. The remaining loan of $29,529,000 (2017: $6,579,000) is unsecured, repayable on demand and interest-free (2017: 8.00% per annum). In 2017, loans of $5,541,000 are unsecured, interest-free and repayable on demand and loan of $279,000 bears interest at 1.00% above market swap rate determined at the beginning of each month. The average effective interest rate at reporting date was 1.42% per annum.

(h) Loans to third parties of $7,000 (2017: $46,304,000) are unsecured, interest-free and repayable on demand, and includes a loan of $nil (2017: $46,025,000) to a third party that was previously an associate in 2016. Loans of $10,241,000 (2017: $8,958,000) are secured by third party guarantee, repayable on demand and bear interest at 3.00% to 10.00% (2017: 3.00% to 15.00%) per annum. The remaining loan of $3,416,000 (2017: $4,949,000) is unsecured, repayable on demand and bears interest at 9.60% to 15.00% (2017: 8.00%) per annum.

(i) Non-trade amounts due from associates, non-controlling interests and related parties are unsecured, interest-free, and are repayable on demand.

12 TRADE AND OTHER RECEIVABLES (CONT'D)

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 16.50% (2017: 2.75% to 14.00%) 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			
2018			
Within one year	24,609	(4,056)	20,553
Between one and five years	10,659	(749)	9,910
	35,268	(4,805)	30,463
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

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 30.

13 DEVELOPMENT PROPERTIES

		Group 2018 $'000	Group 2017 $'000
Unsold properties	(i)	–	35,290
Unsold properties (with a sales contract)			
- Fulfilment cost	(ii)	120,398	53,185
		120,398	88,475

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

(ii) The amount relates to the costs attributable to the units for the residential apartments in the mixed residential and commercial development project in Jiangyin, China with a sales contract. The Group has no enforceable right to payment prior to the point of transfer of the apartment. Therefore, revenue and the associated fulfilment costs are only recorded in profit or loss at the point of transfer of the properties.

14 INVENTORIES

	Group 2018 $'000	Group 2017 $'000
Consumables	525	497

15 CASH AND CASH EQUIVALENTS

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Cash at bank and in hand	37,136	36,102	805	322
Deposits with banks	33,413	26,937	–	–
Cash and cash equivalents	70,549	63,039	805	322
Deposits pledged and restricted cash	(16,214)	(14,877)		
Cash and cash equivalents in the consolidated statement of cash flows	54,335	48,162		

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 $61,999,000 (2017: $48,254,000) 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 0.80% to 4.62% (2017: 0.90% to 4.25%). Interest rates reprice at intervals of overnight, one or twelve months (2017: overnight, one or twelve months).

16 SHARE CAPITAL

	Group and Company 2018 No. of shares ('000)	Group and Company 2017 No. of shares ('000)
Fully paid ordinary shares, with no par value:		
At beginning of the year	605,430	556,708
Issue of new shares	92,522	48,722
At end of the year	697,952	605,430

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 19 October 2017 (2017: 18 October 2016), the Company issued 22,522,000 (2017: 22,722,000) new ordinary shares for value of $7,883,000 (2017: $7,498,000) 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 2017 (2017: 30 April 2016).

On 25 May 2017 (2017: 20 September 2016), the Company issued 70,000,000 (2017: 26,000,000) new ordinary shares for cash of $26,600,000 (2017: $9,880,000).

16 SHARE CAPITAL (CONT'D)

Capital management

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

The Board of Directors also seeks to maintain a balanced level of borrowings with a view to optimise financial return to shareholders.

The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as total borrowings, net of cash and cash equivalents, divided by total shareholders' equity excluding non-controlling interests. The Group's strategy is to maintain a net debt-to-equity ratio of under 1.5. The net debt-to-equity ratio was 1.31 as at 30 April 2018 (2017: 0.76).

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

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	
	2018	**2017**
	$'000	**$'000**
First and final dividend paid in respect of the previous financial year of 1.50 cents (2017: 1.80 cents) per share	9,664	9,968

After the reporting date, no exempt (one-tier) dividends were proposed by the directors in respect to the financial year ended 30 April 2018.

In 2017, after the reporting date, exempt (one-tier) dividends of 1.50 cents per share amounting to $9,010,000 were declared by the Group and Company in respect of the financial year ended 30 April 2017.

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.

The Securities bore an initial fixed distribution rate of 7.35% per annum payable semi-annually in arrears. The rate was subject to reset every three years.

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 has been presented within equity and distributions are treated as dividends.

During the financial year, distributions amounting to $3,638,000 (2017: $7,350,000) were paid to perpetual securities holders.

On 11 October 2017, all outstanding perpetual securities were redeemed and subsequently cancelled thereafter, except for $29,500,000 perpetual securities which were offered for exchange to notes due in 2020 under the $500,000,000 Multicurrency Debt Issuance Programme.

18 RESERVES

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Treasury shares	(1,935)	(1,759)	(1,935)	(1,759)
Capital reserve	7,089	7,089	7,082	7,082
Foreign currency translation reserve	(3,802)	(7,737)	–	–
Other reserves	24	12	–	–
	1,376	(2,395)	5,147	5,323
Accumulated profits	32,962	134,952	(15,306)	33,751
	34,338	132,557	(10,159)	39,074

The treasury shares reserve comprises the cost of the Company's shares held by the Group. On 30 April 2018, the Group held 5,188,560 of the Company's shares (2017: 4,738,560).

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.

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 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Non-current liabilities				
Floating rate bank loans				
- secured	16,636	102,483	–	–
Fixed rate bank loans				
- secured	–	7,642	–	–
Finance lease liabilities	2,114	2,011	–	–
	18,750	112,136	–	–
Current liabilities				
Floating rate bank loans				
- secured	111,058	17,922	–	–
- unsecured	–	500	–	500
Fixed rate bank loans				
- secured	102,654	87,778	63,844	41,700
- unsecured	17,500	22,500	12,000	21,000
Finance lease liabilities	1,686	1,541	–	–
	232,898	130,241	75,844	63,200
Notes payable	92,438	101,919	65,311	101,919
	325,336	232,160	141,155	165,119
	344,086	344,296	141,155	165,119

The bank loans of the Company and certain subsidiaries amounting $230,348,000 (2017: $215,825,000) are secured by legal mortgages over property, plant and equipment, investment properties and equity securities of the Group as disclosed in notes 5, 7 and 10 respectively.

19 LOANS AND BORROWINGS (CONT'D)

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 (2017: 2 to 5 years). As at the reporting date, the Group has obligations under finance leases that are payable as follows:

	Principal 2018 $'000	Interest 2018 $'000	Payments 2018 $'000	Principal 2017 $'000	Interest 2017 $'000	Payments 2017 $'000
Group						
Repayable within 1 year	1,686	176	1,862	1,541	164	1,705
Repayable after 1 year but within 5 years	2,114	129	2,243	2,011	112	2,123
Total	3,800	305	4,105	3,552	276	3,828

Terms and debt repayment schedule

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

	Nominal interest rate %	2018 Year of maturity	2018 Face value $'000	2018 Carrying amount $'000	2017 Year of maturity	2017 Face value $'000	2017 Carrying amount $'000
Group							
Floating rate bank loans	1.00% above SIBOR rate	2021	4,009	4,009	2021	4,516	4,516
	1.50% – 1.55% above bank's 1-3 months cost of funds	2020 – 2021	12,834	12,834	2018 – 2021	16,919	16,919
	1.55% – 2.00% above swap rate	2019 – 2022	93,170	93,170	2018 – 2022	99,470	99,470
	0.60% above LPR	2033	17,681	17,681	–	–	–
Fixed rate bank loans	2.93% – 7.00%	2019	120,154	120,154	2018 – 2025	117,920	117,920
Finance lease liabilities	1.16% – 7.66%	2019 – 2022	3,800	3,800	2018 – 2021	3,552	3,552
Notes payable	3.40% – 7.50%	2019 – 2021	92,438	92,438	2018	101,919	101,919
			344,086	344,086		344,296	344,296
Company							
Floating rate bank loans	2.00% above bank's 3 months cost of funds	–	–	–	2018	500	500
Fixed rate bank loans	2.75% – 7.00%	2019	75,844	75,844	2018	62,700	62,700
Notes payable	4.60% – 7.50%	2021	65,311	65,311	2018	101,919	101,919
			141,155	141,155		165,119	165,119

Of the Group and Company's bank loans, $124,934,000 (2017: $118,561,000) and $75,844,000 (2017: $63,200,000) are callable by financial institutions, and have been presented as current liabilities in the Group and Company's statements of financial position respectively.

In 2018, $160,290,000 of loans and borrowings due between financial years 2020 to 2022 were reclassified as current liabilities arising from non-compliance with loan covenants as at 30 April 2018, as described in note 2.

19 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities							
	Loans and borrowings $'000	Notes payable $'000	Finance lease liabilities $'000	Accrued interest expenses $'000	Loans from related parties $'000	Loan from a director $'000	Loans from non-controlling interests $'000	Total $'000
Balance at 1 May 2017	238,825	101,919	3,552	1,472	6,962	–	37,701	390,431
Changes from financing cash flows								
Finance cost paid	–	(5,112)	(238)	(9,109)	–	–	–	(14,459)
Net proceeds from issue of notes payable	–	63,500	–	–	–	–	–	63,500
Payment of transaction costs related to notes payable	–	(1,322)	–	–	–	–	–	(1,322)
Proceeds from borrowings	193,613	–	–	–	–	–	–	193,613
Proceeds from loan from a director	–	–	–	–	–	13,937	–	13,937
Proceeds from loan from a related party	–	–	–	–	7,000	–	–	7,000
Proceeds from loans from non-controlling interests	–	–	–	–	–	–	8,620	8,620
Redemption of notes payable	–	(100,200)	–	–	–	–	–	(100,200)
Repayment of borrowings	(184,473)	–	–	–	–	–	–	(184,473)
Repayment of finance lease liabilities	–	–	(1,836)	–	–	–	–	(1,836)
Repayment of loan to an associate	–	–	–	–	(3,598)	–	–	(3,598)
Repayment of loans to non-controlling interests	–	–	–	–	–	–	(9,312)	(9,312)
Total changes from financing cash flows	9,140	(43,134)	(2,074)	(9,109)	3,402	13,937	(692)	(28,530)
The effect of changes in foreign exchange rates	(117)	–	127	7	(32)	–	450	435
Other changes								
Liability-related								
New finance leases	–	–	1,957	–	–	–	–	1,957
Non-cash transactions	–	–	–	–	–	(2,216)	(10,504)	(12,720)
Perpetual securities exchanged for notes	–	29,500	–	–	–	–	–	29,500
Capitalised borrowing costs	–	–	–	341	–	–	–	341
Interest expense	–	3,890	238	9,676	–	–	–	13,804
Other changes	–	263	–	(400)	–	–	–	(137)
Total liability-related other changes	–	33,653	2,195	9,617	–	(2,216)	(10,504)	32,745
Balance at 30 April 2018	247,848	92,438	3,800	1,987	10,332	11,721	26,955	395,081

20 TRADE AND OTHER PAYABLES

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Non-current liabilities					
Trade payables – third parties		15,899	22,866	–	–
Deposits		–	283	–	–
Loans from subsidiaries	(a)	–	–	72,640	55,037
Loans from non-controlling interests	(b)	15,357	30,849	–	–
Loan from a related party	(c)	3,332	3,332	–	–
Non-trade amounts due to subsidiaries	(d)	–	–	6,629	7,077
Non-trade amounts due to non-controlling interests	(e)	–	707	–	–
Other payables		3,506	5,329	–	–
Accrued operating expenses		–	2	–	–
Long-term employee benefits	(f)	1,774	1,770	1,489	1,489
		39,868	65,138	80,758	63,603
Current liabilities					
Trade payables					
- related party		–	22	–	–
- third parties		71,587	57,001	–	–
Deposits		4,712	3,946	–	–
Advances - development properties	(g)	121,870	61,256	–	–
Other advances		990	2,367	–	–
Loan from a related party	(h)	7,000	3,630	7,000	–
Loans from non-controlling interests	(i)	11,598	6,852	–	–
Loan from a director		11,721	–	11,721	–
Non-trade amount due to a related party	(j)	1,491	1,278	–	–
Non-trade amounts due to non-controlling interests	(j)	1,027	858	–	–
Other payables		11,750	12,887	819	2,430
Accrued interest expense		1,987	1,472	687	567
Accrued operating expenses		4,068	4,632	1,099	1,428
Fair value through profit or loss					
- Foreign exchange contracts		578	195	578	195
		250,379	156,396	21,904	4,620
Total trade and other payables		290,247	221,534	102,662	68,223

(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 $2,848,000 (2017: $775,000) are interest-free, loans of $30,439,000 (2017: $3,219,000) bear interest at 3.40% to 4.06% (2017: 2.86%) and loans of $7,080,000 (2017: $5,440,000) bear interest at 1.50% to 1.55% over bank's cost of funds. In 2017, a loan of $1,450,000 bore interest at 1.95% over SIBOR. The remaining loans bear interest at 1.00% (2017: 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 1.92% (2017: 1.56%) per annum.

(b) Non-current loans from non-controlling interests of $14,637,000 (2017: $30,129,000) 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 (2017: $720,000) bears interest at 10.00% (2017: 10.00%) per annum and is repayable in 2020.

(c) Non-current loan from related party of $3,332,000 (2017: $3,332,000) bears interest at 6.00% (2017: 6.00%) per annum and is repayable in 2021.

(d) 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.

20 TRADE AND OTHER PAYABLES (CONT'D)

(e) In 2017, non-trade amounts due to non-controlling interests are unsecured, interest-free with no fixed terms of repayment and was repaid in 2018.

(f) Long-term employee benefits are payable to certain directors or employees upon their retirement.

(g) Advances for development properties pertain to advance payments received from customers in relation to a development project in Jiangyin, China (i.e. contract liabilities). During the year, the Group received consideration of $60,614,000 (2017: $61,256,000) in relation to the development project. This was the only significant change in contract liability balance during the year.

(h) Loan from a related party is unsecured, interest-free and repayable on demand. In 2017, loan from a related party bore interest at 8.00%, was unsecured and was repaid in 2018.

(i) Loans from non-controlling interests are unsecured and expected to be repaid within the next twelve months. A loan of $5,655,000 (2017: $252,000) is interest-free and remaining loans of $5,943,000 (2017: $6,600,000) bear interest at 12.00% (2017: 12.00%) per annum.

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

21 PROVISIONS

	Site restoration	
	2018	**2017**
	$'000	**$'000**
Group		
At beginning of the year	3,784	3,685
Provision made during the year	99	99
Balance as at end of the year	3,883	3,784
Provisions due:		
- within 1 year	141	140
- after 5 years	3,742	3,644
	3,883	3,784

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 obligation at the end of each reporting period.

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	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Primary geographical markets										
Singapore	125,868	122,664	8,369	15,630	2,508	2,704	–	–	136,745	140,998
Malaysia	16,589	15,981	–	–	–	–	–	–	16,589	15,981
China	7,177	5,370	3,491	1,514	2,794	12,221	–	–	13,462	19,105
Thailand	6,712	6,604	–	–	–	–	–	–	6,712	6,604
Hong Kong	1,967	1,698	–	234	–	–	–	–	1,967	1,932
	158,313	152,317	11,860	17,378	5,302	14,925	–	–	175,475	184,620
Inter-segment revenue	329	331	301	2,479	4	–	(634)	(2,810)	–	–
	158,642	152,648	12,161	19,857	5,306	14,925	(634)	(2,810)	175,475	184,620

22 REVENUE (CONT'D)

	Freight and logistics		Financial services		Real estate		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Major products and service lines										
Freight services	64,674	67,270	–	–	–	–	–	–	64,674	67,270
Logistics services	93,639	85,047	–	–	–	–	–	–	93,639	85,047
Management services	–	–	4,517	4,005	23	–	–	–	4,540	4,005
Fee income	–	–	3,491	1,748	–	–	–	–	3,491	1,748
Dividend income	–	–	2,274	1,781	–	–	–	–	2,274	1,781
Interest income	–	–	1,578	9,844	–	–	–	–	1,578	9,844
Construction services	–	–	–	–	615	11,497	–	–	615	11,497
Property management services	–	–	–	–	2,873	2,923	–	–	2,873	2,923
Rental income	–	–	–	–	1,791	505	–	–	1,791	505
	158,313	152,317	11,860	17,378	5,302	14,925	–	–	175,475	184,620
Inter-segment revenue	329	331	301	2,479	4	–	(634)	(2,810)	–	–
	158,642	152,648	12,161	19,857	5,306	14,925	(634)	(2,810)	175,475	184,620
Timing of revenue recognition										
Products and services transferred at a point in time	–	–	3,491	1,748	–	–	–	–	3,491	1,748
Products and services transferred over time	158,313	152,317	4,517	4,005	3,511	14,420	–	–	166,341	170,742
Others*	–	–	3,852	11,625	1,791	505	–	–	5,643	12,130
	158,313	152,317	11,860	17,378	5,302	14,925	–	–	175,475	184,620
	329	331	301	2,479	4	–	(634)	(2,810)	–	–
Inter-segment revenue	158,642	152,648	12,161	19,857	5,306	14,925	(634)	(2,810)	175,475	184,620

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

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	
	2018	**2017**
	$'000	**$'000**
Dividend income from available-for-sale financial assets	1,735	1,018
Fair value gain on foreign currency forward contracts	–	1,108
Fair value gain on investment properties	1,068	2,330
Fair value gain on securities designated at fair value through profit or loss	959	5,095
Gain on disposal of an associate	–	52,135
Gain on disposal of property, plant and equipment	79	93
Management fee	41	42
Others	2,182	1,777
	6,064	63,598

24 FINANCE INCOME AND COSTS

	Group	
	2018	**2017**
	$'000	**$'000**
Interest income:		
- other receivables	168	1,748
- bank deposits	1,073	344
- loans to an associate	131	73
- loans to third party	1,004	–
- investment in an associate	–	926
- convertible loan to an associate	–	202
- held-to-maturity debt security	–	1,407
Finance income	2,376	4,700
Interest expense:		
- term loans	(8,713)	(7,103)
- notes payable	(3,890)	(4,600)
- loans from non-controlling interests	(188)	(733)
- loans from a related party	(732)	(1,014)
- finance lease liabilities	(238)	(231)
- unwind of discount on site restoration provision	(99)	(99)
- others	(43)	(30)
Finance costs	(13,903)	(13,810)
Net finance costs	(11,527)	(9,110)

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	
	2018	2017
	$'000	$'000
Total interest income on loans and receivables	2,376	3,774
Total interest expense on financial liabilities measured at amortised cost	(13,761)	(13,681)

25 TAX CREDIT/(EXPENSE)

	Group	
	2018	2017
	$'000	$'000
Current tax expense		
Current year	3,798	3,241
Adjustment for prior years	(1,741)	(1,148)
	2,057	2,093
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(2,606)	(163)
Adjustment for prior years	(165)	2,965
	(2,771)	2,802
Total tax (credit)/expense	(714)	4,895

	Group	
	2018	2017
	$'000	$'000
Reconciliation of effective tax rate		
(Loss)/Profit before tax	(93,806)	25,368
Impairment loss on investment in associate	5,864	–
Share of (profit)/loss of associates, net of tax	(3,107)	6,329
(Loss)/Profit before share of (loss)/profits of associates and impairment loss on investment in associate	(91,049)	31,697
Tax calculated using Singapore tax rate of 17% (2017: 17%)	(15,478)	5,388
Effect of tax rates in foreign jurisdictions	(775)	(116)
Non-deductible expenses	19,421	7,184
Tax exempt income	(2,064)	(10,531)
Tax incentives	(105)	(246)
Recognition of tax effect of previously unrecognised tax losses	(64)	(44)
Current year losses for which no deferred tax asset was recognised	219	1,025
Adjustment for prior years	(1,906)	1,817
Others	38	418
	(714)	4,895

26 LOSS FOR THE YEAR

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

	Note	Group 2018 $'000	Group 2017 $'000
Audit fees paid to:			
- auditors of the Company		592	523
- other auditors		64	63
Contributions to defined contribution plans included in staff costs		3,819	3,842
Depreciation of property, plant and equipment		12,689	12,766
Impairment loss on available-for-sale financial assets		5,353	7,495
Impairment loss on investment in an associate		5,864	–
Impairment loss on receivables, net		12,169	8,703
Investment in Blackgold Group written off		41,352	–
Loss on deemed disposal of an associate		–	1,279
Loss on disposal of subsidiaries	34	–	8,182
Non-audit fees paid to:			
- auditors of the Company		44	22
- other auditors		24	24
Property, plant and equipment written off		240	–
Operating lease expense		21,503	21,038
Receivables from Blackgold Group written off		21,847	–
Staff costs		31,259	31,462
Waiver of receivable from an associate		–	1,567

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

	Group 2018 $'000	Group 2017 $'000
Loans and receivables	(28,669)	4,123
Fair value through profit or loss	1,802	7,742
Available-for-sale	(2,724)	(5,582)
Liabilities at amortised cost	(13,833)	(13,348)
	(43,424)	(7,065)

27 (LOSS)/EARNINGS PER SHARE

	Group	
	2018	**2017**
	$'000	**$'000**
Basic (loss)/earnings per share is computed based on:		
Net (loss)/profit attributable to ordinary shareholders	(88,688)	3,422
	No. of shares ('000)	**No. of shares ('000)**
Issued ordinary shares at beginning of the year	600,691	553,787
Effect of own shares held	(359)	(134)
Effect of ordinary shares issued	77,368	28,024
Weighted average number of ordinary shares at end of the year	677,700	581,677
	$'000	$'000
Diluted earnings per share is based on:		
Net (loss)/profit attributable to ordinary shareholders	(88,688)	3,422

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 (2017: nil).

28 SEGMENT REPORTING

The Group (excluding Blackgold 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.

28 SEGMENT REPORTING (CONT'D)

Geographical segments

The freight and logistics, financial services and real estate business segments are managed on a worldwide basis, but operate in eight (2017: 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.

Operating segments

	Freight and logistics $'000	Financial services $'000	Real estate $'000	Eliminations $'000	Total operations $'000
2018					
Revenue					
External revenue	158,313	11,860	5,302	–	175,475
Inter-segment revenue	329	301	4	(634)	–
Total revenue	158,642	12,161	5,306	(634)	175,475
Results					
Segment results	5,374	(74,299)	(1,933)	–	(70,858)
Unallocated corporate costs					
- other corporate costs					(8,664)
Results from operating activities					(79,522)
Finance income	754	297	1,325	–	2,376
Finance costs	(5,764)	(6,466)	(1,673)	–	(13,903)
Impairment loss on investment in associate					(5,864)
Share of profit of associates, net of tax					3,107
Profit before income tax					(93,806)
Income tax expense	1,275	1,760	(2,321)	–	714
(Loss)/profit for the year	1,639	(78,708)	(4,602)	–	(93,092)
Other material non-cash items					
Fair value gain on foreign currency forward contract	–	(383)	–	–	(383)
Fair value gain on investment properties	–	–	1,068	–	1,068
Fair value gain on securities designated at fair value through profit or loss	–	959	–	–	959
Impairment loss on available-for-sale financial assets	–	(5,353)	–	–	(5,353)
Impairment loss on receivables	(47)	(12,122)	–	–	(12,169)
Investment in Blackgold Group written off	–	(41,352)	–	–	(41,352)
Receivables from Blackgold Group written off	(267)	(21,580)	–	–	(21,847)

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					
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)

28 SEGMENT REPORTING (CONT'D)

Operating segments (cont'd)

	Freight and logistics $'000	Financial services $'000	Real estate $'000	Eliminations $'000	Total operations $'000
2018					
Assets and liabilities					
Segment assets	351,371	156,625	360,436	–	868,432
Tax recoverable					200
Associates					82,178
Deferred tax assets					4,629
Cash and cash equivalents					805
Other unallocated assets					782
Total assets					957,026
Segment liabilities	192,455	99,848	230,084	–	522,387
Notes payable					92,438
Deferred tax liabilities					8,414
Current tax payable					9,118
Other unallocated liabilities					23,391
Total liabilities					655,748
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
2018					
Other segment information					
Capital expenditure	5,073	36	5,777	–	10,886
Depreciation	12,458	131	100	–	12,689
2017					
Other segment information					
Capital expenditure	7,647	53	9,316	–	17,016
Depreciation	12,535	151	80	–	12,766

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
2018										
Revenue from external customers	84,397	13,565	19,144	36,066	4,846	3,591	7,904	3,181	2,781	175,475
Non-current assets*	318,277	76,503	62,989	2,265	–	–	–	–	–	460,034
Capital expenditure	2,972	2,091	5,782	41	–	–	–	–	–	10,886
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

* Excludes deferred tax assets, 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 in 2017 represents $11,497,000 of the Group's total revenue.

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 required 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 also has exposure to significant risks arising from overseas operations and overseas investments. The Group's risk management framework should also include the governance and due diligence processes over investment decisions and level of oversight over overseas operations.

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

Credit risk

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

Liquidity risk

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.

Refer to note 2 for management's assessment on the appropriateness of the continuing use of the going concern assumption in the preparation of the financial statements.

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.

29 FINANCIAL RISK MANAGEMENT (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.

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

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

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Freight and logistics	41,131	39,431	102,406	93,594
Financial services	77,089	59,498	228,296	308,461
Real estate	88,927	188,444	5	3
	207,147	287,373	330,707	402,058

* Excludes prepayments and advances

30 FINANCIAL INSTRUMENTS (CONT'D)

Impairment losses

The ageing of trade and other receivables* at the reporting date was:

	Gross 2018 $'000	Impairment losses 2018 $'000	Gross 2017 $'000	Impairment losses 2017 $'000
Group				
No credit terms	22,275	(6,830)	98,264	(5,491)
Not past due	149,035	(1,590)	159,058	–
Past due 0 – 30 days	9,573	–	9,481	–
Past due 31 – 120 days	4,089	–	4,264	(73)
More than 120 days	44,723	(14,128)	26,327	(4,457)
	229,695	(22,548)	297,394	(10,021)
Company				
No credit terms	5,889	(5,467)	5,937	(5,467)
Not past due	366,265	(37,586)	460,397	(59,738)
Past due 0 – 30 days	125	–	124	–
Past due 31 – 120 days	276	–	105	–
More than 120 days	1,205	–	700	–
	373,760	(43,053)	467,263	(65,205)

* Excludes prepayments and advances

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
At beginning of the year	10,021	1,428	65,205	61,743
Impairment loss recognised	12,320	8,703	–	5,618
Impairment loss utilised	–	(46)	–	–
Impairment loss written back	(151)	–	(22,152)	(2,156)
Translation differences	358	(64)	–	–
At end of the year	22,548	10,021	43,053	65,205

* Excludes prepayments and advances

At 30 April 2018, the Group's impairment loss on trade receivables amounting to $12,121,000 related to 2 customers with financial difficulties from the financial leasing business.

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 Company related to balances due from several customers, which are long outstanding, with no objective evidence of likely repayment in the foreseeable future.

In addition, receivables from Blackgold Group of $21,847,000 were written off as a result of the circumstances stated in note 2.

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.

30 FINANCIAL INSTRUMENTS (CONT'D)

Impairment losses (cont'd)

Fair value of collaterals

At 30 April 2018, 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 $163,650,000 (2017: $156,702,000). 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.

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. It has a 1 year default probability of 4.32% as determined by Bloomberg Finance.

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					
2018					
Derivative financial instruments					
Foreign exchange contracts	(578)				
- Inflow		12,431	12,431	–	–
- Outflow		(13,009)	(13,009)	–	–
	(578)	(578)	(578)	–	–
Non-derivative financial liabilities					
Finance lease liabilities	(3,800)	(4,105)	(1,862)	(2,243)	–
Term loans	(247,848)	(260,919)	(238,283)	(8,762)	(13,874)
Notes payable	(92,438)	(98,215)	(98,215)	–	–
Trade and other payables*	(165,035)	(166,389)	(127,926)	(38,463)	–
	(509,121)	(529,628)	(466,286)	(49,468)	(13,874)
	(509,699)	(530,206)	(466,864)	(49,468)	(13,874)

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

30 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows 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)

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

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Company					
2018					
Derivative financial instruments					
Foreign exchange contracts	(578)				
- Inflow		12,431	12,431	–	–
- Outflow		(13,009)	(13,009)	–	–
	(578)	(578)	(578)	–	–
Non-derivative financial liabilities					
Term loans	(75,844)	(78,782)	(63,266)	(15,516)	–
Notes payable	(65,311)	(78,395)	(4,950)	(73,445)	–
Trade and other payables*	(100,595)	(102,067)	(55,463)	(46,604)	–
Intra-group financial guarantees	–	(158,108)	(155,996)	(2,112)	–
	(241,750)	(417,352)	(279,675)	(137,677)	–
	(242,328)	(417,815)	(280,138)	(137,677)	–

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)	–

* 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. Please refer to note 2 for management's assessment on the appropriateness of the continuing use of the going concern assumption in the preparation of the financial statements.

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	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Held-to-maturity debt security	–	20,974	–	–
Restricted fixed deposits	89	84	–	–
Finance lease receivables	30,463	10,417	–	–
Loans to subsidiaries	–	–	56,093	73,162
Loan to an associate	459	459	–	–
Loans to non-controlling interests	7,871	14,170	–	–
Loans to third parties	34,824	29,633	–	–
Deposits with banks	33,413	26,937	–	–
Bank loans	(120,154)	(117,920)	(75,844)	(62,700)
Notes payable	(92,438)	(101,919)	(65,311)	(101,919)
Finance lease liabilities	(3,800)	(3,552)	–	–
Loan from a subsidiary	–	–	(30,439)	(3,219)
Loans from a related party	(3,332)	(6,962)	–	–
Loans from non-controlling interests	(6,663)	(7,320)	–	–
	(119,268)	(134,999)	(115,501)	(94,676)
Variable rate instruments				
Loans to subsidiaries	–	–	165,765	249,609
Loan to an associate	3,914	2,014	–	–
Loans to non-controlling interests	–	279	–	–
Bank loans	(127,694)	(120,905)	–	(500)
Loans from subsidiaries	–	–	(39,353)	(51,043)
	(123,780)	(118,612)	126,412	198,066

Fair value sensitivity analysis for fixed rate instruments

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.

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 after tax 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	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Profit after tax				
Variable rate instruments	(1,027)	(984)	1,049	1,644

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:

	2018				2017			
	USD	RMB	AUD	RM	USD	RMB	AUD	RM
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
RCCPS in an associate	11,632	–	–	–	12,276	–	–	–
Other investments	25,950	–	–	8	61,237	–	1,670	120
Trade and other receivables	5,782	4,332	–	3,215	4,908	4,332	–	3,063
Cash and cash equivalents	5,747	10	–	37	4,596	51	–	120
Trade and other payables	(10,530)	(173)	(15)	(14)	(8,671)	(2,253)	–	(13)
Term loans	(23,628)	–	–	–	(12,219)	–	–	–
Net exposure	14,953	4,169	(15)	3,246	62,127	2,130	1,670	3,290
Company								
RCCPS in an associate	11,632	–	–	–	12,276	–	–	–
Other investments	25,950	–	–	–	61,237	–	–	–
Trade and other receivables	4,182	10,080	–	–	465	9,884	–	–
Cash and cash equivalents	–	–	–	–	41	41	–	–
Trade and other payables	(670)	(2,388)	(15)	–	(195)	(2,253)	–	–
Term loans	(14,564)	–	–	–	–	–	–	–
Net exposure	26,530	7,692	(15)	–	73,824	7,672	–	–

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 after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Profit after tax				
USD	(1,241)	(5,157)	(2,202)	(6,127)
RMB	(346)	(177)	(638)	(637)
AUD	1	(139)	1	–
RM	(269)	(273)	–	–

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 after tax/equity by the following amounts:

	Group		Company	
	10% increase	10% decrease	10% increase	10% decrease
	$'000	$'000	$'000	$'000
30 April 2018				
Profit after tax	3,921	(4,457)	2,617	(3,153)
Equity	2,418	(2,914)	–	–
30 April 2017				
Profit after tax	7,010	(8,153)	5,579	(6,721)
Equity	2,577	(3,105)	–	–

The analysis is performed on the same basis for 2017 and assumes that all other variables remain constant.

31 FAIR VALUES OF ASSETS AND LIABILITIES

Determination of fair value

FRS 113 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 113 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.

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	
	2018	**2017**
	%	**%**
Associates	7.00	7.00
Trade and other receivables	1.92 – 16.50	1.69 – 15.00
Loans and borrowings	1.25 – 7.50	1.79 – 6.37
Trade and other payables	1.92 – 12.00	1.69 – 12.00

Notes to the Financial Statements

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 2018												
Financial assets measured at fair value												
Available-for-sale financial assets, excluding unquoted equity securities held at cost	10	–	29,138	–	–	–	–	29,138	29,138	–	–	29,138
Financial assets at fair value through profit or loss	10	–	–	–	47,244	–	–	47,244	21,294	25,950	–	47,244
		–	29,138	–	47,244	–	–	76,382				
Financial assets not measured at fair value												
Associates	9	11,632	–	–	–	–	–	11,632	–	11,632	–	11,632
Restricted fixed deposits	10	89	–	–	–	–	–	89				
Trade and other receivables, excluding prepayments and advances	12	207,147	–	–	–	–	–	207,147	–	206,351	–	206,351
Cash and cash equivalents	15	70,549	–	–	–	–	–	70,549				
		289,417	–	–	–	–	–	289,417				
Financial liabilities measured at fair value												
Foreign exchange contracts	20	–	–	–	–	578	–	578	–	578	–	578
Financial liabilities not measured at fair value												
Loans and borrowings	19	–	–	–	–	–	344,086	344,086	–	344,039	–	344,039
Trade and other payables*	20	–	–	–	–	–	165,035	165,035	–	163,955	–	163,955
		–	–	–	–	–	509,121	509,121				

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

31 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

Accounting classifications and fair values (cont'd)

		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	10	–	31,051	–	–	–	–	31,051	31,051	–	–	31,051
Financial assets at fair value through profit or loss	10	–	–	–	84,463	–	–	84,463	23,226	61,237	–	84,463
		–	31,051	–	84,463	–	–	115,514				
Financial assets not measured at fair value												
Associates	9	12,276	–	–	–	–	–	12,276	–	12,276	–	12,276
Restricted fixed deposits	10	84	–	–	–	–	–	84				
Held-to-maturity debt security	10	–	–	20,974	–	–	–	20,974				
Trade and other receivables, excluding prepayments and advances	12	287,373	–	–	–	–	–	287,373	–	286,518	–	286,518
Cash and cash equivalents	15	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

31 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

Accounting classifications and fair values (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 2018											
Financial assets measured at fair value											
Financial assets at fair value through profit or loss	10	–	–	31,532	–	–	31,532	5,582	25,950	–	31,532
Financial assets not measured at fair value											
Associates	9	11,632	–	–	–	–	11,632	–	11,632	–	11,632
Trade and other receivables, excluding prepayments and advances	12	330,707	–	–	–	–	330,707	–	327,914	–	327,914
Cash and cash equivalents	15	805	–	–	–	–	805				
		343,144	–	–	–	–	343,144				
Financial liabilities measured at fair value											
Foreign exchange contracts	20	–	–	–	578	–	578	–	578	–	578
Financial liabilities not measured at fair value											
Loans and borrowings	19	–	–	–	–	141,155	141,155	–	141,155	–	141,155
Trade and other payables*	20	–	–	–	–	100,595	100,595	–	100,294	–	100,294
		–	–	–	–	241,750	241,750				

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

31 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

Accounting classifications and fair values (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	10	–	–	67,213	–	–	67,213	5,976	61,237	–	67,213
Financial assets not measured at fair value											
Associates	9	12,276	–	–	–	–	12,276	–	12,276	–	12,276
Trade and other receivables, excluding prepayments and advances	12	402,058	–	–	–	–	402,058	–	400,021	–	400,021
Cash and cash equivalents	15	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.

In 2018 and 2017, there were no transfers between the different levels of the fair value hierarchy.

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			
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: 6.27% (2017: 5.96%) • Rental rates: \$45 to \$76 (2017: \$49 to \$87) 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).
- 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 \$3,137 to \$4,202 (2017: \$2,834 to \$5,242) 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).
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

31 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

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

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 2017	–	116,296	116,296
Purchases	–	5,728	5,728
Government grant received	–	(1,079)	(1,079)
Total gains or losses recognised in profit or loss changes in fair value recorded in "other income"	–	1,068	1,068
Translation differences	–	5,134	5,134
At 30 April 2018	–	127,147	127,147
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)
Reclassification to held-to-maturity debt security (note 10)	(20,974)	–	(20,974)
At 30 April 2017	–	116,296	116,296

31 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

Sensitivity analysis

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

	Group Profit before tax	
	Increase	**Decrease**
	$'000	**$'000**
30 April 2018		
Investment properties		
- Discount rate (1% movement)	(11,476)	11,476
- Rental rates (5% movement)	6,651	(6,651)
- Comparable prices (5% movement)	3,520	(3,520)
- Estimated cost to complete the construction (5% movement)	(181)	181
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

There is no impact on equity.

32 ACQUISITION OF SUBSIDIARIES

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 S$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, there would have been no impact to the consolidated revenue and Group results for the year ended 30 April 2017.

32 ACQUISITION OF SUBSIDIARIES (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	*

* amount less than $1,000

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

In 2017, the Group acquired additional effective interest in three of its subsidiaries as detailed below, for an aggregate consideration of $1,092,000 in cash and $4,142,000 offset against loan to non-controlling interest. The Group recognised a decrease in non-controlling interest of $5,006,000 and a decrease in other reserves of $228,000, 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:

	Group $'000
Carrying amount of non-controlling interest acquired	5,006
Consideration paid to non-controlling interest	(5,234)
Decrease in other reserves	228

33 ACQUISITION OF NON-CONTROLLING INTERESTS (CONT'D)

The acquisition of non-controlling interests resulted in the increase in effective equity interest in the following subsidiaries:

	Effective equity held by the Group	
	Before acquisition	**After acquisition**
Name of subsidiaries	**%**	**%**
Legend Capital Gain Inc.	60.3	100
Advanced Resources Capital Holding Limited	75.7	100
Fervent Industrial Development (Suzhou) Co., Ltd	32.2	48

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 disposed 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 subsidiaries	Principal place of business/country of incorporation	Operating segment	Ownership interests held by non-controlling interests 2018 %	2017 %
LTH Logistics (Singapore) Pte Ltd (LTH)	Singapore	Freight and logistics	49	49
Lee Thong Hung Trading & Transport Sdn Bhd (LTHM)	Malaysia	Freight and logistics	49.2	49.2
Sabana Real Estate Investment Management Pte. Ltd. (SREIM)	Singapore	Financial services	49	49
Glory Capital Pte Ltd (GCPL)	Singapore	Financial leasing	35	35
Sinolink Financial Leasing Co., Ltd (Sinolink)	People's Republic of China	Financial services	49	49
Fervent Industrial Development (Suzhou) Co., Ltd (Fervent)	People's Republic of China	Real estate	52	52
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
Master Development (Jiangyin) Co., Ltd	People's Republic of China	Real estate	64	64

Notes to the Financial Statements

35 NON-CONTROLLING INTERESTS (CONT'D)

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

	LTH $'000	LTHM * $'000	SREIM $'000	GCPL $'000	Sinolink $'000	Fervent $'000	DP-Master $'000	Saujana $'000	Vibrant DB2 $'000	Shentoncil $'000	MDJ * $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2018														
Revenue	51,069	15,533	4,518	1,578	3,583	2,157	539	–	–	–	–			
Profit/(loss) after tax	(552)	(12)	1,533	807	(8,711)	43	1,831	893	(1,555)	(38)	(1,413)	(1,321)		
Other comprehensive income	–	(19)	–	–	774	875	1,747	1,038	–	–	20	519		
Total comprehensive income	(552)	(31)	1,533	807	(7,937)	918	3,578	1,931	(1,555)	(38)	(1,393)	(802)		
Attributable to non-controlling interests:														
- Profit/(loss) after tax	(270)	(6)	751	282	(4,268)	22	1,172	446	(762)	(19)	(905)	(463)	(384)	(4,404)
- Other comprehensive income	–	(9)	–	–	379	455	1,118	519	–	–	13	283	670	3,428
Total comprehensive income	(270)	(15)	751	282	(3,889)	477	2,290	965	(762)	(19)	(892)	(180)	286	(976)
Non-current assets	127,524	6,148	17,654	12,553	21,363	57,026	31,610	70,395	–	9,151	72			
Current assets	35,311	4,395	3,497	4,807	31,221	2,002	52,974	48	64,243	4,056	171,972			
Non-current liabilities	(30,659)	(1,632)	–	(6,632)	(17,339)	(19,968)	(4,626)	(1,337)	–	–	–			
Current liabilities	(126,525)	(9,317)	(2,601)	(361)	(16,552)	(12,106)	(26,830)	(47,349)	(4,574)	(2,049)	(172,164)			
Net assets	5,651	(406)	18,550	10,367	18,693	26,954	53,128	21,757	59,669	11,158	(120)			
Net assets attributable to non-controlling interests	2,769	(200)	9,090	3,628	9,159	14,016	34,002	10,879	29,238	5,468	(77)	9,593	(34,962)	92,603
Cash flows from operating activities	10,115	1,527	1,357	(415)	7,187	472	(19,865)	–	(554)	(5)	19,962			
Cash flows from investing activities	(482)	(406)	1,749	–	(13,358)	(5,734)	15,954	–	61,487	(1,900)	(17,644)			
Cash flows from financing activities (dividends to non-controlling interests: $nil)	(9,426)	192	(1,231)	162	6,510	5,395	(1,543)	–	(60,931)	1,800	(23,585)			
Net increase/(decrease) in cash and cash equivalents	207	1,313	1,875	(253)	339	133	(5,454)	–	2	(105)	(21,267)			

* These entities formed part of "Other individually immaterial subsidiaries" in 2017.

Notes to the Financial Statements

35 NON-CONTROLLING INTERESTS (CONT'D)

	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			

36 COMMITMENTS

Capital commitments

	2018 $'000	2017 $'000
Expenditure contracted for property, plant and equipment	1,907	2,974

Capital commitments relate to outstanding contracts in respect of the purchase consideration payable for the 23 units of trucks (2017: 18) and the development of a bromine warehouse at Banyan Drive, Jurong Island, Singapore (2017).

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 2018, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2018 $'000	2017 $'000
Within 1 year	12,948	14,234
After 1 year but within 5 years	10,865	12,965
After 5 years	97,149	107,927
	120,962	135,126

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 2018, the future minimum lease receivable under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group	
	2018 $'000	2017 $'000
Within 1 year	3,297	2,198
After 1 year but within 5 years	26,598	11,181
After 5 years	11,944	9,609
	41,839	22,988

37 CONTINGENT LIABILITIES (UNSECURED)

Intra-group financial guarantees comprise corporate guarantees amounting to $158,108,000 (2017: $166,285,000) 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	
	2018	2017
	$'000	$'000
Within 1 year	155,996	56,890
After 1 year but within 5 years	2,112	109,395
	158,108	166,285

As at 30 April 2018, the Company has also extended $16,830,000 (2017: $16,830,000) 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 on behalf of which the guarantees were given.

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 2017, the Company has undertaken to provide financial support to certain of its subsidiaries for the next twelve months. The net current liabilities or net liabilities of these entities which are included in the consolidated financial statements as at 30 April 2017 amounted to $111,252,000 and $318,748,000 respectively.

The Blackgold Group is involved in potential claims, litigations and other regulatory matters. Due to the nature of these disputes and matters as well as uncertainty of outcome, the amount of exposure cannot currently be determined.

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	
	2018	2017
	$'000	$'000
Short-term employee benefits	4,399	4,263
Long-term employee benefits (post-employment)	–	87
Defined contribution plans	233	253
	4,632	4,603

38 RELATED PARTIES (CONT'D)

Other related party transactions

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

	Group	
	2018	2017
	$'000	$'000
Purchases from a related party	1,537	4,051
Professional fees paid to TSMP Law Corporation	–	67

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.

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. 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 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, more impairment may need to be recognised.

39 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key sources of estimation uncertainty (cont'd)

Impairment of doubtful receivables 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 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 impairment beyond the amounts provided for collection losses is required. 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 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, 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 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND ADOPTION OF NEW STANDARDS

Applicable to 2019 financial statements

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 30 April 2019 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I) s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 9 *Financial Instruments*;
- *Classification and measurement of share-based payment transaction*s (Amendments to SFRS(I) 2);
- *Transfers of Investment Property* (Amendments to SFRS(I) 1-40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to SFRS(I) 1);
- *Measuring an associate or joint venture at fair value* (Amendments to SFRS(I) 1-28);
- Applying SFRS(I) 9 *Financial Instruments* with SFRS(I) 4 *Insurance Contracts* (Amendments to SFRS(I) 4); and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group is currently assessing the impact of the application of the above standards and interpretations.

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The estimated impact may be subject to changes arising from ongoing analysis, until the Group adopts SFRS(I) 1 and SFRS(I) 9.

SFRS(I) 1

When the Group adopts SFRS(I) in 2019, the Group will apply SFRS(I) 1 with 1 May 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2019, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

(i) Foreign currency translation reserve (FCTR)

The Group considers that restating FCTR to comply with current SFRS(I) 1-21 *The Effects of Changes in Foreign Exchanges Rate*s may not be practicable and disposals were transacted at dates that preceded the statutory record keeping periods.

The Group plans to elect the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition, and reclassify the cumulative FCTR of ($7,737,000) as at 1 May 2017 determined in accordance with FRS at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The Group expects the cumulative FCTR to increase by $7,737,000 and retained earnings to decrease by the same amount as at 1 May 2017.

40 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 May 2018.

- The following assessments have to be made on the basis of facts and circumstances that existed at 1 May 2018.
  - The determination of the business model within which a financial asset is held.
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI).
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).

- If an investment in a debt security has low credit risk at 1 May 2018, the Group plans to assume that the credit risk on the asset has not increased significantly since its initial recognition.

- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 *Financial Instruments: Recognition and Measurement* at 30 April 2018 that meet the criteria for hedge accounting under SFRS(I) 9 at 1 May 2018 will be regarded as continuing hedging relationships.

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

(i) Classification and measurement: financial assets

For financial assets currently held at fair value, the Group expects to continue measuring these assets at fair value under SFRS(I) 9. The Group plans to elect to present in OCI the changes in fair value of its Available-for-sale (AFS) equity securities that are held by the Group because these investments are not held for trading. For equity securities that have been designated at FVTPL, the Group expects to continue measuring these assets at FVTPL. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using the amortised cost model under SFRS(I) 9. The Group does not expect the classification and measurement of financial assets to have significant impact on the financial statements, except for the AFS unquoted equity securities which the Group is in the midst of determining the fair value.

(ii) Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS(I) 9, loss allowance of the Group will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- Lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and any contract assets arising from the application of SFRS(I) 15. On adoption of SFRS(I) 9, the Group expects an increase in the impairment loss allowance. The Group is currently assessing the impact of applying the expected credit loss model.

40 FULL CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND ADOPTION OF NEW STANDARDS (CONT'D)

Applicable to financial statements for the year 2020 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 January 2018:

Applicable to 2020 financial statements
- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)

Applicable to 2022 financial statements
- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 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.

The Group plans to adopt the standard when it becomes effective in 2020 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 May 2019. Accordingly, existing lease contracts that are still effective on 1 May 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangement (refer to note 36).

Until 2019, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 12.6% of the consolidated total assets and 18.4% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

1 DIRECTORS' REMUNERATION

Company's directors receiving remuneration from the Group

	Number of directors	
	2018	**2017**
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

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 19 November 2018

Issued and fully paid	697,951,877 ordinary shares
Issued and fully paid (excluding treasury shares)	692,763,317 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	544	4.96	20,382	0.00
100 – 1,000	2,930	26.71	1,889,844	0.27
1,001 – 10,000	5,318	48.49	20,063,789	2.90
10,001 – 1,000,000	2,150	19.60	119,496,531	17.25
1,000,001 – above	26	0.24	551,292,771	79.58
Grand Total	**10,968**	**100.00**	**692,763,317**	**100.00**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

The percentage of shareholding held by the public is approximately 48.64%. 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	160,244,529	23.13
2	TEO KEE BOCK	73,000,000	10.54
3	MAYBANK NOMINEES (SINGAPORE) PTE LTD	63,256,411	9.13
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	61,543,406	8.88
5	HONG LEONG FINANCE NOMINEES PTE LTD	55,257,221	7.98
6	WANG YIXIN	26,000,000	3.75
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	24,835,096	3.58
8	CITIBANK NOMINEES SINGAPORE PTE LTD	18,052,639	2.61
9	DBS NOMINEES PTE LTD	15,547,525	2.24
10	MAYBANK KIM ENG SECURITIES PTE LTD	8,660,626	1.25
11	RAFFLES NOMINEES (PTE) LTD	8,566,881	1.24
12	UOB KAY HIAN PTE LTD	5,769,857	0.83
13	PHILLIP SECURITIES PTE LTD	5,577,864	0.81
14	OCBC NOMINEES SINGAPORE PTE LTD	4,919,108	0.71
15	LEE KIM HEOK	3,068,419	0.44
16	TAN SOON HOE	2,507,092	0.36
17	GOH AH TEE @ GOH HUI CHUA	2,363,538	0.34
18	CHIA CHIAH HAK	1,780,000	0.26
19	LEE KIAM LENG DESMOND (LI JIANLONG DESMOND)	1,671,404	0.24
20	TAN HOCK SENG	1,648,527	0.24
	TOTAL:	**544,270,143**	**78.56**

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.		335,464,786	Nil
Eric Khua Kian Keong	1	19,350,056	335,464,786
Lian Hup Holdings Pte. Ltd.	2	Nil	335,464,786
Khua Hock Su	3	Nil	335,471,785
Vincent Khua Kian Ann	4	Nil	335,464,786
Khua Kian Hua	4	Nil	335,464,786
Teo Kee Bock		73,000,000	Nil

Notes :

(1) Mr Eric Khua Kian Keong is deemed to be interested in 335,464,786 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 335,464,786 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 335,471,785 shares, of which 335,464,786 shares are held by Vibrant by virtue of his shareholding interests in Lian Hup and 6,999 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 335,464,786 shares held by Vibrant by virtue of their respective shareholding interests in Lian Hup.

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

NOTICE OF ANNUAL GENERAL MEETING

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 **Friday, 28 December 2018** 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 2018 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' Fees of S$152,500/- for the year ended 30 April 2018 (2017: S$187,500/-). **(Resolution 2)**

3. To re-elect Mr Khua Hock Su as a Director retiring under Regulation 94 of the Company's Constitution. **(Resolution 3)**

   (Note: Subject to his re-election, Mr Khua Hock Su shall remain as a non-Executive Director and a member of the Remuneration Committee.)

4. To re-elect Mr Eric Khua Kian Keong as a Director retiring under Regulation 94 of the Company's Constitution. **(Resolution 4)**

   (Note: Subject to his re-election, Mr Eric Khua Kian Keong shall remain as the Chief Executive Officer of the Company and a member of the Nominating Committee.)

5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

   provided that:

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

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

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

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

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

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; 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 6)**

7. **Renewal of the Share Buyback Mandate**

That:-

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

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

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

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

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

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

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

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

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

(c) in this Resolution:

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

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

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

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

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 7)**

8. 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, 12 December 2018

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 6 proposed in item 6 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 7 proposed in item 7 above, is to renew the mandate to empower Directors of the Company to make purchases or otherwise acquire the Company's issued ordinary shares from time to time subject to and in accordance with the guidelines set out in Appendix A of the Company's Letter to the Shareholders dated 12 December 2018 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.

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.

VIBRANT GROUP LIMITED
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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 12 December 2018.

PROXY FORM

Annual General Meeting to be held on 28 December 2018

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 **Friday, 28 December 2018 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.	Approval of Directors' Fees		
3.	Re-election of Mr Khua Hock Su		
4.	Re-election of Mr Eric Khua Kian Keong		
5.	Re-appointment of Auditors		
	SPECIAL BUSINESS:		
6.	Authority to issue shares		
7.	Renewal of Share Buyback Mandate		

* 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.

Total Number of Shares Held

Dated this _______ day of ____________________ 2018

____
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 Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore) you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. (a) A member of the Company (other than a member who is a relevant intermediary as defined in Section 181(6) of the Companies Act, Chapter 50) shall not be entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting on his behalf.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 51 Penjuru Road #04-00, Freight Links Express 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

WAREHOUSING OPERATIONS AND LOGISTICS

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Tel: (65) 6262 6988
Fax: (65) 6262 6928
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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
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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
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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
Tel: (86) 512 80656666
Fax: (86) 512 80651616
E-Mail: info@fervent-industrial.com

DP-Master-Vibrant (Jiangyin) Real Estate Development Co.,Ltd
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Master Development (Jiangyin) Co., Ltd
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Economic Development Zone, Jiangyin
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Sinolink Financial Leasing Co., Ltd
Rm 217, No. 568 Hong Xu Road,
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